

# LifeZette

## Get Ready for Hillarycare, Part II

*With Obamacare teetering, liberals eye opportunity for full government takeover of health care*

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August 16, 2016

Health insurance companies are bailing and co-ops are failing as Obamacare barrels down the road to collapse.

Health policy experts predict the Affordable Care Act will continue to muddle along for the next few years at least. But when the breaking point comes, experts warn the debate will center on whether to move toward a free market system or double down on government takeover of healthcare.

“I understand how a government-run health system is supposed to work,” said Michael Tanner, a senior fellow at the libertarian Cato Institute. “I don’t like it. But it’s logical. I understand how a free-market health system is supposed to work. I never understood how Obamacare was supposed to work.”

Tanner said the Affordable Care Act, Obama’s signature domestic policy achievement, tried to be “half-pregnant” by blending a free market with government controls. The predictable result, he said, has been rising costs and increased strains on private insurance companies. Insurance companies have found new customers who signed up on government-run health exchanges are sicker and costlier than they initially thought, while younger and healthier customers disproportionately have concluded that the insurance plans are too expensive.

Tanner said that in the short term, Obamacare likely isn’t going anywhere. He said Republicans don’t have the votes to repeal it, and Democrats do not want to open the law up to reforms for fear that Republicans would do more than tinker.

But Obamacare in its present form cannot last forever, Tanner said.

"In the long term, it's unsustainable," he said. "They've created a situation that is spiraling downward."

Aetna this week became the latest insurance company to reduce its Obamacare footprint, announcing that it would stop offering policies in 2017 on exchanges in 11 of the 15 states where it currently operates. The move follows decisions by UnitedHealth to exit most exchanges and Humana to pull out of almost 1,200 counties in eight states next year. Several Blue Cross and Blue Shield companies are also reducing participation.

In addition, most of the nonprofit cooperatives created under the law have failed.

Grace-Marie Turner, president of the free-market Galen Institute, said Aetna's decision is surprising because the company's leadership has been so supportive of the Affordable Care Act. But she said the firm, like others, has found it difficult to stay profitable amid rising costs caused by regulations under the law and loopholes that allow customers to game the system.

"The system is rigged against the insurance companies," she said.

Dan Kowalski, deputy national policy director for Republican Donald Trump's presidential campaign, said in a statement that Obamacare "is slowly imploding under its regulatory red tape." He reiterated Trump's vow to repeal and replace the law.

"The bureaucratic mess is costing Americans more every day," he stated. "Affordable coverage for every American will be the top priority, and under a Trump presidency the government will work for the people again."

It is far from clear what direction a post-Obamacare health system would take, however. Sen. Bernie Sanders excited progressives during the Democratic primaries with his call for "Medicare for all," and he pushed Democratic nominee Hillary Clinton in that direction. Having presided over a disastrous effort to reform health care as first lady in the 1990s — dubbed "Hillarycare" by critics — she now proposes implementing a "public option" to let people buy directly from the government. Obama could not get that, even with overwhelming Democratic control of Congress in his first term.

Tanner, the Cato expert, predicted that a public opinion of the current law would sour once it begins to hurt more people. Most Americans have been insulated from the negative effects because overall health costs have been rising more slowly and taxpayer subsidies protect millions of insurance customers from rate hikes. But he said health inflation is starting to rise more rapidly again, and insurance companies are hiking premiums.

Tanner said the makeup of Congress and the arguments made by advocates on both sides will determine what comes after Obamacare.

"It's going to depend on the debate to come ... I don't think the public has a firm opinion on it," he said. "The public is just going to say, 'Fix it.'"

Turner said the public's experience with the Affordable Care Act will likely make people wary of ceding even more control to the government.

"That's what the liberals want," she said. "I think the people are going to rebel even more than they would have without the experience of Obamacare."