

REPEAL & REPLACE ACTIVITY REPORT **FOR THE WEEK OF JANUARY 27TH, 2017**

ACA Repeal and Delay

President Trump's first policy action targeted the ACA¹

On the afternoon of his inauguration, President Trump signed an executive order for government agencies to scale back on the ACA. The order lacked detail, but instead gave federal agencies room to change, delay, or waive provisions of the law that are seen as costly for insurers, drug makers, doctors, patients, or states.

GOP announces new timeline, still need to agree on replacement^{2,3,4}

House and Senate Republicans have gathered at a retreat in Philadelphia, in an attempt to come to an agreement on an ACA replacement plan. House Speaker Ryan laid out the goals of **passing legislation to repeal the ACA and replace some portions by the end of March, and rewrite the tax code by August**. Today (January 27th) was the deadline included in the Republican budget for committees to have repeal language ready for the reconciliation bill, but the GOP has not successfully met that deadline. As several GOP plans have been proposed Republicans will need to reach consensus on a plan that will meet all of the requirements for replacement outlined by President Trump: to expand coverage, continue to cover pre-existing conditions, repeal any mandates, and lower the cost. Republican Sens. Susan Collins of Maine, a moderate, and Bill Cassidy of Louisiana, a conservative recently released the [Cassidy-Collins plan](#), which would give states three options: keep Obamacare as is, enact their own insurance expansion, or opt out of federal assistance entirely. Their plan may come against strong opposition as many members of the House wouldn't support anything besides complete repeal. The Republican Study Committee, a bloc of conservative House Republicans, released [their own plan](#) earlier this month, where it would repeal the individual mandate and replace it with a system that gives people tax credits if they choose to buy insurance. Other GOP leaders are taking ideas off the table; Senate Health Labor and Pensions Committee chairman Lamar Alexander of Tennessee said that he does not want to take on Medicare reforms in an ACA replacement and has secured this commitment from HHS-designate Tom Price. Still, Medicaid is not protected; the Trump administration officials have said [their upcoming plan](#) will include a long-standing conservative proposal to overhaul Medicaid from a guaranteed benefit to a block grant system. Republicans are acutely aware that they will not have support from Democrats and will be planning in Philadelphia on how to go it alone.

¹ <https://www.nytimes.com/2017/01/20/us/politics/trump-executive-order-obamacare.html>

² <http://khn.org/morning-breakout/republicans-promise-to-tackle-repeal-and-replace-by-end-of-march>

³ <http://www.nytimes.com/aponline/2017/01/25/us/ap-us-congress-republican-retreat.html>

⁴ <http://www.npr.org/2017/01/26/511675435/republicans-have-plans-to-replace-obamacare-now-they-need-to-agree-on-one>

Cassidy and Collins proposal puts repeal in the hands of the states^{5,6}

On Monday, January 23rd, Senators Bill Cassidy(R), MD. of Louisiana, and Susan Collins(R) of Maine, introduced The Patient Freedom Act (PFA), a proposal for replacing the ACA. According to its sponsors, the bill places the “locus of repeal” in the hands of the state government. This approach affords decision-making power to the States in the replace process, with the options of:

- Running the ACA as-is without any changes.
- Switching to a different health insurance expansion that emphasizes auto-enrolling all uninsured residents into a federally subsidized catastrophic plan.
- Offering no coverage expansion at all, and the state would lose the money it currently receives for insurance subsidies and Medicaid expansion

Seeing as the proposal has only been released as a [one-page summary](#) at this point, these vague proposal points have yet to be affirmed by any cogent policy recommendations. The proposal shares similar features to that of other proposals by Republicans in the House in that it would encourage use of health savings accounts and eliminate the individual mandate. Although the sponsors believe that the bill might cover Democratic members of Congress tout the proposal as an unfeasible Senate Minority Leader Chuck Schumer (D-NY) described the PFA as “an empty facade that would create chaos.”

Enrollment outreach stopped by Trump administration^{7,8}

The Trump administration has ordered HHS to stop all media outreach aimed at encouraging Americans to sign up for health insurance through their state marketplaces, including emails to those who have visited HealthCare.gov but have not finished enrolling. The deadline for enrollment in the individual market through the ACA is Tuesday, January 31st, and the advertisements and outreach efforts planned had already been paid for. The Trump administration, however, argues that stopping the outreach is a cost-saving measure and that it has pulled back about \$5 million. The CBO estimated earlier in January that 10 million people would have health insurance through the marketplaces in 2017.

