Democrats offer to work with Republicans in revamping Obamacare

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President Barack Obama on Friday called on Republicans to spell out their plan for replacing his signature health care law. The president said in an interview with Vox, “If it works, I’m for it,” referring to a potential replacement for the Affordable Care Act (ACA), popularly known as Obamacare.

Obama said he would support a Republican plan only if it retained certain provisions in the current law such as barring insurance companies from withholding coverage for Americans with preexisting conditions and allowing children to remain on their parents’ policies up to age 26.

President-elect Donald Trump has vowed to take steps to repeal the ACA on his first day in office.

The Republican-controlled Senate voted 51 to 48 on Wednesday to take a first step toward repealing the ACA by agreeing to take up a budget resolution that would clear the way for ending major provisions of the health care law.

House Speaker Paul Ryan (Republican of Wisconsin) announced Thursday that Republicans would move to strip all funding for Planned Parenthood as part of the process of dismantling Obamacare.

Leading Congressional Republicans have been unclear on the form and timeline for the repeal. Senate Majority Whip John Cornyn of Texas said Thursday that Republicans would try to enact individual health care measures instead of offering a comprehensive bill to replace Obamacare.

Concerned that it will be difficult to attract support for a full-scale bill, top Republicans are reportedly looking at a mix of smaller bills that could attract bipartisan support. These could be combined with executive actions pursued by Trump and Rep. Tom Price, an avowed opponent of the ACA and proponent of Medicare privatization, if he is confirmed as Health and Human Services (HHS) secretary.

“We’re not going to do a comprehensive bill,” Cornyn told CNN. “We’re going to do it in a step-by-step basis.” He said it had not been decided which aspects of the health care bill Republicans would deal with first.

On Thursday, House Speaker Ryan told reporters, “Our legislation on Obamacare, our repealing and replacing and transitioning--you know, the legislating will occur this year.” Other Republicans have spoken about a six-month timeframe.

Some Senate Democrats are appealing to Republicans to slow down the repeal efforts, making clear they are willing to offer and agree to changes to make the existing legislation supposedly work better. Such proposals have everything to do with saving face and protecting Obama’s “legacy” and nothing to do with the health needs of working class and most middle class Americans.

From the beginning, the legislation has been crafted to cut costs for the government and corporations and increase the profits of the insurance industry. The ACA’s central component, the “individual mandate,” requires those without insurance from their employer or a government program to purchase coverage from private insurers or pay a tax penalty. Modest subsidies are provided to some low- and middle-income consumers.

The heart of the Obamacare overhaul of the health care system is a shift away from the long-standing system of employer-sponsored insurance, which is deemed too generous and expensive for corporations, toward a system in which people are forced to purchase insurance on an individual or household basis from the private insurance conglomerates.

This is accompanied by a shift from the existing so-called “fee for service” system to a new model of health care delivery in which health care providers are reimbursed according to the “value” and “quality” of the care they provide. The latter terms are euphemisms for cost-cutting, to be achieved by rationing care on a class basis and denying more expensive drugs, procedures and

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tests to low- and middle-income patients.

The real focus of the horse-trading between Democrats and Republicans over Obamacare repeal will be working out the best means to retain these socially regressive aspects of Obama's "reform" while slashing or eliminating the already inadequate government subsidies for the purchase of insurance plans on the private market.

As early as 2014, moderate Democrats and Republicans in the Senate had begun looking into ways to change the law, including mitigating its effects on small businesses, examining lower-cost options on the Obamacare health care exchanges, and lowering the income levels to qualify for subsidies. All such proposals would have a negative impact on the ability of ordinary Americans to obtain coverage.

One proposal in 2014 by Democratic Senators Heidi Heitkamp of North Dakota and Mark Warner of Virginia proposed adding an inferior lower-cost, high-deductible "copper plan" through Obamacare in addition to the current platinum, gold, silver and bronze options. Most of the least expensive bronze plans already come with deductibles in excess of $5,000, which must be paid out of pocket before any coverage kicks in for services, except those deemed "essential."

Senate Republicans plan to push through a budget blueprint next week that would clear the way for the repeal of parts of the ACA, and the House plans to take up the blueprint as soon as it is approved by the Senate. House and Senate committees would then have until January 27 to produce legislation.

They would, however, need Democratic help to produce a replacement, because the Republicans' narrow Senate majority means they face the possibility of a Democratic filibuster. Three Senate Republicans have already indicated they are not committed to the ACA repeal.

Senators Susan Collins of Maine and Lisa Murkowski of Alaska have said they will not commit to an Obamacare repeal if it includes defunding Planned Parenthood. Senator Rand Paul, Republican of Kentucky, announced this week that he plans to vote against the repeal legislation because the underlying budget to which it is attached adds to the deficit.

Health insurers, hospitals, medical device manufactures and wealthy taxpayers are already demanding that a repeal of Obamacare include a repeal of the various revenue provisions that pay for the laws' premium subsidies, Medicaid expansion, extension of solvency for Medicare's hospital trust fund, and other measures. The Congressional Budget Office (CBO) has estimated that eliminating these financing provisions would reduce federal revenue by nearly $1.2 trillion over a decade.

Another scenario being floated, under a provision of Section 1332 of the ACA, would be to preserve the financing and hand the funds over to the states to set up their own coverage plans. Under this scenario, states, with federal permission, could shut down the ACA's insurance exchanges, eliminate the individual and employer mandates and minimize essential benefits.

States could then conceivably replace their Obamacare plans with models including vouchers, health savings accounts and shifting Medicaid beneficiaries into private insurance.

A top goal of Republicans is to repeal the ACA's payroll tax on high-income individuals, along with its surtax on net investment income. The CBO projects that eliminating these taxes would slash federal revenue by $346 billion over the next decade. Repeal of the investment tax would provide a $154,000 average annual tax cut to people in the top 0.1 percent of income, according to the Tax Policy Center.

Eliminating the ACA's taxes on medical device makers and on manufacturers and importers of branded drugs would cost the government $196 billion over the next decade. Ending the so-called Cadillac tax on high-cost employer plans would cost $209 billion over this same period.

While aiming their fire against Obamacare, the Republicans' ultimate targets are Medicare, the government insurance program for seniors and the disabled, and Medicaid, the insurance program for the poor.

Those promoting the Obamacare repeal say the lost revenue from the ACA taxes could be recouped by restructuring Medicare into a defined-contribution, premium-support model, i.e., voucher system, and turning Medicaid into a capped federal block-grant program to the states. Speaker Ryan and HHS secretary nominee Price have both proposed such measures.

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