

# With Trump in charge, what's the prognosis for Obamacare?

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(HealthDay)—President-elect Donald Trump's oft-stated pledge to

repeal and replace the Affordable Care Act suggests big changes lie ahead for the health insurance marketplace and Americans who rely on it.

But what would a Trump-style replacement look like? And how quickly would any new legislation likely take effect?

"From our perspective, there's a lot in flux right now, including whether, or how, the ACA is repealed," said Christine Eibner, a senior economist at the RAND Corp. in Washington, D.C.

An outright repeal of the controversial health law, also known as Obamacare, is unlikely without bipartisan agreement, health policy analysts say.

While Senate Republicans currently hold a 51-to-49 majority (with a runoff pending in Louisiana), that's short of the 60-vote supermajority needed to topple President Barack Obama's signature domestic legislation.

However, Congress could deploy a back-door maneuver to defund Obamacare using budget "reconciliation."

Reconciliation is a streamlined process for making tax and spending changes. An outright repeal of Obamacare could get bogged down by a Senate filibuster, but reconciliation bills go by different rules, eliminating that threat, policy analysts explained.

In 2015, Rep. Tom Price of Georgia, a fierce critic of Obamacare and Trump's nominee for Secretary of Health and Human Services, sponsored such a measure to cut off funding for Obamacare.

Price's reconciliation bill would have pulled the plug on premium tax

credits and cost-sharing subsidies—core elements of the law intended to make [health insurance](#) more affordable for low- and middle-income Americans. The bill also would have ended individual tax penalties for people who failed to maintain [health insurance coverage](#). And federal funding for state Medicaid expansions—currently operating in 32 states—would have gone away.

While both houses of Congress passed the Price bill, Obama vetoed it in January 2016, and the House failed to override the veto.

Could the approach work in the new Trump administration?

"If they want to repeal and replace, this is a vehicle that the House Republicans have used before," said Sara Collins, vice president of [health care coverage](#) and access at The Commonwealth Fund in New York.

What would replace Obamacare isn't entirely clear.

The Trump administration has outlined overall principles for reform. The president-elect has called for a solution that includes health savings accounts (HSAs) and greater state discretion in regulating health insurance and administering Medicaid. But no detailed proposals have emerged.

People who track health policy are studying Republican health proposals in the House of Representatives and Senate for insight into what the Trump White House might propose.

House Speaker Paul Ryan's vision for America—called "A Better Way"—lays out some key elements. The Wisconsin Republican's proposal embraces market-based solutions, such as tax credits adjusted for age to help people buy health insurance in the individual market.

Obamacare's tax credits are based on household size and income.

The Ryan plan would also give states more flexibility and fiscal responsibility for managing Medicaid, the government-run program for lower-income Americans. His plan calls for the federal government to give states a lump sum toward Medicaid costs instead of paying a percentage of their expenses.

But, Ryan would maintain certain patient protections found in Obamacare. For example, young adults could remain on a parent's health plan up to age 26.

And instead of an individual mandate on Americans to have health coverage or pay a tax penalty, both Ryan and Price would require people to maintain "continuous coverage" to avoid pre-existing condition penalties.

Price, an orthopedic surgeon who has sponsored repeal-and-replace bills in every session of Congress since 2009, also favors reforms to protect doctors in malpractice lawsuits.

Senate Republicans also have a plan. The "Patient CARE Act" is similar to Ryan's plan in many respects. But one key difference: it calls for tax credits based on age, income and family status, according to a Commonwealth Fund analysis.

"What I think is clear in everyone's mind, regardless of their political persuasion, is that we are going to see changes," said Kev Coleman, head of research and data for HealthPocket Inc., which helps people compare health plans.

While details remain sketchy, the major GOP proposals have a few common features, notably:

- **Using health savings accounts.** Analysts say HSAs offer certain tax advantages for people enrolled in high-deductible health plans. There's no federal tax on contributions to the accounts. Interest accrues tax free. And there's no tax when people withdraw money to pay for qualified health expenses.

"They're potentially very beneficial for higher-income people," Eibner said, "but maybe less so for lower-income people who don't have large tax burdens and who maybe don't have the means to make substantial contributions in the first place."

- **Creating high-risk insurance pools.** Covering the sickest patients separately would help stabilize health insurance premiums for everyone else buying insurance on their own in the individual market, said HealthPocket's Coleman. It would particularly help higher-earning people who don't qualify for tax subsidies toward their premiums, he said.

But analysts say it's not clear who would be covered under the risk pools or how much money states would receive to run them.

Ryan's plan would set aside \$25 billion for "high-risk" individuals who get priced out of coverage through the individual marketplace. Price proposes \$1 billion in federal funding as part of his legislative proposal, the "Empowering Patients First Act."

- **Selling health insurance across state lines.** Health insurance is currently sold and regulated on a state-by-state basis. Allowing insurers to sell policies in one state and offer them in any other state would give buyers more options, advocates say. The concern is that insurers would choose to operate in states with the least consumer protections.

"It has the potential for leading to worse coverage for consumers," Collins said.

How quickly the Trump administration could roll back Obamacare and roll out a new insurance model is also unclear.

"This is a lengthy process to undertake," Collins said. And the proposals "are relatively vague at this point."

In Eibner's view, anything under Obamacare with a budgetary impact could get repealed quickly. What happens after that is the big question.

Under one scenario, she explained, the Affordable Care Act's tax credits, individual mandate and Medicaid expansion could get repealed while other parts of the law remain intact.

"Now you have a bunch of people who really want to get [health](#) insurance who are the sickest, and there's no countervailing incentives for people who are younger and healthier to enroll," Eibner said.

**More information:** To learn more about President-elect Trump's proposals to reform health care, visit [DonaldJTrump.com](http://DonaldJTrump.com).

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