



The Hole in the Safety Net Widens: Trump's Plan to Dismantle Obamacare

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Donald Trump's stunning victory must've been especially joyous news for billionaire hedge-fund manager Daniel Loeb. The former Romney supporter **jumped on** the Trump bandwagon early, and seemingly with great confidence. During the summer of 2016 his hedge-fund portfolio Third Point bought **1.4 million shares of Humana**, one of the nation's **five biggest** private health insurers, and the 73rd largest company in America. When Trump was elected, the company's stock soared. **Within a week** of election night, they were up 10 percent. This pace didn't slow. On November 7, the company closed at **\$174 a share**; by the beginning of December it **was up to \$217**.

Loeb is hardly the only billionaire getting richer off Trump's election and off the president-elect's plan to "repeal and replace" the **Affordable Care Act** -- an impactful, if **insufficient** law that cut the **number of uninsured Americas** from about 17 percent to 12 percent and will forever be **attached to the Obama legacy**. But these soaring health industry stock prices are a sure sign that major change to health policy is indeed coming. This may be good news for billionaire investors and the private insurance industry, which, as **The Wall Street Journal reports**, is arming itself to the teeth for "a full-court lobbying press." It is, however, frightening for **many Americans who depend on the law** for access to health care. "I wish that I could be more reassuring to my patients during a highly stressful political transition, but in truth, they have reason to worry," **wrote one doctor** in a sobering New York Times op-ed.

But while Republicans have been screaming to **"repeal and replace"** Obamacare for years, what this process will truly look like is not entirely clear. To date, most GOP proposals have been short on details. However, now the GOP will try to turn platitudes into policy. This raises many questions. What will Trump's efforts to dismantle Obamacare mean for the millions who have come to depend on the ACA for access to health care? And what -- if anything -- will "replace" the law?

In addition to the immediate health repercussions for individuals, a post-Obamacare world will also have major implications for progressive politics. Will advocates for bolder health reforms now step back and simply push to reinstate ACA-like policies? It doesn't look like it. Single-payer activists, emboldened by Bernie Sanders' efforts to bring Medicare for All into the national discussion, are fighting to put a truly universal **national public health plan** back on the progressive agenda. The battle for health care justice -- and social democracy more broadly -- looks to be as active as ever in the coming years.

What "Repeal" May Look Like

When Republican presidential candidates spoke about ridding the country of Obamacare, it was often portrayed as something that could be done, literally, in their **first day in office** -- as if the massive, consequential law could be turned into vapor at the stroke of a pen. There is, however, no simple "off" switch for the law. The dismantling of the ACA, note numerous health care experts who spoke to Truthout, is more likely to be done in increments. A full dismantling could take years for the process to be complete.

Changes in health policy can be accomplished with a mixture of legislation, regulatory changes and executive orders. For instance, in May a **federal judge ruled** some subsidies in the ACA were illegal. But in May the **Los Angeles Times reported** the decision had a "good chance of being overturned on appeal." Simply by dropping Obama's appeal, Trump could weaken crucial portions of the law, without a single vote from Congress.

The fact is that with 52 senators, the Republicans simply do not have the votes for a complete repeal of every major aspect of the ACA. But the first major step taken by a GOP Congress will likely be a budget reconciliation bill, which only requires 51 votes. This process was used in passing the ACA. The ACA could not be entirely wiped out by a reconciliation bill, however, because the law is limited to measures related to taxes, spending and debt.

"We are not likely to see one sweeping law that will account for an absolute full repeal right away," said Jack Hoadley, a research professor from **Georgetown University's Health Policy Institute**, in an interview with Truthout. "So, the law can't get rid of the individual mandate, but it can eliminate the penalties for non-compliance." This would be a de facto repeal of the **individual mandate**, which depends on penalties to enforce the requirement to buy insurance.

There's a precedent for attempting to weaken the ACA by eliminating penalties: This is exactly how the end of the mandate was proposed within a bill to repeal the ACA that **passed the GOP Senate** in 2015. The bill, according to **Timothy Josh in Health Affairs**, went after "the employer and individual mandates, the high-cost employer-sponsored health plan (Cadillac plan) excise tax, and funding for Planned Parenthood." This bill, like many others, was vetoed by President Obama. But as of January 20, his veto pen runs out of ink.

