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House Republicans pass draconian health care legislation

Bill would end Medicaid as a guaranteed program based on need

By Kate Randall

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On Thursday, the US House of Representatives passed the American Health Care Act (AHCA) in a narrow 217 to 213 vote. The measure is the first major step in President Trump and the Republicans' vow to "repeal and replace" the Affordable Care Act (ACA), Barack Obama's signature domestic legislation.

The AHCA is a reactionary bill that builds on the regressive, pro-corporate framework of the legislation popularly known as Obamacare. It is a boondoggle for the rich, slashing taxes for corporations and the wealthy. It also disproportionately takes aim at health coverage for the poor, older Americans and those with preexisting conditions.

The legislation now moves to the Senate, where some of its spending cuts face an uncertain future, with opposition from Democrats and some Republicans expected. But it is highly likely that most of the draconian provisions of "Trumpcare" will eventually be enacted.

Among these are hundreds of billions of dollars in cuts to Medicaid, the government health care program for the poor that currently covers 74 million, effectively ending it as an open-ended entitlement program. Trump promised during his presidential campaign that he would not touch Social Security, Medicare and Medicaid.

House Speaker Paul Ryan was forced to pull an earlier version of the bill in March, in the face of opposition from both factions of House Republicans. Last week, an amendment backed mostly by the ultra-conservative House Freedom Caucus was introduced that would allow states to apply for waivers for the ACA's mandates for covering preexisting conditions and essential benefits.

This week, a second amendment backed by Rep. Fred Upton, Republican of Michigan, was introduced that would add \$8 billion in funding over five years to so-called high-risk pools, meant to offset the higher insurance costs of covering those with preexisting conditions.

These amendments secured the adequate Republican votes to push the AHCA through before congressmen headed home for recess. The vote was taken without a scoring from the Congressional Budget Office (CBO) on its costs and benefits. The CBO's scoring of the March version projected that 24 million people would lose their health coverage over the next decade.

President Trump appeared with House Republicans in a victory rally in the White House Rose Garden following the vote. "As far as I'm concerned, your [health insurance] premiums are going to start to come down," the president said. He also claimed that insurance deductibles would start to come down. "It's a great plan, and I believe it's going to get better," he said.

The president's statements and claims by House Republicans that the AHCA is going to "return health care to the patient" are patent lies. Speaking from the House floor urging passage of the bill, Rep. Doug Collins, Republican of Georgia, spoke more truthfully when he said he came to Congress to "rein in our nation's bloated, ballooning entitlement system," and that this legislation would do just that.

The CBO's earlier estimate of the bill said it would cut \$880 billion from Medicaid alone over the course of the next decade, a reduction of about 25 percent. The AHCA terminates, beginning in 2020, expanded federal funding for Medicaid that is part of Obamacare. It would send the states a fixed amount of money per enrollee, referred to as a per-capita cap, ending the guarantee of benefits for all eligible recipients.

States could also opt to receive a federal block grant for Medicaid funding for adults and children in the program and receive a specific amount of money, regardless of the number of enrollees.

The bill would prevent states that have not expanded Medicaid from doing so after 2020. It would also allow states to institute work requirements for "able-bodied" Medicaid recipients.

Taken as a whole, these changes would create conditions where millions of beneficiaries would be ejected from the rolls or have their benefits sharply reduced. If enacted this would end Medicaid as a guaranteed social insurance program based on need, renegeing on the promise

made to America's poor and disabled when it was signed into law more than a half century ago during the Johnson administration's "war on poverty."

The bill would offer two tax cuts for the wealthy: ending the 3.8 percent tax on investment income and the 0.9 percent Medicare payroll tax on incomes over \$200,000 for individuals and \$250,000 for married couples. It would repeal the ACA taxes on health insurers, prescription drug makers and medical devices.

The ACA's subsidies to help low- and middle-income individuals pay for health insurance would be repealed, replaced by much-reduced annual tax credits based on age, not income, with credits phased out for those at higher incomes.

Effective 2020, it would repeal Obamacare's subsidies to insurance firms to lower deductibles and copays currently available to individuals earning less than \$30,000 a year to help pay for out-of-pocket medical costs.

It would repeal the "individual mandate" of Obamacare, which required individuals without insurance from their employer or a federal program to purchase insurance from private insurers. It would also abolish the requirement that companies with at least 50 employees provide insurance for their workers.

Building on the ACA's framework of the for-profit health insurance industry, individuals would be even more at the mercy of the private insurance companies, which would be freed from many of the restrictions imposed under Obamacare. To start, the AHCA would eliminate the ACA rule that insurers cover a certain share of policyholders' costs.

Insurers would be allowed to charge five times more for older Americans' insurance coverage than for younger people, compared to three times more under the ACA. The House bill sets aside roughly \$85 billion in funding to provide additional tax credits to help older people buy coverage, but leaves it up to the Senate to determine how this will be done.

Trump's claims that those with preexisting conditions will be protected are also false. If people allow their insurance premium payments to lapse for more than 63 days, states could obtain waivers that would allow carriers to set premiums based on enrollees' medical backgrounds, i.e., preexisting conditions.

States could also obtain waivers that would allow insurers to sell coverage that does not include all of the essential services mandated by the ACA, including outpatient care, emergency services, hospitalization, maternity care, mental health and substance abuse services, prescription drugs, lab work, preventative care and pediatric services.

The original Republican plan set aside \$100 billion for "high-risk" pools through 2026 to lower consumers' and insurers' costs. Another \$15 billion was added for states to cover maternity, mental health and substance abuse services, then another \$15 billion to create "invisible risk pools" to help insurers deal with high-cost policyholders.

House Minority Leader Nancy Pelosi denounced the House bill as “one of the biggest transfers of wealth in the history of our country.” The stunts and posturing by the Democrats over Trumpcare are a political fraud. The trajectory of slashing costs for corporations and the government, and shifting the burden of health care onto workers, was begun under Obama, with the full backing of the Democrats.

Whatever the form of the “debate” in Washington, the outcome will be a further intensification of the health care counterrevolution.