

Calling it a beginning, Trump signs health care order

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President Donald Trump shows an executive order on health care that he signed in the Roosevelt Room of the White House, Thursday, Oct. 12, 2017, in Washington. (AP Photo/Evan Vucci)

Frustrated by health care failures in Congress, President Donald Trump directed his administration Thursday to rewrite some federal insurance rules as a beginning of renewed efforts to undermine "Obamacare," the program he's promised to kill.

"With these actions, we are moving toward lower costs and more options in the health care market," Trump said before signing his directive in the Oval Office. Trump said he will continue to pressure Congress to repeal and replace former President Barack Obama's Affordable Care Act.

Some experts said the White House plan could undermine coverage on the ACA's insurance marketplaces, particularly for people with health problems. That would happen if healthy people flock to lower-cost plans with limited benefits.

Other experts said Trump's proposals appear to be modest and would have limited impact.

The steps the president outlined Thursday will take months for the federal bureaucracy to finalize in regulations. Experts said consumers should not expect changes for next year.

One of the main ideas from the administration involves easing the way for groups and associations of employers to sponsor coverage that can be marketed across the land. That reflects Trump's longstanding belief that interstate competition will lead to lower premiums for consumers who buy their own health insurance policies, as well as for small businesses.

Those "association health plans" could be shielded from some state and federal insurance requirements. But responding to concerns, the White House said participating employers could not exclude any workers from the plan, or charge more to those in poor health.

Other elements of the White House plan include:



President Donald Trump waves after signing an executive order on health care in the Roosevelt Room of the White House, Thursday, Oct. 12, 2017, in Washington. (AP Photo/Evan Vucci)

—Easing current restrictions on short-term policies that last less than a year, an option for people making a life transition, from recent college graduates to early retirees. Those policies are not subject to current federal and state rules that require standard benefits and other consumer protections.

—Allowing employers to set aside pre-tax dollars so workers can use the money to buy an individual health policy.

"This executive order is the start of a long process as the gears of the federal bureaucracy churn, not the final word," said Larry Levitt of the nonpartisan Kaiser Family Foundation.

It's also unlikely to reverse the trend of insurers exiting state markets. About half of U.S. counties will have only one "Obamacare" insurer next year, although it appears that no counties will be left without a carrier as was initially feared. White House officials said over time, the new policies will give consumers more options.

Democrats are bracing for another effort by Trump to dismantle "Obamacare," this time with the rule-making powers of the executive branch. Staffers at the departments of Health and Human Services, Labor and Treasury have been working on the options since shortly after the president took office.

On Capitol Hill, House Democratic Leader Nancy Pelosi said Trump "knows very little" about health care policy or legislation. She said she was unfamiliar with the details of the executive order, "but I do know it's a sabotage of the Affordable Care Act."

But Sen. John Barrasso, R-Wyo, said Trump is taking "bold action" to give patients "the freedom and flexibility to choose the health care plan that works best for them."

As Trump himself once said, health care is complicated and getting his way won't be as easy as signing a presidential order.



President Donald Trump speaks before signing an executive order on health care in the Roosevelt Room of the White House, Thursday, Oct. 12, 2017, in Washington. (AP Photo/Evan Vucci)

State attorneys general and state insurance regulators may try to block the administration in court, if federal regulations are seen as a challenge to state oversight authority.

Experts say the executive order won't premiums for 2018, which are expected to be sharply higher in many states for people buying their own policies.

Sponsors would have to be found to offer and market the new style association plans, and insurers would have to step up to design and administer them.

"This just isn't a revolution to insurance markets," said economist Douglas Holtz-Eakin, president of the center-right American Action Forum. "It's a policy change. What we've got isn't working, so we might as well try something else."

Sen. Rand Paul, R-Ky., was at the White House ceremony, and Trump honored him by handing him a pen used to sign the order. Paul was among the handful of GOP senators whose opposition scuttled the most recent effort to repeal Obama's law. Congressional Republicans have moved on from health care, and are now focusing on tax cuts.

About 17 million people buying individual health insurance policies are the main focus of Trump's order. Nearly 9 million of those consumers receive tax credits under the Obama law and are protected from higher premiums.

But those who get no subsidies are exposed to the full brunt of cost increases that could reach well into the double digits in many states next year. Many in this latter group are solid middle-class, including self-employed business people and early retirees. Cutting their premiums has been a longstanding political promise for Republicans.

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