



## Rand Paul Calls Trump Change ‘Biggest Free Market Reform of Health Care in a Generation’

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President Donald Trump on Thursday signed an executive order designed to give people additional health insurance options, but some health care experts said there are other steps he can take with his phone and pen.

The executive order directs the Health and Human Services, Labor, and Treasury departments to re-examine regulations governing association health plans that can be sold across state lines. Such association health plans are exempt from some of the coverage requirements that drive up the cost of health care, making them potentially attractive to healthier customers who now are forced to pay higher premiums for more comprehensive insurance.

"Seven years ago, congressional Democrats broke the American health care system by forcing the Obamacare nightmare on to the American people," Trump said during a signing ceremony at the White House. "It has been a nightmare."

The executive order would also expand short-term, limited-duration health insurance plans that do not have to fully comply with Obamacare regulations. The president also directed the agencies to explore how to expand the use of tax-free health reimbursement arrangements. The Club for Growth and a number of Republican members of Congress praised the president's action. Sen. Rand Paul (R-Ky.), who has long championed the idea of letting different groups form nationwide health associations that could give them the same purchasing power as large companies, appeared with the president on Thursday.

"President Trump is doing what I believe is the biggest free market reform of health care in a generation," he said. "This reform, if it works and goes as planned, will allow millions of people to get insurance across state lines at inexpensive prices. Twenty-eight million people were left behind by Obamacare."

Some health policy analysts have questioned how much impact the executive order could have given the restrictions imposed by the Affordable Care Act. Michael Tanner, a health policy analyst at the libertarian Cato Institute, said much will depend on the fine print. He asked

whether association plans formed by bakeries, for instance, would be closed or whether anyone could join them.

"If I can, as an individual, that would seem to undercut Obamacare regulations, because it would allow a lot of people to get out from underneath them," he said.

Liberal critics have complained that Trump's action will siphon young and healthy people out of the government-run health exchanges, which will push even more insurers to flee those markets. Tanner said that already is happening and that a faster decline might prompt Congress finally to act.

"I believe we're kind of spiraling down slowly," he said. "This could make it spiral faster." Trump, who called his executive order "truly historic," said he would continue to push Congress to restart stalled efforts to repeal and replace Obamacare. He also promised to look for other opportunities through executive action.

"Today is only the beginning," he said. "In the coming months, we plan to take new measures to provide our people with even more relief and more freedom."

What are some of those steps? Health care experts have a few ideas.

Robert Graboyes, a senior research fellow and health care scholar at George Mason University's Mercatus Center, said the Trump administration might be able to nibble away at the regulations that make insurance more expensive. Obamacare, for instance, lists 10 "essential health benefits" that insurance must provide. But it is up to the executive branch to write specific regulations defining those benefits.

Theoretically, Graboyes said, the administration could redefine what passes muster to meet the mental health requirement, for example. A skimpier set of requirements could bring down the cost of insurance, he said.

Edmund Haislmaier, a health policy expert at the conservative Heritage Foundation, said the administration could encourage the expansion of a health model already used by some that lets people pay monthly subscriptions fees for access to primary care. Under that system, doctors and other providers collect monthly fees and treat patients as needed.

The flat fee covers the cost of basic health care, and doctors provide treatment rather the billing for each individual service provided. Customers maintain separate insurance to cover major events.

Haislmaier said the model has worked well in places it has been tried. Doctors save a great deal of money on overhead and have less incentive to order tests and other services that raise the price.

Current rules treat the subscription fees as insurance premiums, prohibiting people from paying them with tax-shielded health savings accounts. Haislmaier said the administration could rewrite

the rules to allow people to use the health savings accounts to pay those fees and encourage their development.

Haislmaier said fears that Obamacare would kill off the subscription model have not materialized.

"People have a way of working around these obstacles," he said.