

Donald Trump links Hillary Clinton to Obamacare ‘catastrophe’

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Healthcare insurance price hikes averaging 25 per cent just a week before the US election have been seized on by Donald Trump and threaten to turn off some voters from Hillary Clinton.

Mr Trump has linked Mrs Clinton to the sharp rise in healthcare insurance premiums, telling voters that President Barack Obama's signature policy, "Obamacare", is like the "Hillarycare" policy she championed as first lady.

"Obamacare means higher prices, fewer choices and lower quality," Mr Trump said, at a rally in the key battleground state of Pennsylvania this week.

"It is a catastrophe," he said, pledging yet again to repeal the 2010 healthcare law.

The Obama administration admitted last week healthcare insurance price rises for individuals buying their own coverage on exchanges would average 25 per cent across more than 30 states.

In some states, the price rises will exceed 50 per cent, as some insurers pull out of markets, citing financial losses.

About 10 to 15 per cent of Americans who buy their own insurance on exchanges will be affected.

While many people will receive government subsidies to help offset some of the price rises, the issue is flaring in the election.

"It's the type of thing that makes everybody feel uncomfortable," said Michael Tanner, a senior fellow at the Cato Institute, a free market think tank that wants Obamacare repealed and replaced.

"This was never a popular law and there has never been a time when a majority of Americans approved of it partly because the partisan way Obama pushed it through."

Adjustments acknowledged

Republicans have repeatedly tried to repeal the Affordable Care Act, including by shutting down the government for 16 days and taking the country to the brink of a sovereign debt default in 2013.

The law is President Obama's signature policy that extended a mix of public and employer-provided healthcare insurance to more than 20 million Americans and banned insurers from denying coverage to patients with pre-existing conditions.

About 90 per cent of Americans now have healthcare coverage, the vast majority through employer-related plans.

In 1993, Mrs Clinton failed to implement "Hillarycare" as first lady, a comprehensive universal public healthcare policy similar to systems in Australia and Canada.

On the campaign trail she has acknowledged Obamacare needs some adjustments, but has vowed to retain the substance of the healthcare insurance expansion.

Her husband, former president Bill Clinton let slip last month that Obamacare was the "craziest thing in the world", before clarifying his remarks.

Healthcare inflation was at record lows for the first few years of Obamacare, partly because the government initially subsidized insurers to help absorb cost increases during the transitional period. The subsidies for insurers have since expired.

Competition crimped

People buying insurance have tended to be sicker and older, while younger and healthier people have dropped out, creating an adverse selection problem.

This has contributed to price rises, as too have a reduction in competition as insurers including UnitedHealth and Aetna withdraw from some unprofitable states.

Alabama, Alaska, Oklahoma, South Carolina and Wyoming will have just one insurer offering plans on state exchanges in 2017.

Most Americans are not directly affected by the price rises, because many Americans receive employer-paid insurance as part of their remuneration.

Poor people generally receive government Medicaid coverage.

Healthcare insurance is generally provided by employers thanks to a tax break that has existed since the 1950s for covering their employees.

By international standards healthcare spending is much higher in the US but overall health outcomes are inferior.