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Why Republicans Can't Come Up with an Obamacare Replacement

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It took the United States three and two-thirds years to move from the standing start (to put it mildly) of Pearl Harbor to victory in World War II. Perhaps more germane, it took Franklin Roosevelt's administration two years and three months from FDR's first inauguration to conceive, refine, and enact its defining pieces of legislation, Social Security and the National Labor Relations Act—and just a few short weeks to enact federal insurance for depositors' bank accounts.

Now, compare these endeavors—some arduous, some intellectually challenging—with the Republicans' efforts to come up with a replacement for the Affordable Care Act (or, if you prefer, Obamacare), which the GOP has been proclaiming to be one of its primary goals, if not its existential purpose, for the past seven years. Seven long and apparently lean years later, however, Republicans still have come up empty. The GOP mountain hasn't even brought forth a mouse.

Time was when Reagan-age Republicans proclaimed theirs to be the party of ideas. But even clearing the rather low idea bar of 1980s Republicanism, however (which chiefly produced the deregulation of finance and the smashing of unions), seems well beyond today's conservatives. Having voted to repeal Obamacare dozens of times since its enactment (all such repeals vetoed by President Obama, of course), but having failed to come up with a plausible replacement, they now tremble at the prospective consequences of their own success.

When a party, or even more broadly, a political tendency, is so plainly befuddled by what it repeatedly has vowed to be its first policy priority, something very fundamental must be very wrong. And that "something" is fundamental indeed: It is the conservative belief that markets can fix any problem and address any need.

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If ever there were evidence that markets can't do that, it's the Republicans' inability to provide universal, or even substantial, health coverage through a more pure market system. So long as they advanced the idea that the market could handle Americans' health-care needs at the purely abstract level, in the realm of faith, as a truth validated by incantation, conservatives convinced

themselves that all would be well. Confronted now by the rude reality that any market-based replacement for Obamacare, stripped of the regulations and tax-provided funds that make it work, will lead to millions of Americans losing their coverage, a sudden weakening of Republican resolve is evident.

And what does this say of the vaunted conservative think tanks—of Cato, the American Enterprise Institute, and Heritage? They've had seven years to ponder a workable Obamacare replacement. Where is it?

In fact, back in 1989, the Heritage vice president for domestic and economic policy, Stuart Butler, did indeed **come up with** a plan of sorts. But it wasn't really an alternative to the ideas that became Obamacare. If anything, it was their source—a mix of government and market that proposed to establish an individual mandate and impose some employer obligations that would increase coverage. In various forms, this model was passed down as the Republicans' 1993 alternative proposal to Hillarycare, and then as the Massachusetts insurance program enacted under Republican Governor Mitt Romney, which served as a partial model for Obamacare itself.

This conservative model of yore was a mish-mash of regulated markets and governmental subsidies. As modified by the Obama administration and the Democratic Congress in 2009, the ACA requires individuals to have insurance or pay a penalty, and insurance companies to do things they didn't do before (covering young people up to age 26 under their parents' policies; providing affordable coverage to people with pre-existing conditions; limiting administrative overhead; charging women no more than men) in return for enlarging their client base, while the government provided funding to expand Medicaid (in states that wanted to expand Medicaid) and provide subsidies to Obamacare exchange applicants who needed them. It's a far cry from single-payer, but a far cry from unregulated markets, too.

Since 1989, however, the gap between American conservatism and observable economic reality has widened to an oceanic gulf. Whatever their efficacy in insuring the uninsured, the Butler plan, the 1993 GOP alternative, the Massachusetts model, and Obamacare all now fail to meet the pure-market test. Butler and Romney have been compelled to recant what are now regarded as their heresies lest they be driven from conservative ranks. And faced with adhering to a faith in unregulated markets or devising policies for people in the real world, the conservatives have opted to work within the confines of faith. (Of course, much of their funding for Republican elected officials and conservative think tanks is conditioned on their adhering to a facts-be-damned ideological purity.)

The Republican problem is that Obamacare is very much a fact, responsible for insuring 20 million Americans who would otherwise go without. And minus the regulations compelling insurance companies to provide affordable coverage they otherwise wouldn't, and the tax- and fee-based subsidies enabling individuals to purchase that coverage, most of those 20 million would either lose their coverage, see it greatly reduced, or face financial ruin from greatly increased rates.

Now that Americans are confronted with those facts, the number of them who consider the ACA "a good idea," despite the incessant propaganda campaign against it, exceeds those who don't (by a 45 percent to 41 percent margin in an **NBC/Wall Street Journal poll**. The **Kaiser Health Tracking Poll**, also from this month, shows the number of Americans who favor "guaranteeing a

certain level of health coverage and financial help for seniors and lower-income Americans, even if it means more federal health spending and a larger role for the federal government,” exceeds by a 62 percent to 31 percent (that is, a 2-to-1) margin those who favor “limiting federal health spending, decreasing the federal government’s role, and giving state governments and individuals more control over health insurance, even if this means some seniors and lower-income Americans would get less financial help than they do today.”

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That second alternative—the one that, by a 2-to-1 margin, Americans don’t favor—is a pretty fair approximation of what the GOP would like to do, but for the pesky demands of reality. The problem is, devising a replacement plan that still insures everyone covered by Obamacare—as the GOP has repeatedly promised it would—yet adhering to the deregulatory, subsidy-withdrawing market models to which the party fervently clings simply cannot be done.

This week, the most senior Senate Republican, Utah’s Orrin Hatch, as much as acknowledged that. According to [an account](#) in the January 18 *Washington Post*, Hatch “told reporters that it is difficult to commit to providing universal health coverage in any upcoming GOP replacement. ‘It would be wonderful if we could do that,’ Hatch said Tuesday of universal coverage. ‘We’ve never been able to do that before.’”

The *Post* noted that in 2012, Hatch had “said it was a ‘disgrace’ that so many Americans were uninsured, ‘but we cannot succumb to the pressure to argue on the left’s terms.’”

In other words, universal coverage is out of reach because it requires “the left’s terms”—that is, regulation, taxation, and subsidies. It is out of reach because it goes against American conservative ideology.

Even the coverage provided by Obamacare—which falls short of universal, but which has moved the nation in that direction—is out of reach because it goes against conservative ideology. That’s why the Republicans have spent seven years without coming up with a replacement. That’s why they don’t have a plausible one yet. That’s why, so long as they remain market zealots, they never will.