Hiring freeze and Obamacare repeal could cause problems for Veterans Affairs⁹

As the process to dismantle the ACA has begun under the new Administration, it is pertinent to not the profound impact it will have on the VA. Approximately 3 million veterans receive their health care outside the VA either from the marketplace (ACA) or through employ-based coverage. If these options no longer become available, the 3 million additional people in need of services from the VA will only put additional strain on an already overburdened system. On top of that, the new Administration instituted a hiring freeze that did not exempt the VA. According to David Shulkin, the nominee to lead the VA, the VA is in desperate need of more workers, as demonstrated by the 45,000 job openings.

⁵ <http://www.vox.com/policy-and-politics/2017/1/24/14359094/obamacare-replacement-cassidy-collins>

⁶ <https://www.nytimes.com/2017/01/23/us/politics/senate-affordable-care-act-bill-cassidy-susan-collins-trump.html>

⁷ <http://www.politico.com/tipsheets/politico-pulse/2017/01/healthcarestop-what-trumps-decision-to-nix-aca-ads-outreach-may-mean-218442>

⁸ <https://www.washingtonpost.com/national/health-science/white-house-stops-ads-outreach-for-last-days-of-aca-enrollment>

⁹ <http://www.npr.org/2017/01/25/511469982/hiring-freeze-and-obamacare-repeal-could-clobber-veterans-affairs>

New Covered California enrollees keep pace with last year¹⁰

More than 320,000 Californians have newly enrolled in Obamacare plans through the state's health insurance marketplace since Nov. 1. That's on pace with the number of new customers who signed up last year, according to Covered California, despite the uncertainty that clouds the future of the ACA. Covered California didn't release the total number of signups.

CBO Report: ACA repeal could leave 18 million uninsured^{11,12}

The nonpartisan Congressional Budget Office released a report last week finding that 18 million more Americans would be uninsured in the first year of repeal of the ACA. This number is expected to increase to 27 million in the second year of repeal and 32 million in 2026, according to the CBO. The CBO also expects insurance premiums for policies in the individual market to increase 20 to 25% across the country in the first year under repeal of the ACA. This also would rise over time, climbing to 50% in the second year of repeal and eventually the CBO expects premiums to double by 2026 under repeal. The report was based on an effort by Republicans in 2015 to repeal the ACA through budget reconciliation. This method of repeal is the blueprint currently being pursued by the Republicans, although they are also promising to replace the law.

Medicaid

Bloomberg summary of Medicaid proposals¹³

Trump's nominee for secretary of HHS, Rep. Tom Price of Georgia, wrote a [plan](#) in 2015 that would repeal the ACA entirely, including funding for the Medicaid expansion. Under his proposal, the government would provide tax credits to encourage more Americans to purchase private health insurance. House Speaker Ryan's [health plan](#) is less drastic: It would [seek](#) to curb spending by doing away with the policy in which states receive federal Medicaid funds based on how much they spend on the program. Instead, each state would choose to receive one of two types of subsidies. They could receive a [block grant](#), essentially a sum equal to their current federal funding, or a per-capita allotment, based on their number of Medicaid enrollees. In either case, federal funds would grow at a rate slower than under current law. Trump's adviser Kellyanne Conway, said in a Jan. 22 interview with NBC that the president's replacement plan for the ACA would propose block grants for Medicaid. Proponents say block grants give states [more control](#) over how they use funds and provide certainty for state budgets. Block grants also would cut federal spending, since the government would no longer provide unlimited matching funds. Critics say that by reducing aid funneled to states, block grants result in less health coverage or more spending at the state level.

¹⁰ <http://www.politico.com/tipsheets/politico-pulse/2017/01/republican-retreat-will-focus-on-obamacare-218396>

¹¹ <http://www.latimes.com/politics/la-na-obamacare-repeal-costs-20170117-story.html>

¹² <https://www.cbo.gov/sites/default/files/115th-congress-2017-2018/reports/52371-coverageandpremiums.pdf>

¹³ <https://www.bloomberg.com/news/articles/2017-01-26/what-obamacare-repeal-could-mean-for-medicaid-quicktake-q-a>

