How Trump's New Health Care Policy Could Harm Americans

Breaking down his two-part attack on the Affordable Care Act

October 13, 2017

Since Republicans in Congress failed to repeal and replace the Affordable Care Act (ACA, or Obamacare), President Trump has taken it upon himself to dismantle America's health insurance law. First, he signed an executive order that allows the sale of cheaper insurance policies that cover less and offer fewer protections. Then, he decided to end the federal payments that help low-income people afford health insurance.

How will this play out—especially for people living with chronic illnesses like HIV or facing expensive medical treatments for conditions like cancer and hepatitis C?

A statement signed by the American Cancer Society, the American Heart Association, United Way Worldwide and 15 other health groups offers some insight: "This order has the potential to price millions of people with preexisting conditions and serious illnesses out of the individual insurance market and put millions more at risk through the sale of insurance plans that won't cover all the services patients want to stay healthy or the critical care they need when they get sick."

Trump's executive order is damaging to the ACA because, as Vox explains, it directs federal agents to "look for ways to expand the use of association health plans, groups of small businesses that pool together to buy health insurance, and to broaden the definition of short-term insurance, which is exempt from the Affordable Care Act's rules."

The end result could destabilize the ACA markets because healthier and younger people would buy the cheaper insurance—what some critics are calling "junk" insurance because it doesn't meet the requirements mandated by Obamacare, specifically, the aspects that protected against discrimination and covered people with preexisting conditions.

The statement by the health groups further explains: "Allowing the expansion of association health plans and exempting them from covering the essential health benefits—including services like preventive care, prescription drugs, or hospitalization—would mean Americans could again face arbitrary annual or lifetime coverage caps and insufficient benefits. Short-term plans would no longer be short-term, but instead could be sold for a year and renewed indefinitely. These plans can deny coverage based on pre-existing conditions and are inadequate for long-term insurance

needs.

“Together, these actions would likely split the market between those who need the comprehensive benefits provided under current law and those who are currently healthy and can gamble with substandard coverage. Siphoning off healthy people into risky, low-value plans could leave millions of Americans with chronic or serious illnesses in an unsustainable insurance pool with rising premiums and fewer choices. It could also leave those who are healthy seriously underinsured when they face an unexpected health crisis.”

With regard to ending the subsidies to help low-income people afford insurance, another Vox article spells out who’s going to be hurt the most. Surprisingly, it isn’t the people who already qualify for and receive subsidies and discounts—they’ll still pay the same because their cost is based on a percentage of their income. Instead, people who buy insurance on the market but don’t receive cost-sharing subsidies will bear the brunt of the cost because their premiums are increasing and they receive no form of aid.

“Because the president has been threatening to cut off the payments for months,” writes Vox’s Dylan Scott, “many insurers have already priced the loss of cost-sharing subsidies into their 2018 premiums. Rough estimates from actuaries say that this increased 2018 premiums by an additional 10 to 20 percent.”

In fact, the nonpartisan Congressional Budget Office estimates that ending the cost-sharing reductions resulted in 2018 premiums costing 20 percent more than they would have, a number that increases to 25 percent by 2020. What’s more, the CBO further estimates that Trump’s plan will jack up the deficit by $6 billion next year and $21 billion in 2020.

As the HIV Medicine Association notes in its own statement, destabilizing the health care market could have serious consequences for people living with the virus. “Restricting their access to health insurance coverage, and therefore HIV medications, will not only leave them sicker, but will likely contribute to an increase in new HIV infections. Both outcomes will cost more in the end and amplify existing health disparities.

“This Executive Order could begin to unravel health reforms that leveled the playing field for individuals with HIV and 52 million other Americans living with preexisting conditions. It will threaten the health of those left uninsured due to unaffordable health care costs and add additional stress to our safety net health systems such as public hospitals, dealing a blow to our attempts to control and eliminate our domestic HIV epidemic, especially in the South.”

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