

# US Congress moves to repeal Obamacare in order to impose even deeper health cuts

**Kate Randall**  
14 January 2017

The Republican-controlled Congress took a major step toward repealing the Affordable Care Act (ACA) this week with the passage of a budget resolution that will be used to roll back the health care law. The resolution indicates that “replacement” legislation for the ACA, better known as Obamacare, will be ready two weeks from now (January 27), but it does not impose a hard deadline for a bill.

The Senate voted 51-48 in the early morning hours Thursday and the House voted 227-198 Friday afternoon, mostly along party lines, on a resolution that clears the way for ending major funding provisions of the ACA through the “budget reconciliation” process. By effectively repealing Obamacare via this parliamentary procedure, the Republicans are circumventing the normal legislative process under which Senate Democrats could block repeal by mounting a filibuster, which requires 60 votes to overcome.

President-elect Donald Trump has vowed that doing away with Obamacare will be his first order of business as president, asserting it will be replaced with something “cheaper” and “better.” He has made the highly dubious claim that “repeal and replace” will take place virtually simultaneously, even within the “same hour.”

He and congressional Republicans have made it clear that they intend to include in any replacement legislation provisions to effectively end Medicaid, the government health program for the poor run jointly by the federal government and the states. They plan to turn Medicaid into a state-run program funded via block grants from the federal government. Each state would establish its own guidelines and standards, funding would be drastically cut, care requirements would be lifted, and the program would be rapidly privatized.

The assault on Medicaid will represent a major step in the drive to dismantle and privatize Medicare, the government health insurance program for the elderly.

Congressional Democrats have offered to work with Republicans to salvage whatever they can of President Obama’s signature domestic legislation, pledging to agree to

changes that would supposedly make health care “better” for ordinary Americans.

Democrats are fighting for popular provisions in the ACA to be maintained in any replacement legislation, such as the ban on insurers discriminating against those with preexisting conditions and a provision allowing children up to age 26 to remain under their parents’ coverage.

From the beginning, Obamacare was designed to cut costs for the government and corporations and increase the profits of the insurance industry, which was central in crafting the legislation. The ACA’s central component, the “individual mandate,” requires those without insurance from their employer or a government program to purchase coverage from private insurers or pay a tax penalty, with modest subsidies provided to qualifying consumers based on income.

Obama’s health care overhaul was also aimed at shifting away from the long-standing system of employer-sponsored insurance, which is deemed too expensive for corporations, toward a system in which people must fend for themselves on the private insurance market.

The legislation also includes measures to move from the existing “fee for service” system to a new model of health care delivery in which providers are reimbursed according to the “value” and “quality” of the care they provide—code words for cost-cutting, to be achieved by rationing care on a class basis.

The ACA includes more than \$700 billion in cuts over the next decade to Medicare, the government health insurance program for the elderly and disabled, to be achieved through shifting the way doctors and hospitals are paid by providing financial rewards to providers who cut costs through the “value-based” approach.

As reactionary as Obamacare is, Trump and the Republicans are opposing it from the right, seeking to shift the US health care system in an even more pro-corporate, free-market direction without regard for the impact on the health and lives of the vast majority of Americans.

Displaying the oligarchic and anti-working class nature of

the incoming administration, the Republicans are moving forward recklessly with Obamacare repeal, with the very real possibility that the legislation will be overturned before any substitute legislation is drafted, let alone passed and signed into law.

This raises the possibility that the 20 million people who have gained coverage through the ACA—on the Obamacare exchanges and through an expansion of Medicaid—will be left with no access to any remotely affordable options, even to coverage with high deductibles and other out-of-pocket costs, such as that provided under Obamacare.

While there is a great deal of popular opposition to Obamacare, a recent poll by the Kaiser Family Foundation found that 75 percent of Americans either want to keep it or repeal it only when there is a replacement health care law.

The biggest concern of those polled was health costs. The vast majority—67 percent—said their top priority was “lowering the amount individuals pay for health care.” This very real concern will not be addressed by either the maintenance of Obamacare or the implementation of any of the various proposals being advanced by the Republicans to replace it. Health care costs for working and middle class Americans will continue to rise sharply under either scenario.

Now that the budget resolution has passed both houses of Congress, the next step is to actually begin writing the Obamacare repeal. Discussion will take place simultaneously in the relevant committees in both the House and Senate, then each committee will have to vote to report out a bill. The bills from the multiple committees must then be merged into one House bill and one Senate bill. Everything in the bills must have a significant impact on federal spending or revenue to be considered for the “filibuster-proof” budget reconciliation process.

These bills will then proceed to the full House and Senate to be voted on. Finally, a conference committee will be convened with representatives from both chambers to iron out any differences, with the final bill submitted for floor votes in the House and Senate. If passed by Congress, the legislation will have to be signed by the president to become law.

After that, the process of actually writing the replacement legislation will begin. Because this will involve non-budgetary measures such as mandates, provisions on preexisting conditions, etc., such legislation will in practice require 60 Senate votes, not just 51, to advance, which means the Republicans will have to win over at least eight Democrats.

It is unclear what plan will guide the Republicans’ Obamacare replacement efforts. Trump’s pick to head the Department of Health and Human Services, Tom Price, a

Tea Party Republican from Georgia and chair of the House Budget Committee, has prepared a 242-page proposal for legislation to replace the ACA that is one option under consideration.

Price’s “Empowering Patients First Act” would particularly impact health care for older, sicker and poorer Americans. It would do away with the ACA insurance exchanges and its subsidies. It would instead offer fixed tax credits pegged to a person’s age rather than income, ranging from \$1,200 *annually* for those age 18-35 to \$3,000 for those 51 and older. These amounts would hardly make a dent in the cost of premiums and other out-of-pocket expenses for even the most limited insurance.

Price would also repeal Obamacare’s expanded Medicaid coverage in 32 states and the District of Columbia for “able-bodied” single adults, leaving this impoverished segment of society out in the cold.

It would eliminate mandates for insurers to provide a standard package of benefits, such as maternity services and pediatric care. It would also eliminate the limits on increased charges for older enrollees, allowing insurers to hike their premiums and other charges for older enrollees at will.

Price’s plan would allow health insurers licensed in one state to sell them across state lines. It would provide \$3 billion over three years in grants to states to insure the “high risk” population, an amount that is woefully inadequate.

After Trump’s victory in November, Price told reporters that House Republicans would push this year for changes to Medicare, which covers 57 million seniors. He said Republicans would likely move “within the first six to eight months” of the new administration to begin implementing their plan, which would include raising the age of eligibility from 65 to 67 by 2020 and gradually privatizing the system with “premium supports,” or vouchers, to be used to buy insurance on the private market.

These vouchers would replace Medicare’s current guaranteed level of coverage, e.g., paying approximately 80 percent or more for a hospital stay, with a fixed sum to purchase coverage. The result would be a massive decline in health coverage and a sharp increase in poverty among the elderly.



To contact the WSWS and the Socialist Equality Party visit:

**[wsws.org/contact](https://wsws.org/contact)**