

# Pledging “insurance for everybody,” Trump prepares to escalate attack on health care

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In a weekend interview, Donald Trump said that he is close to completion of a plan to replace the Affordable Care Act that will include “insurance for everybody.” In comments to the *Washington Post* late Saturday, the president elect said of his proposal, “It’s very much formulated down to the final strokes. We haven’t put it in quite yet but we’re going to be doing it soon.”

There is every reason to dismiss Trump’s claims that under his plan people “can expect to have great health care” that is “much less expensive and much better” as so much hogwash. He has not provided any specifics on how he will achieve a replacement plan with “much lower deductibles,” and a simplified and less expensive system in which all Americans are “beautifully covered.”

Trump said he is waiting for his nominee for secretary of Health and Human Services, Rep. Tom Price, Republican of Georgia, to be confirmed. Price’s hearing before the Senate Finance Committee has yet to be scheduled. Trump said he would present his plan alongside Republicans House Speaker Paul Ryan of Wisconsin and Senate Majority Leader Mitch McConnell of Kentucky.

The president-elect’s comments follow the passage Friday by the Republican-controlled US Congress of a budget resolution that will be used to roll back the health care legislation popularly known as Obamacare. Votes in the House and Senate, largely along party lines, have cleared the way for ending major funding provisions of the ACA through the filibuster-proof “budget reconciliation” process.

All the Republican proposals for replacing the ACA put forward so far, including Trump’s, call for drastic cuts to Americans’ health care coverage. These include the elimination of modest government subsidies to help defray premiums costs, and attacks on benefits through Medicaid, the health insurance program for the poor jointly administered by the federal government and the states.

Taken as a whole, these plans also take aim at Medicare, the government health insurance program for the elderly, targeting the program used by some 55 million seniors and the disabled for privatization and ultimate dismantling.

From the beginning, Obamacare was crafted as a pro-corporate, pro-health care industry law, designed to cut costs for the government and boost the profits of the private insurance companies. The ACA’s “individual mandate” requires those without insurance from their employer or a government program to purchase coverage from private insurers or pay a tax penalty.

The most affordable plans offered under the ACA come with deductibles in excess of \$5,000 and other high out-of-pocket costs, and premiums have risen an average of 20 percent this year.

But these regressive features have not stopped the Republicans, with Trump at the forefront, from denouncing Obamacare from the right as a bureaucratic and repressive government dictate against patient “freedom.” In its place, they seek to fashion legislation even more heavily class-based, in which health care is rationed for the vast majority of the population while the private health insurers, pharmaceuticals and giant health care chains continue to boost their profits.

The billionaire businessman’s pledge Sunday to hold the pharmaceutical industry’s feet to the fire to lower drug costs cannot be taken any more seriously than his claims that everyone will be insured, with “better,” “less expensive” coverage under his Obamacare replacement plan.

For all the president-elect’s unsubstantiated claims, here’s some of what we do know about the Republicans’ proposals for health care “reform”:

## **Medicaid block grants**

Trump, Ryan and Price all call for block-granting Medicaid. All of their plans advocate rolling back the expansion of Medicaid that has taken place under Obamacare, and transforming federal support for the program into fixed grants to the states to administer the

program as they see fit.

Of the approximately 20 million people who have gained insurance under the ACA, an estimated half of these did so through Medicaid and CHIP (Children's Health Insurance Program). Under current law, the federal government picks up a percentage of states' Medicaid costs, about 57 percent on average.

Under block-granting, states would receive a capped dollar amount, which would increase by a fixed amount, tagged to inflation or another measure. These increases would not keep pace with health care costs, e.g., when enrollment is greater than expected due to rising unemployment in a recession, or with increased medical costs as a result of epidemics or new illnesses like Zika.

States would be forced to handle funding crises either through raising taxes on their residents (an unlikely scenario) or by making draconian cuts to eligibility, benefits and provider payment rates. The cruelest result would be that some of those who should be eligible for Medicaid—the very poor, as well as some pregnant women, seniors and the disabled—would not receive any benefits.

An Urban Institute analysis of an earlier Ryan block grant proposal found that between 14 and 21 million people would eventually lose their Medicaid coverage. This would come on top of those losing coverage through a repeal of the expansion of Medicaid under Obamacare.

According to the Center on Budget and Policy Priorities, the House Republican budget plan for fiscal year 2017 would have cut federal Medicaid funding by \$1 trillion—or by nearly 25 percent—over 10 years, on top of the government savings from repealing the ACA's expansion of the program. By 2026, federal funding for Medicaid and CHIP would have been about 33 percent less than under current law.

## Mandates and subsidies

All of the Republican plans call for eliminating the "individual mandate" to purchase insurance and the ACA subsidies to offset the costs for consumers. They also simultaneously relieve businesses of the responsibility to provide insurance to their employees.

Trump does not spell out the details in this regard beyond calling for a repeal of the mandate. Price's "Empowering Patients First Act" would provide fixed tax credits pegged to age instead of income. These would range from \$1,200 for people aged 18-35 to \$3,000 for those 51 and older, *for an entire year*. This would barely begin to cover premiums and

out-of-pocket costs for a relatively comprehensive insurance plan.

## Cut-rate plans, rising premiums

Kentucky Republican Senator Rand Paul previewed his version of Obamacare replacement on Sunday, saying that he and other congressional Republicans have all made attempts to "insure the most amount of people, give access to the most amount of people, at the least amount of cost."

"One of the key reforms that we will do is, we're going to legalize the sale of inexpensive insurance," Paul told CNN. "That means getting rid of the Obamacare mandates on what you can buy." In other words, "access" to health care would mean health coverage that may be lower cost, but offers scant benefits.

Such plans would favor the young, healthy population—who may take a chance on such coverage, which may not offer basic preventive and other services—while making more comprehensive plans needed by the less healthy and older population expensive and out of reach.

Trump, on the other hand, has suggested that while eliminating the individual mandate he would still require insurance companies to continue covering people with pre-existing conditions, which would either cause premiums to skyrocket or cause insurers to pull out of the insurance market altogether.

While Republicans have tossed around the concept of "universal access" to health insurance coverage, such "access" does not necessarily mean everyone will be able to afford it. In particular, in the case of those thrown off Medicaid, they would be "free" to buy insurance on the open market at a cost that's far out of reach.

Trump referred in his *Post* interview to several times during the presidential campaign when he promised to "not have people dying on the street." That the president-elect felt obliged to point this out should provide cold comfort to those threatened with loss of their health coverage. Who can believe this charlatan when he says: "They'll be beautifully covered. ... What I do want is to be able to take care of people"?



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