

The Freedom Caucus, not the GOP establishment, is negotiating from a position of strength

Daniel Horowitz

March 23, 2017

It turns out that <u>everything the GOP establishment has said until now</u> about the policy, politics, and process of repealing Obamacare has been an outright lie. They never intended to repeal Obamacare. In fact, their health care bill is <u>more insolvent than Obamacare</u>. Now we <u>know definitively that their excuses about process hurdles to real repeal were all lies, too</u>. They have no leverage to demand that conservatives accept anything less than the only solvent version of the GOP platform on health care — and that is *full* repeal of Obamacare.

Those of us who have followed the health care debate since 2010 have long known that the key GOP members, staffers, consultants, and lobbyists involved in health care have accepted the entire premise of Obamacare all along. The promise to repeal the law was one of the biggest campaign lies of all time. They referred to what we knew as keeping the core of Obamacare, ironically, as *repeal* of Obamacare! Which is why many of us promoted primary challenges to senators such as Mitch McConnell (R-Ky.) and Thad Cochran (R-Miss.). But they had enough industry money to run ads on *our* position to get elected and enact their position, which *is* Obamacare.

Now, many of those staffers have migrated to the Trump administration and are peddling their same poison. With this background in mind, it's easy to understand why we need to start over with a longer public debate about the future of health care in America. Any attempt to revive a fundamentally flawed bill overnight will not end well.

Health care is a big deal. It takes a united party that is singing on the same tune to enact a big change. Instead we've had Republicans spewing every Democrat talking point about health care and accepting every premise of Obamacare ... under the guise of repeal of Obamacare! They have nuked our messaging on the issue, and have <u>stopped litigating the case against Obamacare</u>.

To be clear, conservatives were ready for <u>full repeal on day one of this administration</u>. Now that the president and congressional leaders clearly need an education about what Obamacare is and isn't, it would be irresponsible to rush through something new — that is not simple repeal — just because of some arbitrary deadline. It's time to call a time out, start over, and get this right.

It's time to actually oppose Obamacare — for real this time

It's time for President Trump to actually lead from the front on this issue. He must use the <u>messaging from the speech before Congress</u> as his starting point. He should re-litigate the case against the status quo. He should explain to the American people how and why our health care now looks like the shelves in a Venezuelan supermarket instead of an American supermarket, and how only full repeal will help everyone, including those with pre-existing conditions. Subsidies and mandates help nobody if there is no insurance market left.

Messaging is very important, and this is why we need a party that actually believes in free markets and is willing to complete their sentences on the issues. Most Americans don't understand exactly what Obamacare is or isn't (most members of Congress and the president don't seem to know either), but they know it has destroyed the health insurance market. President Trump and Republicans need to face the reality that they either explain to the American people that the guaranteed issue and community rating regulations are what made Obamacare insolvent, or they must admit that they are keeping Obamacare.

This dynamic is born out in a poll from the Cato Institute. When respondents were asked in a vacuum if they want to keep these Obamacare regulations, the majority said they would affirm support for them. After all, who doesn't want everyone covered under every circumstance for the same price?! But when they were told that these regulations are the source of skyrocketing premiums, the quality of care going down, and access to care disappearing, the results immediately flip. Even Democrats would oppose these regulations if they think the quality of health care is being degraded.

This is the job of Trump and Republicans. They can no longer continue peddling this lie that you can somehow "repeal" Obamacare but keep the coverage mandates. That *is* Obamacare! It's like saying I want the benefits of cutting off my nose (not dealing with spring allergies) without the liabilities. They are two sides of a coin. It is dishonest for GOP moderates to run on repealing Obamacare, railing against the destroyed market, but then saying they want to keep the very elements that made it that way and disparage those who want to keep the promise. Yet, that is the sentiment expressed by some of these Republicans:

Rep. Mark Meadows (R-N.C.) and the Freedom Caucus are the only ones who have kept their promise and have put forth a solvent plan. The reality is that the only way to repeal Obamacare is to repeal all of Title I regulations. What the GOP moderates want to do is even more insolvent and would hurt even more people — without securing the massive benefits the conservative plan of full repeal would net in terms of prices and market solvency.

Nothing has changed about the process, policy, or politics of Obamacare since these individuals made their promise. If anything, Obamacare has become even more insolvent. The onus is on them to demonstrate why the Freedom Caucus is wrong, not the other way around.

While it is heartening that the White House was willing to finally discuss repealing the "essential health benefits" mandate, as I've said before that is negligible compared to guaranteed issue and community rating, as well as some other regulations in Title I. In fact, I <u>already predicted this</u> outcome in January:

"It's no coincidence that when forced to finally address the insurance regs, Republicans latch onto the least impactful of them. While there are no comprehensive studies of the cost of individual insurance regs from Obamacare, a 2008 study of state regulations published in the Forum for Health Economics and Policy found that the combination of guarantee issue regulations with community rating regulations in New Jersey were associated with an increase in premiums of as much as 227 percent. The same study found that mandated benefits accounted for only a tiny increase in premiums."

The fact that they were willing to negotiate on some regulations merely incriminates their previous position — both from a policy and process standpoint. Furthermore, it demonstrates that regulations were always the key to bringing down prices and that regulations absolutely can be repealed through reconciliation ... when they want to. This concession only makes the case for FULL repeal stronger and opposition to it indefensible.

Moreover, as the <u>Washington Examiner's Philip Klein observes</u>, repealing some regulations without the others actually creates its own set of problems, which in itself proves why its dumb to rush into anything that is not full repeal.

It's time to either keep the promise or be honest to the American people. If the price for keeping the promise or remaining honest is more time, then by all means take more time. But continuing the lies or an insolvent plan is not an option. This is one case where there is no middle ground.