Republicans push plan to gut Medicaid and slash taxes for the wealthy

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Top Trump administration officials appeared on the political talk shows Sunday morning to promote the American Health Care Act (AHCA), the House Republican bill for the repeal and replacement of Obama's Affordable Care Act (ACA), better known as Obamacare.

The Republican proposal builds on the core features of Obamacare, designed to boost the profits of the private insurers and slash health care costs for the government and big business.

The ACHA seeks to strengthen the grip of the for-profit health care delivery system in America while making sweeping cuts to Medicaid, the insurance program for the poor jointly funded by the federal government and the states. It also slashes financial assistance to low-income people seeking to purchase health coverage and cuts taxes for the wealthy and big business by an estimated $600 billion.

The Congressional Budget Office (CBO) is expected to release its numbers on the Republican plan today. The Brookings Institution on Thursday predicted that the CBO's analysis will likely find that at least 15 million people stand to lose coverage under the AHCA by the end of the 10-year scoring window.

In a prerecorded interview aired on NBC's "Meet the Press" Sunday, Health and Human Services (HHS) Secretary Tom Price attempted to evade moderator Chuck Todd's question: "Can you say for certain that once this bill is passed nobody, nobody will be worse off financially when it comes to paying for health care?"

Price answered by pointing to the high premiums under Obamacare and the fact that patients are forgoing health care as a result of high deductibles and out-of-pocket costs. The HHS secretary, a rabid opponent of Medicaid, Medicare and government "intrusion" into health care, knows full well the Republican plan will make the situation for millions of working people, as bad as it is under Obamacare, even worse.

Todd pointed to a recent Kaiser Family Foundation (KFF) estimate that the $4,000 tax credit that a 60-year-old in Fayette County, West Virginia would get under the AHCA "is almost $8,000 less than they would get under Obamacare." Price brushed this off, defending the Republican plan's tax credits, which would provide from $2,000 to $4,000 to those making up to $75,000, based purely on age and not income, with older people receiving the most.

A KFF analysis has found that for virtually every age group of individuals with incomes of $20,000-$40,000 and families making $40,000-$75,000, tax credits would be substantially lower under the ACHA than the subsidies provided under Obamacare.

Office of Management and Budget (OMB) Director Mick Mulvaney appeared on ABC's "This Week" program. Host George Stephanopoulos raised that independent analysts had projected that there will be about "$370 billion less in federal funding for Medicaid over the next 10 years" under the AHCA. He asked how this squared with Trump's promises during his presidential bid that there would be no cuts to Social Security, Medicare or Medicaid.

The OMB director defended the Medicaid funding cuts, saying, "The Medicaid system as it exists today is a one-size fits-all system. We fixed that. You can provide better services for less if we get the federal government out of the way."

In addition to the massive cuts to Medicaid, the AHCA would implement the de facto end of the program as an entitlement by 2020. Federal funding based on need would be replaced with a per capita cap, forcing states to cut benefits and deny coverage to

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qualified beneficiaries.

The plan would also eliminate the enhanced matching federal funds for Obamacare's expansion of Medicaid, which has enrolled about 10 million people. Taken together, these cutbacks will result in denial of benefits and care to millions of poor, disabled and elderly people and to pregnant women. Some 74 million people are currently covered by Medicaid.

Republican opponents of the bill are pushing for the funding changes to Medicaid to be pushed forward to as early as next year. Mulvaney said he was willing to consider this and other amendments to the plan.

He said, "I think Congressman Morgan Griffith from Virginia had some really good ideas regarding things like changing the expansion date or perhaps putting work requirements in on Medicaid—those are great ideas that would improve the bill. If the House sees fit to make the bill better, they'd certainly have the support of the White House."

A number of Republican governors are already pushing to impose a work requirement for Medicaid for low-income adults without disabilities.

Last year, under Obama, hundreds of thousands of so-called ABAWDs (able-bodied adults without dependents) were cut off of the Supplemental Nutrition Assistance Program (SNAP), or food stamps, due to the return in many areas of a three-month limit on benefits for unemployed adults aged 18-49 who are not disabled or raising minor children.

If a work requirement is implemented for Medicaid, recipients who cannot prove their disability, or are unable to find work, could summarily be denied benefits. Many of these individuals, the poorest of the poor, would be the same people who have lost their SNAP benefits.

Stephanopoulos raised new figures showing that the AHCA "will provide about $157 billion in tax cuts to people of incomes over $1 million in the next 10 years, yet older Americans, middle-income Americans, are going to be paying more for their insurance."

The budget director was indifferent, saying, "Look, we promised to repeal the taxes for Obamacare. That's what the bill does." He pointed to features of the AHCA that would allow people at every income level to put away unlimited funds tax-free in health savings accounts (HSAs). He also claimed that "lower premiums that come from competition" would ease the burden on ordinary Americans.

The Committee for a Responsible Federal Budget estimates that these unlimited HSAs would result in $19 billion in tax savings—almost exclusively for the wealthy. For workers and their families who are struggling to pay for basic necessities such as food, housing and utilities, the concept of squirreling away "surplus" money to pay for health care is an absurdity.

The Republicans' AHCA is making its way through various House Committees, and Speaker Paul Ryan, Republican of Wisconsin, hopes to bring it before the full House before the end of March. The Democrats are opposing the legislation, making the defense of Obamacare their main domestic agenda, second only to their anti-Russian campaign against Trump.

However, the differences between the Democrats and Republicans on health care are essentially a conflict between two right-wing factions within the ruling elite. Both parties uphold the principle of private ownership and the subordination of the health care system to the capitalist private market. Obamacare has paved the way for an even more ferocious attack on health care for the working class by Trump and the Republicans.

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