Replacing Obamacare: A Look at Competing Proposals

Conservatives' health care plans benefit the young, healthy and well-to-do at the expense of the old, sick and poor.

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The chances that the Affordable Care Act (ACA, or Obamacare) is still the law of land at this point next year are somewhere between slim and none. With that being said, there is very little consensus around what will take its place. Despite the charged rhetoric from President-elect Trump, a full repeal of the ACA, as promised in his Contract With The American Voter, is unlikely for a number of pragmatic reasons. For starters, a complete repeal of the ACA would require at least 60 votes in the Senate, which isn't likely given that the GOP will only hold 52 Senate seats. And, should the 60 vote hurdle be cleared, Congressional Republicans and the Trump administration would be forced to confront the fact that replacement plans created by GOP leaders and conservative think tanks are more conceptual than practical, proving thin on implementation instructions.

For his part, President-elect Trump doesn't have a fully-formed health care plan of his own. Throughout the campaign and well into his presidential transition, both Mr. Trump's personal and professional views on health care reform have been somewhat murky. At various times, President-elect Trump has promised to both fully repeal and keep major portions of the ACA, praised Planned Parenthood while also pledging to defund it, and said that he will "take care of everyone" while releasing a health care plan that would leave an estimated 21 million people without insurance. However, if his current platform and conservative cabinet picks are any indication, it does not appear that his administration's health care policy will deviate too much from the GOP norm. It is very likely that any health care plan pushed by Trump will include the repeal of much of the ACA. What Trump and Congressional Republicans end up replacing it with is less certain, but the shape of reforms to come can be seen in previous proposals from Republican leadership and how closely they align to the health care page of Trump's transition website.

Of all the existing Republican proposals, two are currently positioned to serve as blueprints for whatever Congressional Republicans and the Trump administration agree on as a replacement for the ACA. The first proposal and frontrunning proposal was put forth by House Speaker Paul Ryan (R-WI) this past summer as part of his "A Better Way" platform, is the closest thing the Republican Party currently has to a comprehensive vision of what conservative health care policy should look like. The second proposal, the Empowering Patients First Act of 2015, is the latest in a series of

legislation proposed by Representative Tom Price (R-GA), who was recently nominated by President-elect Trump to be Secretary of the Department of Health & Human Services. A Tea Party conservative and former orthopedic surgeon, Price currently serves as chairman of the House Budget Committee and has been one of the most vocal opponents of the ACA in Congress. Ryan's A Better Way plan incorporates many of the health care reform mechanisms that are included in the Empowering Patients First Act of 2015 and, given their leadership roles within the House and HHS, there's good reason to believe that any ACA replacement plan formulated by the Trump Administration and Congress will borrow heavily from them.

There is plenty of nuance and detail to be sifted through in their health care proposals, but the defining characteristics of both are that they benefit those who are young, healthy, and well-to-do at the expense of those who are old, sick, and poor. Like the policy listed on President-elect Trump's transition site, both the Ryan and Price plans shift the burden of providing Americans with health insurance from the Federal government and society at large to the States and individual citizens. The Republican plans replace the much maligned individual mandate to purchase health insurance and the comprehensive, need-based subsidies provided through the ACA with free-market approaches that emphasize health savings accounts and the ability to purchase insurance across state lines while doling out tax credits based on age rather than income.

On the surface, the Ryan and Price plans continue to bar insurance companies from raising rates and denying coverage due to pre-existing conditions, but a closer look shows that their proposals would only prohibit insurers from raising rates on sick people if they maintain "continuous coverage." In layman's terms, this means is that if someone loses their coverage for any reason after the ACA had been repealed and replaced, the insurance companies would then be allowed to hike up their rates based on any pre-existing conditions.

As for the 14 million people who were able to receive insurance though the ACA's Medicaid expansion, most or all of them would no longer be covered by the leading Republican contenders to replace Obamacare. One of the few concrete proposals that Trump mentioned on the campaign trail was transitioning Medicaid into a block grant program. Currently, Medicaid is funded as an entitlement program where the federal government is obligated to assist states with coverage costs no matter how many people have qualified for the program. Through a block grant, states would be given a set amount of money by the federal government at the beginning of the year and would be forced to make do with what they had regardless of how many people were eligible for coverage. While theoretically not a bad thing, the purpose of transitioning the Medicaid funding to a block grant in the Ryan and Price plans is to reduce the federal contributions to the program and create more flexibility for state to adjust benefit design. There is no detailed breakdown of what effect the Medicaid block grant system would have in Price's plan, but an analysis of a Medicaid block grant proposal in Ryan's 2012 budget by the Kaiser Family Foundation estimates that that between 14 and 20 million people would lose coverage.

There are certainly a number of different directions for health care policy to go in the next 4 years, but—whether the end product looks more like Ryan's plan, Price's plan, or something else entirely—the HIV advocacy community and those who fight for quality, affordable health care for

all Americans will have their work cut out for them.

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