

Assessing the impact of the election on health care reform

November 10, 2016

The future of health care reform, including the Affordable Care Act (ACA), is more uncertain after the election of Donald Trump. President-Elect Trump made repealing and replacing the ACA a fixture of his campaign, but he has not released a detailed plan about his vision for health care reform. Many questions still remain, including whether Trump will seek a partial or complete repeal of the ACA, but here are a few of the proposals he has put forward:

- Completely repeal the ACA and the individual mandate, but maintain coverage of pre-existing conditions. A repeal would result in the loss of insurance coverage for approximately 20 million Americans, unless a replacement is enacted. Insurance companies have said that the only way they can cover pre-existing conditions without causing an insurance “death spiral” (where younger or “healthier” people do not purchase insurance and share in the costs, causing insurance costs for others to rapidly increase) is through the individual mandate. But Trump has said that he will require insurance companies to cover pre-existing conditions with no individual mandate.
- Allow the sale of health insurance across state lines. Trump has said he wants to increase competition in the market by eliminating the barriers that prevent the sale of health insurance across state lines.
- Allow individuals to fully deduct their health insurance premiums from their tax returns. Lowering the costs of health insurance premiums for individuals via these deductions would be Trump’s alternative to the subsidies currently offered under the ACA.

Trump could also allow leaders of the Republican-controlled Congress to construct many of the details of health care reform in his administration, similar to how the ACA was written. Speaker Paul Ryan released a preview of what health care reform led by Congressional Republicans could look like when he released “A Better Way” this past summer. In this agenda he advocated replacing Medicaid with block-grants of fixed dollars to the states to pay for Medicaid programs and allowing the sale of health insurance across state lines, as Trump has advocated.

With Senate Republicans controlling fewer than the 60 votes necessary to block a Democratic filibuster, they could utilize the Senate’s reconciliation procedure, requiring only 50 votes to send an ACA repeal bill to the White House. The Senate did this last year, and President Obama unsurprisingly vetoed the legislation.

While Congressional Republicans and the new president may be united in their desire to repeal the ACA, it remains to be seen whether common ground will be reached on the replacement. In the meantime, a Trump administration may take other actions that would have a significant impact on the ACA without Congressional approval. Trump’s new Secretary of Health and Human Services will have discretion to shape whether the ACA functions as originally intended by the Obama administration. For example, regulations governing Medicaid and the health insurance exchanges could be relaxed or substantially modified without Congressional approval.

It remains to be seen how high of a priority the Trump administration will assign to the repeal of the ACA and, if repealed, how long a transition period will be implemented for individuals to find new insurance coverage.

Authors
