

Dozens of Democrats back Republican anti-Obamacare bill

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On Friday, one day after President Barack Obama announced a “fix” to the problem of cancelled individual health care policies, more than three dozen House Democrats voted to support a Republican-sponsored bill to extend the coverage. The move was a rebuke to the president, whose aides worked feverishly on Thursday to convince congressional Democrats not to back a legislative resolution to the issue.

The Republican bill would undermine Obama’s health care overhaul by allowing insurance companies to sell policies to new as well as existing customers that do not meet the requirements laid down in the Affordable Care Act (ACA).

Thirty-nine Democrats joined Republicans in a 261-157 vote to approve the legislation, sponsored by Representative Fred Upton of Michigan. There is virtually no chance the House bill will be passed by the Democratic-controlled Senate, and Obama announced he would veto the bill if it did.

At a White House press conference Thursday, Obama announced an executive action to allow insurers to continue coverage for a year for current policyholders whose insurance would otherwise be canceled because the plans do not meet ACA requirements. Obama would not, however, allow insurers to sell such plans to new customers.

An estimated 4 million people who purchased insurance in the individual market stand to lose their policies as a result of the implementation of Obamacare.

The defections indicate something approaching panic among congressional Democrats over the cancelled plans as well as the technical debacle of HealthCare.gov, the web site which was set up to sell insurance under the ACA. Enrollment figures on the federal health care exchange have been far below

government expectations. In the month following the October 1 launch of HealthCare.gov, only 106,185 people enrolled in plans, including just 26,794 at the federal site. The government had predicted that 500,000 people would sign up in the first month.

Obama has faced mounting criticism over his failure to keep his often-repeated promise: “If you like your health care plan, you can keep your health care plan.” Hundreds of thousands of people insured through the individual market have already received cancellation notices from their insurers. A growing number of congressional Democrats, many facing tight re-election races in 2014, are seeking to distance themselves from the president, whose poll numbers have plummeted to their lowest levels since he took office in 2009.

While Obama’s “fix” allows insurance companies to continue to offer the deficient plans, it does not require them to do so. A White House fact sheet on the change states simply that if people are dropped from coverage, “it will no longer be implementation of the law that is forcing them to buy a new plan.” In order for Obama’s proposal to work, state insurance regulators must approve the reinstated policies and premium rates before insurers can offer them for sale.

The move has been denounced by the insurance companies, which have been dropping people whose plans do not offer benefits such as preventive care and prescription drug coverage, as required by the ACA. It is unclear how many insurers will agree to continue the plans of people who received cancellation notices, and how much they will charge in premiums if they do.

Insurance giant Aetna has indicated it supports allowing people to retain the insurance they have, but says it will need expedited approval from state regulators to do this by the deadline of January 1, 2014.

Karen Ignagni, CEO of America’s Health Insurance

Plans, stated, “Changing the rules after health care plans have already met the requirements of the law could destabilize the market and result in higher premiums for consumers.” Insurers are concerned that if mostly healthier policy holders choose to keep their coverage, the Obamacare insurance exchanges will be left with a pool of less healthy people who are more expensive to insure, cutting into their profits.

As with the entire trajectory of the health care overhaul, the latest tweak of Obamacare is to be implemented entirely in accordance with the interests of private insurers and the health care industry. Some insurance companies have seized on implementation of the health care legislation to exit the individual insurance market altogether, making it more difficult to reinstate policies in such a short period of time.

Jim Donelon, president of the National Association of Insurance Commissioners, said in a statement following Obama’s announcement: “It is unclear how, as a practical matter, the changes proposed today by the president can be put into effect.” Donelon, the insurance commissioner of Louisiana, noted that the administrative change perpetuates the “different rules for different policies” state of affairs that Obamacare was supposed to address, and threatens the viability of the health care overhaul.

Washington state’s insurance commissioner immediately announced that he would not allow insurance companies to extend the policies. “In the interest of keeping the consumer protections we have enacted and ensuring that we keep health insurance costs down for all consumers, we are staying the course,” the commissioner, Mike Kreidler, said in a statement.

The state insurance administration in Maryland said it would convene a meeting of insurance carriers and solicit input to assess the options “from a practical and operational perspective.” Kentucky authorities said they would allow insurers to extend policies, but would leave it up to the discretion of the insurance companies to decide if they want to do so. Matt Schwartz, an insurance broker in Louisville, Kentucky, told *USA Today*, “An announcement does not mean that any change is realistic or likely, due to timing.”

President Obama met Friday with a group of health insurance executives to discuss implementation of the administrative change. The meeting, which included

the CEOs of Cigna, Aetna, Humana, and Blue Cross Blue Shield, took place shortly after passage of the “Keep Your Health Plan Act” in the House.

Surrounded by his aides and assembled corporate guests, Obama told reporters, “We want to make sure Americans have good solid coverage.” He added: “There’s going to be a collaborative process. We want to make sure that we get this done so that in the years to come, every American is going to have the kind of affordable health care that they all deserve.”

In reality, it is the insurance executives that are calling the shots. Every decision made in relation to the health care overhaul has been based on boosting the insurers’ profits while setting up a more heavily class-based system of health care delivery, in which medical care is rationed for the vast majority of the population. Obama’s “fix” on the individual market cancellations will have zero impact on this trend.



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