

Republican plan to replace Obamacare: what's new in it?

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The House of Representatives votes Thursday on long-awaited legislation endorsed by US President Donald Trump that replaces his predecessor's health care reforms.

Supporters hail the plan as a more free-market, patient-centered system.

But how would it work?

Here are key points about the current health care system—which is credited with helping 20 million Americans acquire [coverage](#) but has been blamed for rising premiums and other costs—and the proposed changes in the Republican substitute.

No more mandatory coverage

In the United States, health [insurance](#) is primarily private. About half of Americans have coverage through their employers, often at a reasonable cost, according to the Kaiser Family Foundation.

About a third of Americans are covered by government plans—either Medicare for those over the age of 65 or Medicaid, the insurance program for the poor.

The rest have to fend for themselves, and either buy insurance on their own or do not have coverage, paying cash for their medical expenses.

Costs for these groups can be very high.

Under Barack Obama's reforms, individuals and many companies are required to either have or offer health insurance or pay a penalty.

Forcing younger, healthier people to buy coverage was expected to help defray medical costs for poorer, older, sicker Americans.

The replacement bill scraps those conditions in favor of a system of tax credits aimed at helping people purchase [health insurance](#) on the open market.

But Democrats warn that those credits are on average less than the subsidies built into Obamacare's premiums, especially for older Americans who are not yet eligible for Medicare.

Keeping what's good

Despite Republican calls throughout last year's election campaign to completely kill off Obamacare, the substitute aims to keep two very popular provisions.

It protects the rule that insurance companies cannot refuse coverage to anyone due to a pre-existing condition, and it allows dependents to remain on their parents' insurance plan until the age of 26.

Big changes

The Republican substitute would repeal some taxes on health care-related expenses that were created by Obamacare. And it no longer will limit the tax break for employer-sponsored [health](#) coverage.

Obamacare allowed the expansion of Medicaid, but the new bill would cap federal reimbursements, potentially to the detriment of those living in states that underwent the expansion.

Result: A scoring by the nonpartisan Congressional Budget Office, which estimates the costs of a piece of legislation to the federal government, said 14 million Americans would lose coverage in 2018 under the new plan, and 24 million by 2026, effectively erasing the gains of Obamacare.

Since then, the text has been tweaked and so those totals could change.

Conservative backlash

Minority Democrats are expected to unanimously oppose the plan, forcing the Republican majority to nearly unite to get it over the finish line.

But a conservative backlash is underway—some Republicans have called it "Obamacare Light" and are negotiating. Some concessions have been made ahead of Thursday's vote.

They say they want the tax credits totally eliminated, arguing they are just a government handout like Obamacare subsidies by another name.

Republican governors and lawmakers from states that expanded Medicaid have warned against any measure that disrupts current funding structures and consequently leaves vulnerable citizens without coverage.

If the House passes it, the Senate will take up the measure next week—with further amendments surely to come.

In the Senate, Republicans hold a 52-48 majority, meaning three

Republican defections could sink the bill.

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