

## What Happened to the Repeal of Obamacare? (Wednesday 4/1-Thursday 4/2)

**Objective:** Assess the role of democratic politics in making health care and the effect of those policies on the scope of government.

**Please read the article below and additional reading from BBC (<https://www.bbc.com/news/world-us-canada-24370967>) and complete the (4) Discussion Q's at the end. Definitions to help in this process are below.**

On September 26, 2017, Senate Majority Leader Mitch McConnell announced that the Senate Republicans did not have enough votes to pass yet another bill designed to "repeal and replace" the Affordable Care Act – also known as Obamacare.

Let's take a look at why the Republicans, with a majority in both houses of Congress and the presidency, have not been able to pass a health insurance law.

### **Key concepts**

**Individual mandate**—The requirement that individuals buy health insurance. In a health plan with an individual mandate, young and healthy people would essentially subsidize the healthcare of those who need it more. (And as they age, they in turn will be subsidized by younger/healthier people.)

**Employer mandate**—Employers must provide health coverage for employees.

**Pre-existing conditions**—Insurance companies have long been able to deny paying insurance claims for medical problems that you already had when you purchased the insurance. The ACA barred insurance companies from doing this.

**Medicaid expansion**—Obamacare loosened the requirements for Medicaid to allow anyone with incomes up to 138% of the poverty level to be eligible for low-cost care. States could choose to accept the expansion or not. Many Republican-dominated states chose not to accept expansion.

**Block grants**—these are funds provided by the federal government to the states for a general purpose, with the specifics decided by the states.

**Single payer**—A healthcare insurance system that relies on one federally funded program, rather than a patchwork of public and private entities, to insure everyone. Supporters of a single payer system in the U.S. sometimes call it "Medicare for all," meaning that the publicly funded Medicare program would cover every American, not just seniors and the disabled. A central argument in favor of single payer is that it is efficient: countries that have it (such as Canada and the UK) spend far less on healthcare than the U.S., while covering everyone.

## **What happened?**

In 2010, the Democrats held majorities in Congress and Democrat Barack Obama was president. Healthcare was a high priority for the party. Obama supported legislation modeled on a healthcare system that was in place in Massachusetts and originally devised by the Heritage Foundation. The plan provides support for states to extend their Medicaid programs to many more people. It requires Americans to purchase insurance (often private insurance) and provides financial support to help lower income people cover the cost. The bill created a new tax on the very rich to help pay for this federal support. The plan was supported by the insurance and pharmaceutical industries because it would provide them with many more customers.

As the bill moved through the House of Representatives and the Senate committees, it began to face stiff opposition from the Republicans. Senators and representatives who had previously supported the basics of the bill, including the individual mandate, now opposed it.

Each house of Congress makes its own rules for conducting business. The rules of the Senate are notoriously complex. Different majorities are required for different kinds of legislation. In 2010, the Democrats had just enough votes to reach the 60 votes necessary for passage. The Affordable Care Act was passed without any Republican votes.

In 2017, the positions are reversed. The Republicans have majorities in the House and Senate, but only a 2-vote majority in the Senate, where most legislation requires 60 votes to end discussion. To get around the 60 vote problem, the Republican leadership has invoked a rule which allows "fast-track" legislation for budgetary bills that require only a simple majority (50 votes would work, since Vice President Pence gets to break a tie). That special process (called a "budget reconciliation") comes with a deadline of September 30.

In July, the Senate voted on three proposals to repeal Obamacare. Many of those who oppose Obamacare are philosophically opposed to publicly provided healthcare and to what they call the "welfare state." They often cite the high and growing cost of the program. Many oppose the individual mandate as government overreach.

Each of the three plans Republicans devised, when analyzed by the Congressional Budget Office, was predicted to end up with over 20 million people losing their health insurance. Grassroots protests broke out all over the country, with voters mobbing their Congresspeople to tell them not to take away people's healthcare. Virtually every health-related organization (representing hospitals, doctors, senior citizens, nurses, disease specific groups, and insurance

companies) opposed repeal of Obamacare. Polls showed that the Republican bill was enormously unpopular among Americans in every state (only 8% to 30% approval).

