

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

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

An earlier version of the Republican plan to repeal Obamacare collapsed in March, torpedoed by opposition from both moderates and conservatives in the president's party.

Supporters defend the new version as a more free-market, patient-centered system—and Republican leaders now say they have the votes to pass the controversial measure.

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 latest 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 are required to either obtain [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 dependents can remain on their parents' insurance plan until the age of 26, and one blocking insurance companies from refusing coverage to anyone due to a pre-existing condition—though some analysts have voiced concern that the proposed reforms to protections for those patients would be inadequate.

## Republican reforms

Uninsured people would not be fined under the new plan, which would no longer mandate individual coverage.

Republican party leadership apparently won over enough skeptical members with an amendment that adds \$8 billion over five years to help cover [insurance](#) costs for people with pre-existing conditions.

States would be allowed to request exemption from some provisions that were key under Obamacare, including one requiring minimum [coverage](#) of services considered essential, like maternity care and emergency services.

They would also be able to opt out of a rule that bars insurers from charging those with medical issues more.

In those [states](#) insurers could therefore offer cheaper, potentially skimpiest care plans. They would have to create alternative programs to mitigate risks for insurers with "high-cost" patients, who could be grouped into publicly subsidized "high-risk pools."

Obamacare allowed the expansion of Medicaid, a [health care](#) program managed by states for individuals and families with limited resources. But the new bill would cap federal reimbursements to states, potentially to the detriment of those living in states that underwent the expansion.

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

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