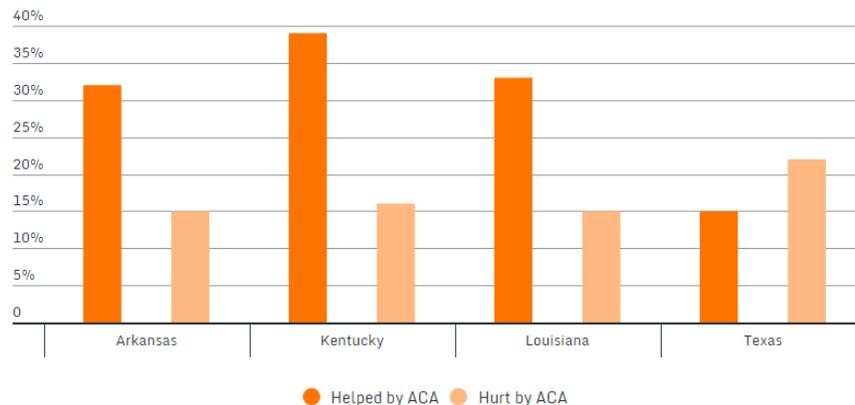
Court ruling in NFIB v. Sebelius could cause problems for Trump administration’s fight against sanctuary cities¹⁴

On Wednesday (January 25th) President Trump signed an executive order that would “strip federal grant money from the sanctuary states and cities that harbor illegal immigrants.” When this order is finalized and put into practice it is likely to be challenged in court (something that mayors and governors of sanctuary cities and states have already vowed). The Supreme Court’s ruling in *NFIB v. Sebelius*, which made the Medicaid expansion provision of the ACA optional, could come into play in these challenges. The 2012 decision set the precedent that withholding federal funds from states that did not cooperate with the federal government was “coercion” and therefore unconstitutional.

In Republican states that expanded Medicaid, Americans reported being helped by the law¹⁵

A recent article in the *New England Journal of Medicine*, by Ben Sommers and Arnie Epstein at Harvard University, reported that twice as many low-income adults in three Republican held states that expanded Medicaid, Arkansas, Kentucky, and Louisiana, reported having been helped by the law than being hurt by it. In contrast, more low-income adults in Texas (which did not expand Medicaid) thought that the law hurt them than helped them.

Low-Income Adults in States Expanding Medicaid More Likely to Say They Were Helped by ACA



Source: Adapted from B. D. Sommers and A. M. Epstein, “Red-State Medicaid Expansions—Achilles’ Heel of ACA Repeal?” *New England Journal of Medicine*, published online Jan. 25, 2017.

Medicare

Doctors hail reintroduction of Medicare-for-All bill¹⁶

In response to the GOP’s “unacceptable agenda,” Physicians for a National Health Program hailed a bill that would upgrade the Medicare program and swiftly expand to cover the entire population. Known as the Expanded and Improved Medicare for All Act, H.R. 676, was

¹⁴ <http://www.cnn.com/2017/01/25/politics/sanctuary-cities-explained/>

¹⁵ <http://www.nejm.org/doi/full/10.1056/NEJMp1700156>

¹⁶ <http://www.commondreams.org/newswire/2017/01/25/doctors-hail-reintroduction-medicare-all-bill>

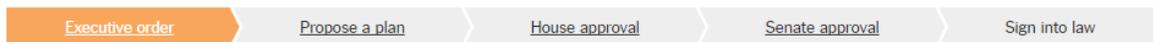
introduced by Representative John Conyers Jr. (D-Mich) would replace today’s private marketplace with a single, streamlined public agency. According the Physicians for a National Program, this resurgence towards a “single payer” is the only way to simply our nation’s health care system. They conclude that our “status quo is unacceptable” and the GOP ideas will lead towards tens of thousands of unnecessary and preventable deaths.

Other news

Useful tool from the New York *Times* to track Trump administration’s actions on various policies: <https://www.nytimes.com/interactive/2017/us/politics/trump-agenda-tracker.html>

Repeal and replace the Affordable Care Act

The order Mr. Trump signed may have limited effect, and Republicans need votes from Democrats in the Senate to enact a robust replacement plan.



Build a border wall and get Mexico to pay for it

Mr. Trump ordered the construction of a wall, but he will need new legislation to pay for it.



Impose import taxes

Mr. Trump supports a 20 percent tax on all imports and has considered proposing such a tax on Mexican imports to pay for the wall, but such a proposal may face strong resistance from Republicans in Congress.



Approve Keystone XL pipeline

Mr. Trump resurrected the Keystone XL pipeline and expedited another pipeline in the Dakotas. The Keystone project awaits State Department approval.



✓ Abandon the Trans-Pacific Partnership

Mr. Trump abandoned the 12-nation trade agreement, signaling an end to the deals that defined global economics for decades.



✓ Ban foreign aid to groups that give abortion counseling

In what is now a ritual for Republican presidents, Mr. Trump froze funding to groups in poor countries if they discuss abortion as a family-planning option.



Suspend immigration from what Mr. Trump calls “terror-prone regions”

Mr. Trump, who has broad power over immigration, plans to block Syrian refugees and issue a monthlong ban on anyone entering the United States from seven countries.