On September 13, two Republican senators (Lindsay Graham and Bill Cassidy) made a new attempt. The Graham–Cassidy bill would:

- eliminate the individual mandate
- keep most of the taxes associated with the Affordable Care Act
- end the expansion of Medicaid
- provide "block grant" healthcare funds for the states to allocate as they see fit. This would eliminate the Obamacare requirements that every insurance policy have certain minimum coverages—for example, mental health services, maternity care, lab services and care of chronic conditions.

Once again, protests sprang up around the country to oppose the elimination of health coverage for millions of Americans.

With only 52 Republican senators and Democrats united in opposition to the Graham–Cassidy bill, the leadership could afford to lose just two Republican votes. In the three previous (post–Trump election) attempts to repeal and replace Obamacare, thirteen Republicans had defected on one or more of the bills. Three (Lisa Murkowski, Susan Collins and John McCain) had opposed all three pieces of legislation.

So with the close deadline and unknown number of defectors, it was a tense moment for the Republican leadership, which had been promising to repeal Obamacare for seven years. One by one, senators committed themselves to a "no" vote, until the day before the scheduled vote when the third definite "no," that of Susan Collins, was made public. The bill was withdrawn.

### **What's Next?**

Senators Graham and Cassidy promise to bring their bill back after convincing enough senators to pass it. But there are other possibilities:

- Obamacare could simply continue as the law of the land. It will face obstacles from the Trump administration to weaken its coverage and decrease its popularity. Already, the budget for advertising Obamacare and providing information about the law have been cut to a fraction of what they were under President Obama. Over time, this will make Obamacare more and more expensive, as fewer younger, healthy people are paying into the system.
- The leaders of the Senate Committee on Health, Education, Labor and Pensions have been working on a bipartisan bill which would continue the

insurance company subsidies, but would also relax the standards for what policies must cover.

- The "Medicare for All" bill introduced by Independent Sen. Bernie Sanders in the Senate has 16 Democratic co-sponsors and the House version introduced by Democrat Rep. John Conyers has well over 100 co-sponsors. As Sanders explains it, Medicare is popular among its recipients, it eliminates the waste of insurance companies and polls show a majority of Americans now support the concept of the federal government ensuring healthcare for all.

**Another Article for further reading: <https://www.bbc.com/news/world-us-canada-24370967>**

**Please complete the following questions:**

1. What kind of health plan do you think is best for the country? How would you convince someone who favors a different plan?
2. Do you think that the government should be forcing individuals and businesses to purchase private health insurance?
3. Opponents of single payer systems—like the Medicare for All idea—have traditionally labeled the plans as "socialist" in order to warn people away from them. Is a government program that provides healthcare socialist? Is Medicare (which provides health insurance for older Americans) socialist? Are libraries socialist?
4. Would you want some of your tax dollars to help pay for the medical care of someone who could not pay for it themselves?

## Sources

This Plan was borrowed from: [morningsidecenter.org](http://morningsidecenter.org)  
(March 20, 2017 Rob Lerman)

<https://www.nytimes.com/2017/09/26/us/politics/mcconnell-obamacare-repeal-graham-cassidy-trump.html>

<http://stats.oecd.org/Index.aspx?DataSetCode=SHA>

[https://www.washingtonpost.com/national/health-science/gop-senate-leader-calls-for-bipartisan-compromise-on-aca-marketplaces/2017/09/06/2e85710a-9309-11e7-aace-04b862b2b3f3\\_story.html?utm\\_term=.824064551bbf](https://www.washingtonpost.com/national/health-science/gop-senate-leader-calls-for-bipartisan-compromise-on-aca-marketplaces/2017/09/06/2e85710a-9309-11e7-aace-04b862b2b3f3_story.html?utm_term=.824064551bbf)

<https://data.oecd.org/healthstat/life-expectancy-at-birth.htm>

<http://www.latimes.com/politics/la-na-pol-healthcare-deadline-qa-20170925-story.html>

<https://www.cbpp.org/research/federal-budget/introduction-to-budget-reconciliation>

<https://www.cnn.com/2017/05/31/politics/healthcare-ahca-poll/index.html>

<http://www.pewresearch.org/fact-tank/2017/06/23/public-support-for-single-payer-health-coverage-grows-driven-by-democrats/>

<https://en.wikipedia.org/wiki/>

[Patient Protection and Affordable Care Act](#)