



Conservatives Split Over Second Stab at GOP Health Care Bill

Critics say revised Obamacare replacement an improvement but falls short of good policy

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Senate Majority Leader Mitch McConnell (R-Ky.) unveiled the 2.0 version of his Obamacare repeal on Thursday after an initial stab drew fire from the right and left flanks of the GOP.

The revised bill includes a version of a proposal from Sen. Ted Cruz (R-Texas) to give states greater flexibility to let insurance companies sell cheaper, less comprehensive policies. It also retains the tax increases on wealthy Americans imposed by the Affordable Care Act. That would allow the government to spend an additional \$45 billion to fight the opioid abuse epidemic.

States that did not expand Medicaid under Obamacare would get more money to compensate hospitals for treating the uninsured.

Revised GOP Senate Health Plan Unveiled

Like the earlier version of the plan, the new bill would eliminate the mandate that people buy insurance, would offer less funding to help people buy insurance, and would slow the growth of spending on the Medicaid program for the poor.

Sens. Susan Collins (R-Maine) and Rand Paul (R-Ky.) — representing the polar extremes of the Republican caucus — have signaled opposition. In a Washington Examiner op-ed on Thursday, Paul argued that the bill combines the worst of Obamacare and the bank bailouts during the 2008 financial crisis.

"This time, we're bailing out the big insurance companies," he wrote.

Without Paul and Collins, that would mean that McConnell could afford no more defections, assuming that all Democrats remain opposed.

Conservative policy analysts told LifeZette that the current bill would do more to reduce premiums than a draft Senate leaders floated several weeks ago.

"Overall, the latest version of the Better Care Reconciliation Act is a step in the right direction," said Jean Morrow, a researcher at the Heritage Foundation. "It does start to help to undo the damage Obamacare caused."

Michael Tanner, a senior fellow at the libertarian Cato Institute, said he believes the bill would offer faster relief on premiums — particularly for healthier consumers — than the previous version.

"This is an incremental improvement in the bill," he said. "It still has a long way to go before it's a good bill."

The Main Features

Highlights of the bill include the following:

- \$70 billion to assist state-based reforms to reduce premiums. That is above and beyond the \$112 billion included in the original draft for that purpose.
- A provision allowing the payment of premiums from tax-sheltered health savings accounts.
- A provision allowing low-income Americans to use subsidies to buy catastrophic health plans.
- A provision changing how the government compensates hospitals for treating people without insurance. States could get waivers for continuing or improving home- and community-based care for the aged and disabled.
- Flexibility to boost spending in cases of public health emergencies. Expanded block grant options would include people who signed up for Medicaid under the Obamacare expansion.
- A fund to make payments to specified insurers for the costs of covering high-risk consumers enrolled in qualified health plans. Insurers could get money if they stay subject to Obamacare regulations.

Some conservative activists said the bill in its present form remains hopelessly flawed, amounting to an insurance company bailout that keeps the basic structure of Obamacare in place.

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"Conservatives are duty-bound to vote against the motion to proceed," said David Bozell, president of the conservative group For-America. "I agree with Rand Paul."

Republican Senate leaders insisted that the current bill is a genuine repeal.

"It repeals the core of Obamacare," Sen. John Thune (R-S.D.) told CNN.

The Cruz amendment would let states allow insurance companies to sell cheaper plans that do not comply with Obamacare mandates as long as they also sell Obamacare-complaint policies. That was enough to win support from Cruz for the overall bill. However, Sen. Mike (R-Utah),

another conservative who has pressed for more flexibility for states, issued a statement indicating that he has not decided whether to support the bill.

Rep. Jim Jordan (R-Ohio) praised the idea.

"It will actually offer the kinds of plans that consumers want," he told CNN. "Imagine that. Offering plans that patients, consumers and families would actually like to purchase and do so at a lower premium."

Despite Cruz Amendment, Critics Remain

Jason Pye, vice president of legislative affairs at FreedomWorks, called it a "step in the right direction." But he added that his conservative organization is disappointed that the bill retains some Obamacare tax hikes.

Bozell, of ForAmerica, said the Cruz amendment offers "watered-down" relief from costly Obamacare regulations — and little else conservatives have advocated for.

"I want a repeal bill, not just an amendment that does a couple of nice things," he said.

Some anti-Obamacare advocates, however, said it is vital that Congress act to stabilize the insurance markets.

"They need to pass a repeal-and-replace bill ... Either they do, or they have to go back to the drawing board," said Grace-Marie Turner, president of the Galen Institute.

Meanwhile, Sens. Lindsey Graham (R-S.C.) and Bill Cassidy (R-La.) pitched an alternative Thursday that would keep some of Obamacare's taxes in place but turn the revenue — estimated at \$500 billion — over to states in block grants.

The plan also would repeal the Obamacare tax on medical devices and offer states more flexibility in spending Medicaid dollars.

"Here's what will happen: If you like Obamacare, you can reimpose the mandates at the state level," Graham told CNN. "You can repair Obamacare if you think it needs to be repaired. You can replace it if you think it needs to be replaced. It will be up to the governors. They have a better handle on it than any bureaucrat in Washington."

Added Cassidy: "A blue state can do a blue thing; a red state, a red thing."

Turner said the Graham-Cassidy proposal might be worth considering as a Plan B if the Senate cannot pass the bill currently up for debate.

But Bozell suggested the bill is a diversion meant to browbeat conservatives into accepting the McConnell bill.

"It's just a nice, little leadership ploy to get conservatives to bite on this," he said.

Pye, of FreedomWorks, suggested that Graham is naïve if he thinks an alternative can lure support from Democrats.

"Their ultimate goal is single payer, and they've been quite open about that," he said.
"Republicans cannot work with Democrats on this. They need to stop living that dream."