

ACA vs. AHCA: QUESTIONS AND ANSWERS

WHERE DID THE ACA IDEA COME FROM?

Draper:

“The basic architecture of the bill that would eventually become the A.C.A. was conceived in 1989 by the Heritage Foundation policy analyst Stuart Butler as a conservative alternative to government-managed health care.”

WHAT WOULD HAVE BEEN AN IDEAL PLAN BEFORE THE DEMOCRATS SETTLED FOR THE ACA:

Draper:

“What many Democrats on the Hill — “probably more than half of our caucus,” McDermott says — preferred was a single-payer system, in which health care costs are borne not by insurers but instead by a single fund, typically originating from taxpayers, as Medicare does. “

WHAT IS THE OVERARCHING AIM OF THE ACA?

Draper

“increase the quality, availability and affordability of private and public health insurance to over 44 million uninsured Americans...” In other words, the aim was not to curtail expenses.

BASICALLY, WHAT DOES THE ACA ACTUALLY DO?

Lackdawalla and Malani:

Three elements: 1. Expand health coverage by expanding Medicaid and offering tax credits; 2. Loosened the link between health insurance and jobs by making individual coverage tax exempt just as employer payments are now; thus workers are not locked into their jobs. 3. Lower the price of the very sick by regulating the market. For this third element, two requirements are set out: pre-existing must not impede people from getting coverage, and individuals must purchase insurance.

*IS OBAMACARE IN A DEATH SPIRAL?

No from gawande:

“...enrollment has held constant. But there is a need to draw in younger, healthier people to offset the costs of older, sicker people and keep the premiums steady. Doing so depends on promoting HealthCare.gov widely and enforcing the tax penalty for people who don't sign up. The President [Trump], however, has issued a raft of contradictory directives that ultimately instruct the government to do neither. As a result, more and more insurers are saying that they will pull out of the exchanges, risking the collapse of the individual market.”

No, but there are some problems, from Draper:

“The Affordable Care Act's approval rating has rarely exceeded 50 percent. And over time, as it has strained under the multitude of compromises that were necessary for its passage, it has proved itself worthy of several of the criticisms aimed at it. Though for 80 percent of health care recipients (including those receiving health care from Medicare, Medicaid or their employers)

annual rate increases are at historic lows, for the rest the story has been different. The premiums have been rising because of a variety of structural reasons, and because federal assistance to recipients to offset the costs has been in many cases inadequate. Or, as the health-policy analyst Robert Laszewski puts it, “They created a Cadillac with Chevrolet subsidies.” But it is also because unit costs have continued to soar — like the price of prescription drugs, thanks to the sweetheart deal that the pharmaceutical industry cut with the Democrats in exchange for being an early supporter of the law. Some rural states like Alaska have seen very little competition among insurers — something that a public option might have addressed, had the insurance lobby not spent a fortune to defeat that provision. Of the 23 nonprofit insurance co-ops set up by the Affordable Care Act to compete in such areas, only a handful remain — probably at least in part because the co-ops received from Congress only \$2.4 billion of the \$6 billion originally appropriated to establish them.”

*CONTINUOUS COVERAGE OR HIGH RISK POOLS?

Gawande:

“A requirement for people to maintain “continuous coverage”—to take an example supported by the new Secretary of Health and Human Services, Tom Price, and Speaker of the House Paul Ryan—would mean that people who lose their insurance temporarily, because they, say, change jobs or suffer a financial setback, would also lose their preexisting-condition protections. For these people and for others left behind, Price and Ryan advocate state-run “high-risk pools.” But, in the thirty-five states that offered high-risk pools to the uninsurable before the A.C.A., inadequate funding delivered terrible coverage, with extremely high premiums and deductibles, and annual limits as low as seventy-five thousand dollars. Hardly anyone signed up.”

HAS EMERGENCY ROOM USAGE DECREASED, AS PREDICTED?

Tom Price is correct that ER usage has gone up, though modestly, but wrong to use that one fact without context. Here are 4 facts that set his claim in context:

1. Medicaid reimbursement rates are low, so poorer people still can't afford to go to a doctor who doesn't accept Medicaid.
2. 2/3rds of ER visits occur on weekends when doctors' offices are not open.
3. The roles of senior citizens are growing and they are likely (no hard evidence) to frequent ERs.
4. The strongest reason for continued ER visits tends to be habit: doctors and patients use it as a default, and if it is easier to direct patients to the ER and easier for patients, it happens.

See:

<http://www.politifact.com/truth-o-meter/statements/2017/mar/10/tom-price/hhs-chief-tom-price-co-rect-er-use-obamacare/>

WHAT GOOD HAS IT REALLY DONE, OUTSIDE THAT 20 MILLION NUMBER?

Draper:

“As of 2014, insurers cannot deny coverage to anyone based on their current health status — a meaningful protection for the 133 million Americans with chronic illnesses. Over 15 million poor or near-poor citizens are now receiving Medicaid benefits in the 31 states (as well as the District of Columbia) that have opted for this expansion. Another 3 million Americans under the age of 26 have been allowed to stay on their parents’ health care plans, thanks to the provision in the A.C.A. that Heritage Action warmly refers to as the “slacker mandate.” Meanwhile, during each month that Obamacare has been in existence, the private sector has grown. The bill has not proved to be the “job killer” apocalyptically described by its Republican opponents.”

WHAT PROBLEMS DO REPUBLICANS FACE IN REPLACEMENT?

See this short video:

<http://www.vox.com/2017/3/6/14829526/american-health-care-act-gop-replacement>

Draper: the problem of lobbies

“...That wiring represents, among other things, the compromises worked out with the various players in the health care ecosystem — doctors’ and nurses’ associations, hospital groups, insurers, drug companies — that enabled the passage of Obamacare in the first place. As Ignagni points out: “It was very unique that all of the different industries were willing to sit at the table and engage in problem-solving together. I don’t really recall any time when that has happened in our economy on any issue.” Collectively, those groups spent close to \$273 million on lobbying during the height of the Obamacare debate. They will surely spend a similar sum haranguing Congress to pass a replacement that favors them.”

Draper: upsetting the new ACA normal

“Many conservative remedies have been floated over the years and have been consolidated into Speaker Paul Ryan’s 37-page “A Better Way” summation: expanded health savings accounts, assorted tax credits and refunds, medical-liability reform, portability of insurance from one job to the next and the ability to purchase insurance across state lines. But the problem for Republicans is that Obamacare’s sweeping coverage has changed the paradigm. Of the 31 states that have opted for expanded Medicaid coverage, 16 have Republican governors. None of these governors have expressed a desire to throw their states’ residents off the rolls. At the same time, the fitful and at times rhetorically muddled transition from the known (Obamacare) to the unknown (“something terrific”) has risked throwing the health care industry into turmoil. The aftershocks are likely to be not only economic but also political.”

Draper: Trump voters in individual market will be screwed by new rules

“If you take Obamacare as it looks right now,” says the policy analyst Robert Laszewski, a longtime critic of the legislation, about half of enrollees “don’t get a subsidy because their incomes are too high. They make \$90,000 or \$100,000 a year but are in the individual market. These tend to be Trump supporters. So if he further destabilizes this thing and there are 20-to-50-percent rate increases, he’ll be screwing his own people.”

IN RELATION TO THE AHCA, IS IT TRUE THAT FULLY 10% OF THE BILL IS DEVOTED TO LOTTERY WINNERS?

No: it's 8%, to be accurate...

<https://www.forbes.com/sites/kellyphillipserb/2017/03/09/new-healthcare-bill-targets-lottery-winners-yes-really/#1e4e656f116e>

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