

TrumpCare v. ObamaCare

Over the past two weeks, Republicans have instituted new efforts to resurrect healthcare reform after the withdrawal of the *American Health Care Act* (AHCA). After the AHCA's noteworthy demise on March 24, 2017, when Speaker of the House Paul Ryan (R-WI) pulled the bill just before a scheduled vote, Republicans have regrouped in order to pass a bill to "repeal and replace" the *Patient Protection and Affordable Care Act* (ACA).¹ This *Health Capital Topics* article will summarize the current political environment of healthcare reform in the aftermath of the AHCA's withdrawal.

In order to understand the potential for passage of future healthcare reform bills going forward, it is important to briefly explain how the AHCA failed. Upon introduction in the *House of Representatives* (House), both conservative and moderate Republicans were hostile to the bill, albeit for differing reasons.² Conservatives disagreed with many provisions in the bill, with Sen. Rand Paul (R-KY) calling the bill "*Obamacare Lite*."³ Republican leaders eliminated *essential health benefits*⁴ from the bill in order to win over conservative House Republicans.⁵ On March 13, 2017, the nonpartisan *Congressional Budget Office* (CBO) released their cost estimate for the AHCA, which estimated that 24 million people would lose health insurance coverage if the bill passed.⁶ The CBO report contributed to widespread public outcry against the bill,⁷ and moderate Republicans refused to support it.⁸ Ultimately, Republican leadership in the House did not possess the requisite number of votes to pass the bill, and chose to withdraw it shortly before the scheduled vote.⁹ Rep. Jim McGovern (D-MA) summarized the Republicans' quandary for future healthcare reform succinctly: "*The bill went down because it was too bad for Republican moderates and not bad enough for the conservatives. I don't know how they reconcile the divides within their own conference, never mind find any Democratic votes.*"¹⁰

Republicans have continued negotiating and drafting to reform the AHCA.¹¹ In particular, Vice President Mike Pence, White House Chief of Staff Reince Priebus, and White House Budget Director Mick Mulvaney have conferenced with *The Freedom Caucus*, a group of House conservatives vocally against the AHCA, to develop an alternative healthcare reform bill.¹² Similarly,

White House representatives have also met with *The Tuesday Group*, a coalition of moderate Republicans in the House, to discuss AHCA alternatives.¹³ Speaker Ryan spoke optimistically about passing healthcare reform by finding a Republican consensus, but added that an alternative bill to the AHCA was only at a "*conceptual stage*."¹⁴ Republicans had hoped to introduce a new healthcare reform bill before Congress adjourned for its two-week Easter recess;¹⁵ however, no alternative bill was introduced before the break.

The fate of healthcare reform may hinge on negotiation among Republican lawmakers that opposed the AHCA. Financially, the inclusion of Medicaid block grants, an issue to which moderate Republicans objected, may serve as a continuing point of contention among House Republicans in the future.¹⁶ Republican governors who expanded Medicaid under the ACA vocally opposed the AHCA's Medicaid block grant provisions.¹⁷ Additionally, *The Freedom Caucus* has previously called to abolish the *community rating* provision of the ACA, i.e., a prohibition against insurance companies from charging sick people higher premiums than healthy people.¹⁸ An alternative healthcare reform bill is unlikely to abolish the rule directly, but rather allow states to opt out of the rule through waivers.¹⁹ Additionally, *The Freedom Caucus* has called for the repeal of *essential health benefits*,²⁰ an ACA provision which requires insurance coverage of ten categories of healthcare, including; (1) maternity; (2) substance abuse services; (3) mental health services; and, (4) preventive care.²¹ The AHCA contained a repeal of *essential health benefits*, which was cited by moderate Republicans as a reason not to support the bill.²² Given the current make up of Congress, a bill without the support of any Democrats cannot pass if 23 or more Republicans vote against it.²³

Although President Trump and Republican leadership have renewed their efforts to *repeal and replace* the ACA, divisions within the Republican Party may make passage difficult. Negotiations addressing the issues discussed in this article appear likely to occur in the near future. Healthcare industry stakeholders should continue to monitor legislative actions regarding healthcare reform and prepare potential courses of action in response to such legislation.

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