

# Facing defeat in Republican-controlled House, Trump scuttles Obamacare replacement bill

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Only minutes before a scheduled floor vote in the Republican-controlled House of Representatives, President Donald Trump and House Speaker Paul Ryan on Friday withdrew their bill to repeal and replace the Affordable Care Act (ACA), better known as Obamacare.

The move came after Ryan informed Trump that at least several dozen Republican House members would vote against it, dooming the bill to defeat. Following the decision to pull the bill, both Ryan and Trump held press conferences in which they made clear there would be no attempt to revive it for the foreseeable future, leaving the ACA in place.

The final dropping of the bill came after the White House and the Republican House leadership had abruptly postponed a scheduled vote on Thursday, issuing assurances that the postponement was not a retreat and the bill would be voted on and passed the next day.

The scuttling of the bill is a political embarrassment for the Republican Party, which has made the repeal of Obamacare a rallying cry ever since the ACA was signed into law seven years ago. Trump had repeatedly pledged during his election campaign to repeal and replace the Obama-era health care overhaul, and he made it the first legislative priority of his new administration.

The heart of the defection within Republican ranks that doomed the bill—a savage assault on health care for working people that went beyond the already anti-social and reactionary framework of Obamacare—was the steadfast opposition of some 30 arch-reactionaries in the so-called “Freedom Caucus.” They demanded that every mandate and regulation on the insurance monopolies carried over from the ACA in the Republican bill, called the American Health Care Act, be removed.

Trump and Ryan had already acceded to the Freedom Caucus demand to end the requirement that insurance plans provide essential benefits such as maternity and pediatric care, emergency services such as ambulances,

mental health coverage and other rudiments of health care. They had also agreed to allow states to impose work requirements on recipients of Medicaid, the federal-state health plan that covers some 74 million poor people, and permit states to take their federal funds in the form of block grants, ending Medicaid as an open-ended entitlement program.

But the Tea Party zealots in the “Freedom Caucus” also demanded the lifting of a ban on insurers denying coverage based on pre-existing health conditions, the elimination of a provision allowing people to remain covered by their parents’ plan until age 26, termination of a ban on the imposition of yearly or lifetime caps on insurance benefits, and the quashing of a requirement that insurers spend at least 80 percent of premiums on health benefits of clients.

This was a bridge too far for Trump in the face of polls showing overwhelming popular opposition to the original version of his health bill and rapidly declining support among those sections of lower-income voters whose backing had been critical to his winning the electoral vote last November.

According to the Congressional Budget Office, the final version of the Republican bill would have stripped 14 million people of health coverage next year and a total of 24 million by 2026. It would have, on net, cut health care spending by \$1.15 trillion and slashed taxes for the wealthy and for health corporations by \$999 billion.

While the collapse of the bill is a significant setback for Trump, the claim by Democratic leaders that it is a “victory for the American people” is a lie. The failure of the Republican bill leaves in place the scheme largely devised by the insurance and health care corporations and implemented by the Democrats under Obama, which has already dramatically cut health benefits for millions of working people, increased their out-of-pocket costs, and imposed deductibles so high as to make it impossible for

many workers who have policies to see a doctor or obtain prescription medicines.

Obamacare is a program to slash costs for the corporations and government, undermine employer-paid insurance, and impose the burden of extending bare-bones coverage to some 20 million previously uninsured people on the working class as a whole.

The split in the Republican ranks over the Trump-Ryan bill mirrored the split within the corporate elite. Major corporate lobbying groups, including those representing the hospital chains and doctors, had come out in opposition to the bill, while the Chamber of Commerce and manufacturing associations had backed it.

In general, the American ruling class deems Obamacare a useful framework for restructuring the health care system to the detriment of working people and the benefit of itself.

Moreover, the financial markets have made it clear they want Trump to move on from health care to what they consider more pressing matters—passing a sweeping cut in corporate taxes, massively increasing military spending and implementing a \$1 trillion corporate-friendly infrastructure program.

In their postmortems before the press, both Ryan and Trump made clear that they had gotten the message. “We now move on with the rest of our agenda,” Ryan declared, adding that there was “more agreement” on tax reform, the military and the border wall.

Trump said he would “probably be going now for tax reform, big tax cuts,” an assertion he reiterated several times in the course of his brief and rambling remarks.

Nor will there be any let-up in the attack on health care. Both Ryan and Trump hinted that the administration would use its executive powers to slash away at Obamacare restraints on the health care industry and restrict eligibility and benefits for recipients, particularly those who depend on Medicaid.

Ryan said ominously, “There are things the secretary of health and human services can do.” He was referring to Tom Price, a rabid opponent of both Medicaid and Medicare, the government health program for the elderly.

Trump repeatedly predicted with relish that Obamacare would implode. “It will have a very bad year,” he said, suggesting that he and Price would do their best to undermine the program.

Already last week, Price and Seema Verna, the administrator of the Centers for Medicare and Medicaid Services, sent a letter to state governments saying they were open to granting waivers to allow states not only to

add work requirements for Medicaid recipients, but also to require them to pay premiums and co-pays. Price will also do everything in his power to weaken or remove Obamacare mandates and rules that limit the scope of insurers to reduce their costs and boost their profits by cutting benefits and increasing out-of-pocket costs for the insured.

Both Trump and the Democrats signaled their readiness to collaborate in devising new means to slash health care benefits. “When Obamacare explodes,” Trump told the press, “the Democrats will get together with us to work out a health care bill. I’m all for that.”

At the press conference called by the House Democratic leadership, Democratic Whip Steny Hoyer, after calling the failure of the Republican bill “a good day for America,” said, “I hope we can work with the administration and the other side to retain Obamacare.”

The Democrats have more generally made clear their eagerness to work with the Trump administration in implementing corporate tax cuts, an infrastructure program that will provide huge tax breaks for private companies, and increases in military spending.

One aspect of the negotiations over the failed Republican bill that merits particular attention is the manner in which the far-right Freedom Caucus, only months ago considered a fringe group even within the Republican Party, has been elevated and presented by the media as a perfectly legitimate and authoritative voice of “conservatism.” These unabashed toadies of big business and rabid enemies of the working class, who advocate the immediate destruction of all social programs, have effectively become the arbiters of social policy in the US, wielding veto power and pushing the so-called “debate” ever further to the right.

Unless the working class intervenes independently to defend its interests in opposition to the entire political establishment and the capitalist system it defends, the outcome of the current turmoil within the Trump administration and the political elite will be a further lurch to the right and drastic acceleration of the onslaught against the social interests and democratic rights of working people.



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