Congressional Budget Office report: Senate bill will strip 22 million of health insurance

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27 June 2017

The Congressional Budget Office (CBO) reported Monday that under the Republicans' Senate bill to "repeal and replace" Obamacare there would be 15 million fewer Americans with health insurance in 2018 than under current law, a number that would rise to 22 million by 2026. This massive assault on health care for working people would bring the total number of uninsured by 2026 to 49 million, as compared to the already disgraceful figure of 28 million under Obamacare.

As in the House version of the measure passed last month, the central feature of the Senate Republicans' "Better Care Reconciliation Act" is a devastating cut in funding for Medicaid, the government health care program for the poor, the disabled and millions of elderly people. Both versions of the so-called "reform" would effectively end Medicaid as an "entitlement" program that provides guaranteed benefits, requiring government funding to increase to meet increased need.

Instead, funding for the program would be capped on a per capita basis or by means of block grants to the states. The individual states would have the power to tighten eligibility, reduce benefits, introduce co-pays and deductibles and otherwise gut the program.

Passage of the Senate bill and Trump's signing into law of a composite version following negotiations between the two chambers would mark a milestone in the destruction of the bedrock social reform measures of the 1930s and 1960s, with Medicare, the government health program for the elderly, and Social Security, the government pension program, next in line for dismantling.

The CBO estimates that the Senate bill would slash Medicaid spending by $772 billion over 10 years. Enrollment in the program would fall by 16 percent, with 15 million fewer beneficiaries than under current law. This would occur mainly through the termination, beginning in 2021, of the expansion of Medicaid under Obama's 2010 Affordable Care Act (ACA), which added 11 million previously uninsured people to the Medicaid rolls.

Medicaid currently serves some 75 million people, about 20 percent of the US population. This includes 30 percent of all adults with disabilities and 60 percent of children with disabilities, as well as 64 percent of all nursing home residents.

The punitive impact of the bill extends well beyond those on Medicaid, however. According to the CBO, the measure calls for a total cut in spending for health care of $1.02 trillion over 10 years. This includes a reduction of $408 billion in various forms of subsidies for people who purchase insurance from private companies on the Obamacare exchanges.

The CBO concluded that in addition to the Medicaid cuts, "substantially smaller average subsidies" in the individual market than those provided under Obamacare would leave millions more people uninsured. Deductibles and copays, already outrageously high under the ACA, would skyrocket even higher, making insurance unaffordable for many low- and even middle-income people. The biggest impact would be on individuals with incomes about double the official poverty line, roughly $30,000. The share of uninsured in this income group would rise from 15 percent to 40 percent.

The demographic targeted for the most savage attack is low-income elderly people below the Medicare eligibility age of 65. The CBO estimates that insurance premiums for this group would rise by 280 percent over the next decade.

Under Obamacare, insurance companies were allowed to charge older Americans as much as three

times what they charge a 21-year-old, itself an obscene concession to the profit greed of the insurance industry. Under the Senate bill, as well as the House version, they can charge five times as much. As a result, a 64-year-old making $26,500 a year on track to pay $1,700 in annual premiums under current law would pay $6,500 under the Senate bill.

The Senate bill is supposedly less "mean" than its House counterpart because it nominally retains the Obamacare ban on insurance firms discriminating against consumers because of preexisting health conditions. This, however, is rendered almost meaningless by the fact that the Senate bill incorporates a House provision allowing individual states to be granted a waiver from enforcing a separate provision of the ACA requiring insurance policies to provide 10 "essential benefits."

As a result, companies would be able to compensate for charging affordable premiums by denying coverage for such things as doctor's services, inpatient and outpatient hospital care, ambulance service, prescription drug coverage, pregnancy and childbirth care and mental health and substance abuse services.

The bulk of the money saved by condemning tens of millions of people to sickness and an early death will be handed over to the rich in the form of more than $700 billion in tax cuts for corporations and the wealthy.

The CBO estimates that the Senate bill would reduce the federal deficit by $321 billion over 10 years, a substantially greater savings than the $119 billion in the House bill. It is expected that some of this will be used by Senate Majority Leader Mitch McConnell (Republican from Kentucky) to fund marginal increases in funding for such things as the opioid epidemic and rural hospitals, as demanded by some of the approximately 10 Republican senators who have announced either skepticism of the current version of the bill or opposition to it.

McConnell is pushing to bring the measure to a floor vote by the end of this week, before the traditional July 4 holiday recess, when lawmakers will return to their districts to face voter outrage over the massively unpopular attack on health care. He faces opposition from a handful of "moderate" senators whose states are highly dependent on Medicaid, as well as from a group of far-right senators who say the bill does not go far

enough in dismantling Obamacare, gutting Medicare and removing all restraints on the health care industry.

The Republicans are using a "budget reconciliation" procedure to bypass the possibility of a Democratic filibuster, which would require 60 votes to break. With a 52-48 majority over the Democrats, who are expected to vote as a block against the bill, the White House and Senate leadership can afford to lose only two Republican votes. (In the event of a 50-50 tie, Vice President Mike Pence will be able to cast the deciding vote for passage of the bill).

On Monday, McConnell released an amended version of the draft bill that had been issued last Thursday. The new version, which will undoubtedly be further tweaked in the coming days, is even more reactionary than the original. Under pressure from the insurance industry, the Republican leadership added a provision designed to prevent people from waiting until they are diagnosed with a disease or become ill to purchase insurance. It allows insurance companies to impose a six-month waiting period on individuals who buy insurance but let their coverage lapse for 63 days in the prior year.

Under this provision, people who are diagnosed with diseases such as cancer, diabetes or multiple sclerosis will be unable to obtain treatment for months, a virtual death sentence for many.

The Democrats, far from offering serious resistance to the Republican attack, are pleading with McConnell and company to negotiate a bipartisan "compromise" that does not replace Obamacare, but "fixes it." The latter term is a euphemism for making Obamacare even more pro-corporate and anti-working class by adopting provisions being demanded by the insurance companies to further underwrite their profits.

Typical were the remarks of Connecticut Senator Richard Blumenthal on the MSNBC cable news network on Monday. The Democrats are "ready, willing and hope to sit down with our Republican colleagues," he declared, adding, "The country is hungry for bipartisanship."