In wake of Republican failure on ACA repeal

Trump administration moves to undercut Medicaid and Obamacare exchanges

Kate Randall
1 August 2017

Republican efforts to repeal and replace Obamacare (ACA) came to an end, at least temporarily, on Friday when the US Senate voted to reject the Health Care Freedom Act. The 49-51 vote to defeat the legislation was the third in as many days.

Three Republican senators voted against the measure: Susan Collins of Maine, Lisa Murkowski of Alaska and John McCain of Arizona. McCain, who had made an unexpected return to Washington last Tuesday after a serious brain cancer diagnosis to cast the deciding vote allowing debate on the legislation to proceed, also provided the decisive vote to quash the bill put forward on Friday.

The House version of legislation passed in May, the American Health Care Act (AHCA), and Senate's Better Care Reconciliation Act (BCRA), along with their various versions, proposed to cut between $756 billion and $880 billion over a decade from Medicaid, the social insurance program for the poor, elderly and disabled, which is jointly administered by the states and federal government.

The House and Senate bills would also have thrown anywhere from 14 million to 19 million people off the Medicaid rolls. The legislation proposed huge cuts to taxes on the wealthy and corporations and would have raised premiums and cut services for those in the ACA marketplaces. Most importantly, however, it would have begun the process of ending Medicaid as a guaranteed benefit based on need through imposing block grants or per-capita caps on Medicaid funding to the states.

McCain's "no" vote, however, reflected not his sympathy with the plight of Medicaid recipients and workers looking for affordable insurance, but his response to tremendous pressure from the insurance industry to oppose the legislation.

The final measure put to a vote, the so-called skinny repeal, would have rescinded the ACA's mandates that individuals without insurance purchase it under threat of penalty and that large employers provide insurance to their workers. It did not, however, offer an alternative to shore up the private insurers on the Obamacare marketplace.

As the leading trade group, America's Health Insurance Plans, wrote: "We would oppose an approach that eliminates the individual coverage requirement, does not offer alternative continuous coverage solutions, and does not include measures to immediately stabilize the individual market."

In the wake of Friday's collapse of the Senate legislation, President Trump tweeted: "3 Republicans and 48 Democrats let the American people down. As I said from the beginning, let ObamaCare implode, then deal. Watch!" Such a policy, which would be considered reckless by the private insurance industry from the standpoint of its profits, would also cause premiums to skyrocket and millions to lose their coverage.

The Trump administration, however, is not concerned about the plight of ordinary Americans under such a scenario. The Republicans have campaigned against Obamacare on a completely false premise: that they stand for patient "choice" and "freedom" in the health care market.

Health and Human Services (HHS) Secretary Tom Price appeared Sunday on NBC's "Meet the Press" peddling the same lies. "Well I think what the president has explained and punctuates is his seriousness about

this issue and his passion for turning the health care system in a direction that puts patients first, not government and not insurance companies," Price said.

Asked by moderator Chuck Todd whether the administration would work to sabotage the ACA, through cancelling television advertising for ACA enrollment, recalling contracts to help with enrollment, and discouraging further expansion of Medicaid, Price said, "Our job is to follow the law of the land and we take that mission very, very seriously. And the role of the Health and Human Services department is to improve the health, safety and the well-being of the American people."

Price's statements aside, having been dealt a temporary setback, the Trump administration is already looking at ways it can undermine the Obamacare markets, as well as begin and deepen the attacks on Medicaid that were included in the failed Senate and House legislation.

Under one option, Trump HHS officials could engineer lower enrollment in Medicaid by approving applications from several Republican-controlled states looking to reduce their budgets for the program.

According to Kaiser Health News, Indiana, Arkansas, Kentucky, Arizona and Wisconsin are seeking the Trump administration's permission to require adult Medicaid enrollees to work and submit to drug testing, as well as to demand that some of their poorest enrollees pay monthly premiums for services that have always been free.

Other states, including Maine, are expected to apply once these states get the go-ahead.

Many states had already received Medicaid waivers under the Obama administration. Officials in Iowa won authority to limit non-emergency transportation, and Indiana received approval to charge premiums and lock out enrollees with incomes above the poverty level if they fell behind on paying premiums.

In relation to the ACA marketplace, this past spring Trump threatened to withhold cost-sharing reduction payments that pay back health insurers for the increased cost of certain Obamacare plans. Without these payments, health insurers might stop offering plans, causing consumers to lose coverage, according to the Commonwealth Fund.

The health of the ACA market relies on signing up new enrollees, but enrollment is highly dependent on marketing and promotion of the exchanges. Spencer Perlman, director of health care research at Veda Partners, an investment consultancy, told MarketWatch: "The [HHS] secretary can undermine the functioning of the ACA by refusing to encourage enrollment."

Congressional Democrats have responded to the Republicans' temporary setback on repealing Obamacare, not by rallying popular support to extend access to affordable health care and to defend and expand Medicaid, but by offering to work with the Republicans to "fix" Obamacare.

In fact, it was Obamacare that laid the basis for Trump and the Republicans' offensive against health care. It implemented the principle of partially subsidizing the purchase of insurance from private companies with government vouchers—the framework long advocated by Republicans seeking to privatize Medicare.

Basing itself on the for-profit capitalist market, the Obama legislation slashed health care costs for corporations and the government while increasing out-of-pocket costs for tens of millions of workers. In the process, it cut billions from Medicare, the health care program for the elderly and disabled. This opened the way for an assault on the social reforms of the 1930s and 1960s wrested from the ruling class as a consequence of great working class struggles.

The working class must advance its own independent strategy in opposition to the bipartisan conspiracy against the basic social right to high-quality, affordable health care. Human health must no longer be subordinated to corporate profit. The health care industry must be taken out of private ownership and placed under the democratic control of the working class, establishing socialized medicine.