The GOP's 2015 Senate bill shows what might be possible to do using reconciliation without securing a single Democratic vote. It won't reverse the ACA overnight, but it will likely put in motion enough dismantling for Republicans to sell it to its base as a repeal, and make a big to-do by signing it in public as gleeful GOP lawmakers fight to get close enough to Trump to be seen on camera.

What would this kind of bill do? The Congressional Budget Office scored this Senate bill and determined it would, if implemented immediately, **increase the number of uninsured** people from 27 million to 49 million, wiping out almost all of the gains from Obamacare. More recently, the **Urban Institute** reached similarly pessimistic conclusions in a December 6 study.

But as much as conservatives detest the ACA, they like winning elections enough to know that a rapid disruption in coverage to more than 20 million Americans would not be likely to endear them to voters in the next election. As *Forbes* **reported** on December 11, it is expected that Republicans will pass a law quickly "but delay the implementation of that repeal until 2019 or 2020."

This may buy some time for those who rely on key aspects of the Affordable Care Act that are on the chopping block -- the **exchanges**, the **Medicaid expansion**, the **subsidies**, the **minimum essential benefits** (including **mental health**, **addiction** and **pre/post-natal care**), the **out-of-pocket spending** caps and more. In fact, Healthcare.gov was running commercials selling the exchanges on television up **until the December 15 deadline**.

However, the implementation delay also poses a significant risk, says Shikha Dalmia, a senior analyst for **the Reason Foundation**, in an interview with Truthout. The Reason Foundation is a free-market think tank and a staunch opponent of the ACA, but Dalmia acknowledges that any repeal of the ACA would need to come with a replacement plan -- and it's not clear that GOP lawmakers would be able to put such a plan in place.

"The thinking is, the Republicans will pass a repeal right away but delay implementation for several years," Dalmia said. "But Republicans are in quite a jam. There are so many disagreements among different Republican groups that they may repeal [the law] and not be able to agree on a plan to replace it in time."

Replacing the ACA

Dalmia is not alone in her concern. "Repeal and replace? More like repeal and collapse," **warned** Obama's Health and Human Services Secretary Sylvia Mathews Burwell on PBS NewsHour. And access is not the only concern. As a **Commonwealth Fund** study on Trump's proposal concludes, because Trump's "proposed reforms do not replace the ACA's financing mechanisms, they would increase the federal deficit by \$0.5 billion to \$41 billion."

The process of conservatives finding a replacement package that can satiate their base, various wings of the party and industry leaders will not be easy.

"It will be difficult for the Republicans to build a coalition to support one plan," Hoadley says. There are so many moving parts." Indeed, **Paul Ryan**, **Tom Price**, the **Cato Institute**, the **American Enterprise Institute** and the **Trump campaign**, have all issued papers or plans.

So, too, did **the Heritage Foundation**, and its influence may be particularly strong.

In reporting for this article, Truthout contacted the Heritage Foundation -- one of the most influential and conservative think tanks in the country -- to ask to speak to **Ed Haislmaier**, a conservative health policy analyst who had **written about how to transition away from the ACA**. The week after the media query was made, a Heritage staffer explained that "Since Ed [Haislmaier] has now been named on the landing [transition] team for HHS [Department of

Health and Human Services] he is not doing media requests." Sure enough, the very same day Heritage replied to Truthout, the hiring was **confirmed by Politico**, where the former **Pfizer executive** was **frequently quoted** in articles.

This indicates that Trump may lean heavily on Heritage health experts to help shape his health policy. On December 14 a **post in the Weekly Standard reported:**

[The Trump administration's] legislative strategy [is] adopted largely from the Heritage Foundation's recommendations. The think tank's health care experts Nina Owcharenko and Edmund F. Haislmaier authored a brief in November that advocated a four-step process that begins: "**Maximize the reconciliation process for repeal.**" According to Mitch McConnell, this will come in the form of an "Obamacare repeal resolution" on January 3, the first day of the new Congress.

This news comes on the heels of a **November 25 report in The Wall Street Journal**, concluding that the Heritage Foundation "is poised to have a major influence on personnel in President-elect Donald Trump's administration, easing concerns among some conservatives about the ideological direction of the new government."

