

Senate Republicans push for another Obamacare “repair and repeal” bill

Kate Randall

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Senate Republicans are pushing for passage of their latest version of legislation to repeal and replace the Affordable Care Act (ACA).

The latest proposal by Senators Bill Cassidy of Louisiana and Lindsey Graham of South Carolina is even more reactionary than the American Health Care Act (AHCA) passed by the House in May. The Cassidy-Graham bill would slash billions from the Medicaid program for the poor, elderly and disabled by making deeper inroads into ending it as a guaranteed program based on need.

The move follows the failure in late July to pass a scaled-down plan to replace Obamacare, which went down to a 49-51 defeat for the Republicans and the Trump administration, with three Republicans voting against it: Susan Collins of Maine, Lisa Murkowski of Alaska and John McCain of Arizona.

It is unclear whether the bill will garner the 50 Senate votes it needs to pass, with Vice President Mike Pence standing by to provide the final vote to make up a simple majority. Under the arcane rules of “budget reconciliation,” the bill needs only a simple majority instead of the usual 60 required for most legislation. It also must be passed by September 30, the end of the fiscal year.

Speaking at a press conference Tuesday afternoon, Senator Graham made clear the aim of the legislation. “Here’s the choice,” he said, “Either socialism or federalism for your health care.” Urging Senate Republicans to support the measure, he said, “This is the only bill we have to stop the march toward socialism.”

Graham praised the 1996 welfare “reform” bill passed under the Clinton administration, saying that the Senate had the chance now to do to Medicaid what that legislation did for welfare, which was to “end welfare as we know it.” And that is what the legislation sets out to do, while at the same time leaving millions more

uninsured, raising premiums, gutting protections for those with pre-existing conditions, and denying vital medical services and treatments.

The Senate Republican leadership aims to push through their legislation without a full scoring by the Congressional Budget Office, although the CBO has said it will have a partial financial score “early next week.” But according to an analysis by the Center on Budget and Policy Priorities (CBPP), similar to the other Republican versions of “repeal and replace” the legislation would significantly cut federal funding for health coverage over the next decade.

According to the CBPP, the cuts would grow dramatically in 2027, when the bill’s temporary block grants (which would replace the ACA’s Medicaid expansion and marketplace subsidies) would expire and its Medicaid per capita cap cuts would become even more severe. CBPP estimates that “in 2027 alone, the bill would cut federal health care funding by *\$299 billion* relative to current law,” with cuts affecting all 50 states.

Most importantly, beginning in 2027, Cassidy-Graham, on top of phasing out and eliminating the ACA’s Medicaid expansion, would add large cuts to the rest of Medicaid by imposing a per capita cap on the entire program. The CBO previously estimated that a straight repeal-without-replace approach would ultimately leave 32 million more people underinsured than under present law. This latest version would undoubtedly result in even deeper coverage losses in the subsequent decade as the cuts deepen due to the per capita cap.

Instead of the existing federal-state set-up, under which the federal government pays a fixed percentage of a state’s Medicaid costs, Cassidy-Graham would cap federal funding at a set amount per beneficiary, irrespective of actual Medicaid costs. Each year the cap would grow at a slower rate than the projected growth in state costs per beneficiary.

CBPP writes: “Prior CBO estimates suggest that Cassidy-Graham would thus cut the rest of Medicaid (outside the expansion) by \$175 billion between 2020 and 2026, with the cuts reaching \$39 billion (8 percent) by 2026, relative to current law.” The aim is clear: to increasingly starve Medicaid of funds to ensure its ultimate end as a guaranteed program based on social need, leaving in its place an ineffective “poverty program” shell.

Through block granting Medicaid, states would be allowed to obtain waivers of ACA protections and benefit standards for any insurance plan subsidized by block grant funding. For example, if a state chooses to provide even a tiny subsidy through block grants, they would have the possibility of waiving their protections for the state’s entire individual market. States seeking waivers would have to explain how they “intend” to maintain protections for people with pre-existing conditions, but would not actually have to prove that they were doing so.

The legislation would also do away with prohibitions against insurance companies charging people higher premiums based on their health status. Insurers could “offer” plans, but with unaffordable premiums of possibly tens of thousands of dollars, this would basically amount to a denial of coverage.

Likewise, under the Cassidy-Graham plan, states could allow insurers to restore exclusions for “essential health benefits,” such as maternity coverage, substance abuse treatment, mental health care, rehabilitative services, and pediatric benefits. CBPP estimates that states accounting for half of the nation’s population would choose to allow insurers to exclude essential benefits.

If Senate Majority Leader Mitch McConnell chooses to bring the legislation to a vote, he would presumably offer Cassidy-Graham as an amendment to the AHCA. If that amendment received the votes of 50 senators the Senate could proceed to final passage, which could also occur with a simple majority vote.

If the bill moved to the House, in order to conform to the rules of reconciliation it would have to be passed word for word with no opportunity for debate or changes. Graham says he has the assurance of House Speaker Paul Ryan that he is ready pass it, and a White House official said the president is ready to sign it into law.

The Republicans’ ability to garner 50 votes is far from a certainty. Senator Rand Paul (Kentucky) has said he is a definite “no” and Senators Collins, Murkowski and McCain have not made their positions clear.

Under Cassidy-Graham, money would be taken from

high-cost, largely Democratic-run states like New York and California and shifted to poorer states, mostly Republican-run, and it is unclear how Senators from states affected will vote. Ultra-conservative Senate Republicans are hostile to any plan that preserves any part of the ACA’s structure.

Moves to push through Cassidy-Graham come against the backdrop of last week’s unveiling of Bernie Sanders’ single-payer “Medicare for all” legislation, which has been brought forward to provide a political cover for the Democrats’ backroom dealings with the Trump administration on health care, tax cuts, immigration and other issues. Sanders and his 15 Democratic co-sponsors in the Senate know that such legislation has no chance of being debated, let alone voted on in the Senate.

Congressional Democratic leaders have made clear that they are still ready and willing to work with Republicans to “fix” Obamacare. But their definition of “fixing” the ACA is based on “stabilizing the insurance markets.” In this stabilization, there is no talk of expanding insurance coverage, reining in the profits of the health care industry, or defending Medicaid and Medicare, the government social insurance program for seniors.

It is in fact Obamacare that has laid the basis for the block-granting and per capita caps being proposed now by Republicans in relation to Medicaid, by setting up what amounts to a government voucher program on the ACA insurance exchanges.

Working people must be warned against any illusions that the Democrats can be pressured to defend their right to high-quality, affordable health care. The bipartisan assault on health care is one more demonstration of the incompatibility of basic social needs with the capitalist profit system.

The right to quality health care for all can be secured only through the independent mobilization of the working class, in opposition to the entire political establishment and both big-business parties, and the establishment of genuine socialized medicine.



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