

# Republican health plan would leave 23 million uninsured, budget office says

Kate Randall  
26 May 2017

The Congressional Budget Office (CBO) released its scoring on the American Health Care Act (AHCA) Wednesday. The CBO's score on the House Republican health care bill, aimed at "repealing and replacing" the Affordable Care Act (ACA), is further confirmation that the AHCA is reactionary legislation that builds on the pro-corporate framework of the legislation commonly known as Obamacare.

The Republican bill passed narrowly in the US House on May 4 without a scoring from the federal agency. An earlier version of the bill was pulled before a vote in the House due to lack of support. The CBO report shows that the AHCA would leave 23 million fewer insured in the US by 2026 than under current law.

This would mainly be achieved by slashing \$824 billion from Medicaid, the social insurance program jointly administered by the federal government and the states that covers 74 million Americans. It would also drive up premiums and cut coverage for older Americans and those with preexisting conditions.

The AHCA is also a boondoggle for the rich, slashing \$664 billion by repealing or delaying taxes on high-income people, fees imposed on manufacturers, excise taxes enacted under the ACA, and modifying various other taxes in favor of the wealthy.

The CBO score on the AHCA comes just days after the Trump administration released its 2018 fiscal year budget. The budget plan would cut more than \$1.4 trillion over 10 years from Medicaid, building on the AHCA's spending reductions and adding its own \$610 billion in cuts.

The AHCA would effectively end Medicaid as an open-ended entitlement program by providing federal funding in the form of per-capita caps or block grants. It would end the expansion of Medicaid under the ACA, which has provided coverage to millions of poor

adults earning up to 133 percent of the federal poverty level. It would also allow states to impose work requirements for Medicaid enrollees.

While the CBO found that the revised AHCA would bring down overall premiums in the individual market by 4 to 20 percent by 2026 compared with current law, premium costs would vary widely. This would depend on whether a state accepts waivers under the AHCA that would allow insurers to offer much skimpier plans, which would come with lower premiums. States that don't seek such waivers would have plans with more benefits, but at a higher cost.

The AHCA would be devastating to older Americans who rely on the individual insurance market. In general, the older and poorer you are, the higher the premium compared to under Obamacare. Insurers would be allowed to charge five times more for older Americans than for younger people, compared to three times under current law.

The CBO shows the example of a single, 21-year-old with an annual income of \$26,500. Under the ACA, this person would pay on average \$1,700 a year (when ACA subsidies are taken into account). Under the AHCA, this person would pay \$1,250 if he or she were in a state that accepts waivers, \$1,750 if the state does not.

However, a 64-year-old who pays \$1,700 under Obamacare (with subsidies) would pay \$16,100 under the AHCA in a state that doesn't accept waivers, \$13,600 if he or she lives in a state that does. *This means this person would pay a third to a half of annual income on health insurance.* The more likely scenario, however, is that people would go uninsured, or try to seek out some type of "catastrophic" plan that provides marginal protection against emergencies.

Despite promises by Trump that people with

preexisting conditions would be “taken care of” under any Republican plan, the CBO report shows that these people would fare no better than older Americans and the poor. While the AHCA allots \$117 billion over a decade for Patient and State Stability Fund Grants to help people with preexisting conditions pay for coverage, this will hardly make a dent in the need for assistance.

In one of the most damning passages from the report, the CBO writes:

“People who are less healthy (including those with preexisting or newly acquired medical conditions) would ultimately be unable to purchase comprehensive nongroup health insurance at premiums comparable to those under current law, if they could purchase it at all—despite the additional funding that would be available under [the AHCA] to help reduce premiums. As a result, the nongroup markets in those states would become unstable for people with higher-than-average expected health care costs.”

The Republican plan allows insurers to seek waivers to set premiums on the basis of an individual health status—e.g., a preexisting condition—if the person has allowed his or her coverage to lapse for more than 63 days.

It would also allow states to seek waivers allowing them to modify what constitutes essential health benefits (EHBs), meaning they could offer plans without services such as maternity care, emergency room service, prescription drugs, substance and mental health treatment, and other vital health services. People purchasing such plans would be “insured” in name only.

Under the AHCA, the vast majority of Americans would be even more at the mercy of the for-profit health insurance companies, which would be freed from many of the restrictions imposed under Obamacare. However, President Obama’s signature legislation has laid the framework for the Republicans’ bill.

The ACA, Obamacare, bears no relation to near-universal, affordable health care. Its key component, the “individual mandate,” requires individuals without insurance from their employer or a government program to purchase insurance from a private insurer or pay a tax penalty.

While the AHCA does away with the individual mandate, it frees up the insurance companies to more

severely penalize the sick and poor, and to hike premiums to boost their profits. Most fundamentally, it makes deep inroads into Medicaid as the first strike of the ruling elite in dismantling the health care program for the poor, along with Medicare, Social Security and other reforms won by the working class in struggle.

Whatever protestations the Democrats make of the AHCA, they agree in principle that health care, a social right of the working class, should be subordinated to the profits of the health care industry. With the legislation now having moved to the US Senate, whatever is passed will inevitably mark a further and devastating assault on health care, with devastating consequences for millions of people.



To contact the WSWs and the  
Socialist Equality Party visit:

**[wsws.org/contact](https://wsws.org/contact)**