The story said dozens of the organization's staffers were working for the transition team or are up for jobs in the administration. "Heritage has become a hybrid of an administration-in-waiting for Mr. Trump, a policy factory for the new Republican-led Congress and a political advocacy group whose aim is to push the GOP in a more conservative direction," the **Journal concluded.**

The Heritage **platform** includes a number of proposals popular among Republicans, including less **regulation of the industry**, expanding **Health Savings Accounts (HSA)**, allowing insurance to be purchased **across state lines** and a push **toward privatization** of Medicare and Medicaid or "mainstreaming families out of [a] failing program" and into private plans. Most of these "solutions" will **hurt the people** who can least afford it: low-income people, elderly people and people who are ill.

For instance, a staple of virtually all of the conservative health care plans is an increase in the use of **Health Savings Accounts**, which are tax-free savings accounts for individuals and families with high-deductible health insurance plans. Conservatives claim that **these accounts**, created by the 2003 Medicare law, encourage people to become careful health care consumers by allowing them to use funds from their savings accounts (which are typically made up of tax-free deposits usually matched by employers) for medical expenses. The deductibles are high, which can be a major barrier for poor or sick people but is not a hardship for healthy or high-income consumers. What is not used by the end of the year can be rolled over into the following year. After retirement, one can cash out any savings in the account by paying taxes on them.

While conservatives love these plans, which are **growing rapidly**, they have a fatal flaw: They serve to dramatically reduce the redistributive element of insurance -- the very reason why **insurance exists.**

"While the poor and sick quickly deplete their HSA funds each year, the rich and healthy retain their unspent money which would have previously gone to subsidize care for the sick," a **report from the Physicians for a National Health Program (PNHP)** concludes.

The research on HSA plans support these claims. In one of the first major studies of the accounts, the **Government Accountability Office** reported that they "primarily benefit high-income individuals," and said there were "indications they were being used as a tax shelter." And in the December 2016 **issue of Health Affairs**, a study of patients who use HSAs found "those in the low-income group were far more likely to have high burdens compared to those in the higher-income groups."

HSAs are just one example of the regressive policies lauded by Trump and the Heritage Foundation. All of these plans are based on the false notion that health care is most efficient when treated as a commodity in an unregulated market.

Single-Payer and the Liberation of Elizabeth Warren

While Republicans attempt to "replace" the ACA, it is worth noting that some of the flaws in their plan also exist in Obamacare. Most notably, the ACA also treats **health care as a commodity** and relies on for-profit insurers as opposed to a public system. In this way, the US is unlike **virtually every other wealthy nation** on the planet. This is why the US has the most expensive health care in the industrialized world, **lacks universal coverage** and has relatively **poor health outcomes**. Accordingly, single-payer activists are pushing to grow a movement for a public Medicare for All system, likely **based on HR676**, which is introduced by John Conyers each session.

In a response to the election of Trump, PNHP's Steffie Woolhandler and David Himmelstein issued the **following statement**:

If there's a brighter side to this dark picture, it's that.... This shift seems likely to unmuzzle single-payer supporters who closeted themselves during the ACA era, fearful that calls for more radical reform would fan right-wing attacks. Already Elizabeth Warren, previously reluctant to criticize the ACA, has been liberated: "Let's be honest: [the ACA's] not bold. It's not transformative.... I'm OK taking half a loaf if our message was 'Here's half, now let's go get the rest.'"

Indeed, **Warren wasn't alone** among progressive **politicians**, and **organizations** who were timid about single-payer, in deference to Obama and **Hillary Clinton** who both ran on the ACA. This dynamic is greatly lessened, if not eliminated, once Trump takes an axe to the law. Moreover, the Bernie Sanders campaign has helped **energize and educate** much of the country about the merits of Medicare for All and civic engagement.

As Don McCanne **writes** at PNHP's blog, "the debate needs to be between accepting or tweaking a system in shambles or moving on to a well-designed single payer system -- an improved Medicare for All."

Given the fact that the majority of the public **supports single-payer**, and the seriousness of the health care crisis, many organizers feel that the only appropriate response to Trump's regressive health policies is an unflinching push to provide health care to everyone, from birth to death, as a human right.