

White House prepares executive order undercutting Obamacare

By Kate Randall
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The Trump administration is finalizing an executive order that would allow more Americans to buy insurance plans not bound by regulations laid down by the Affordable Care Act (ACA), better known as Obamacare. The *Wall Street Journal*, citing an administration official, reported Saturday that the order would be signed this week.

The anticipated action comes after several unsuccessful attempts by congressional Republicans to “repeal and replace” the 2010 health care overhaul. The impending executive order, according to White House sources, would exempt “association health plans” from adhering to the ACA’s requirements to provide essential services.

Under the order, small businesses would be able to band together in these association plans to buy insurance coverage as a group. It is claimed that this would allow them to negotiate lower prices and premiums for employees. It would also mean that the health plans offered would not be required to cover essential health benefits such as maternity care, newborn care, hospitalization, emergency services, mental health and substance-abuse services and rehabilitation. Nor would these plans be required to provide coverage for people with preexisting conditions.

Such association plans have been a priority of Senator Rand Paul, Republican of Kentucky, who has opposed the various Republican plans to repeal and replace Obamacare on the grounds that they were insufficiently free market and pro-business. The *Journal* reports that Paul has been working on the executive order with the president for months.

Under the ACA, associations are treated as small businesses, which are required to provide 10 essential benefits. It is unclear whether individuals who do not

qualify for ACA subsidies would also be able to purchase such plans.

The Trump order would also allow insurers to offer “short-term medical insurance” for up to a year. Under Obamacare, this low-cost option has been restricted to three months. Trump would also expand “health reimbursement accounts,” which employees use to pay for out-of-pocket expenses. Individuals would also be allowed to buy insurance across state lines.

These measures taken together have the potential to draw young, more healthy consumers—who are more likely to be attracted by bare-bones coverage with lower premiums—away from the Obamacare marketplaces. As a result, those remaining in ACA plans would face higher premiums and deductibles and other out-of-pocket costs. More insurers would be expected to pull out of the ACA market as they saw their profits decline.

Prior to Obamacare, a national association—e.g., a bakers’ association or farm bureau—could pick and choose which states’ insurance rules they wanted to follow and use those rules as a guide for plans they offered nationwide. For instance, an association could choose to follow the rules of Alabama, which mandates relatively few benefits, instead of New York, a state with many mandates.

Changing the rules to treat association health plans as small businesses was one of the ways Obamacare discouraged skimpy health plans with minimal coverage. Under Trump’s order, as described by sources familiar with it, associations would be considered large employers, which are not subject to the same rules as individual and small-group plans.

If individuals are also able to purchase health insurance through an association, the current individual market faces destabilization over the long term, leading

to what has been called a “death spiral,” with soaring premiums and insurers bolting the market. “It will destroy the small-group market,” Tim Jost, a law professor at Washington and Lee University, told *Vox*. “We’ll be back to where we were before the Affordable Care Act.”

Trump’s anticipated executive order follows his recently announced plan to revoke the federal requirement for employers to include birth control coverage in health insurance plans. The new policy would expand exemptions under the Affordable Care Act (ACA) for employers who claim moral or religious objections to contraception.

Having failed so far to pass legislation to repeal Obamacare, the Trump administration is utilizing executive orders and other measures to undermine the ACA. In doing so, it seeks to build on the pro-corporate foundation of Obamacare, which was crafted in the interests of the health care industry to boost profits and cut government spending.

Trump and the Republicans want to chip away at any Obamacare regulations—such as mandated essential services—that restrict the freedom of the insurance companies, pharmaceuticals and giant health care chains to reap the maximum profits.

The administration has also worked to sabotage the Obamacare marketplaces, slashing funding for advertising and outreach by 90 percent and cutting by 41 percent funding for outside groups that help reach and enroll likely Obamacare customers.

Despite Trump’s claims that his executive order will “cover a lot of territory and a lot of people,” and that it will result in “great, great health care for many, many people,” his executive actions will add to the ranks of the 28 million Americans who remain uninsured nearly eight years after the passage of the ACA.

Congressional Democrats have repeatedly signaled their willingness to work with the Trump administration to “fix” Obamacare. What they have in mind is shoring up the insurance markets, not extending health insurance and medical services to the millions of uninsured and underinsured.

Congress missed the September 30 deadline to reauthorize the Children’s Health Insurance Program (CHIP). The failure to act threatens health insurance coverage for about 9 million children in lower-income families across the United States.

Although the Senate released a five-year bill to reauthorize CHIP leading up to the deadline, a vote was not scheduled by the Republican Senate leadership. There was no public outcry from the Democratic leadership in the House or Senate over the failure to reauthorize the program.

President Trump has not given up on a bipartisan effort to repeal the ACA. He reportedly called Senate Minority Leader Charles Schumer (Democrat of New York) last week in an attempt to revive health care legislation in Congress. Schumer told him repealing Obamacare was off the table, but urged bipartisan action to stabilize the ACA and the insurance markets.

Although the Democrats and Republicans have tactical differences when it comes to health care “reform,” they are in agreement that the class-based health care system must be maintained and that government costs must be reined in at the expense of the health and well-being of the vast majority of ordinary Americans.

The ultimate goal of the ruling elite is the privatization and dismantling of Medicare and Medicaid, the government-sponsored health insurance programs that provide coverage to more than 130 million elderly, poor and disabled people.

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