

# Top Ten Conservative Concerns with the American Health Care Act

- 1. Doesn't Improve Care.** Obamacare expanded the federal bureaucracy at the expense of quality care. Tax dollars were taken from providers and used to pay administrators, consultants, lobbyists, insurers, and regulators. The House bill does nothing to change that dynamic.
- 2. Raises Insurance Premiums.** The Congressional Budget Office believes that the bill will raise insurance premiums by 15-20 percent on average in the next two years, with even higher spikes in some areas. Americans care most about lowering health costs and making coverage affordable—yet the bill falls short on that count, retaining all but one of Obamacare's costly mandated benefits and insurance regulations.
- 3. Doesn't Repeal Obamacare.** Lost in the question of whether or not the bill's replacement provisions represent "Obamacare Lite" is the fact that the bill as currently drafted represents "Repeal Lite"—when compared not only to full repeal, but even to the 2015 reconciliation bill that passed both houses of Congress. The bill retains all but one of Obamacare's benefit mandates, some of its taxes, and keeps Medicaid expansion to the able-bodied in perpetuity.
- 4. Expands Obamacare.** Rather than repealing all of the law, the House Republican bill instead expands Obamacare's subsidy regime—extending it to millions of individuals off of insurance Exchanges for 2018 and 2019—and revises the subsidy regime for 2019. Some conservatives may question the need to "fix" Obamacare, when House Republicans' legislation should revolve around *repealing* Obamacare.
- 5. Creates New Entitlement.** Beginning in 2020, the bill creates an entirely new entitlement—advanceable, refundable tax credits—replacing Obamacare's form of subsidized health insurance with another.
- 6. Fiscal Gimmicks?** Under the bill, the transition from the Obamacare subsidy regime to the new system of tax credits, and a reformed Medicaid program, will take place beginning in January 2020—a presidential election year. If Congress or the Administration delay or abandon the transition due to political blowback, the cost of the House bill will soar.
- 7. Permanent Bailout Fund for Insurers?** While failing to repeal Obamacare's risk corridors and reinsurance bailouts, the bill also creates a new "Patient and State Stability Fund," designed to provide most of its \$100 billion in grants to subsidize health insurers. Some conservatives may question whether this grant program will end in 2026 as scheduled under the bill, or whether health insurers instead will make claims on Washington for federal bailouts to the tune of billions of dollars annually.
- 8. Federally Controlled, Not Patient-Centered.** Notwithstanding some important structural changes to Medicaid that respect states, the House bill claims to be patient-centered but still denies a 60-year old the ability to opt out of paying for maternity benefits. Supporters of the House bill talk about giving more flexibility to states, but leave all the federal insurance mandates in place.
- 9. Perpetuates Medicaid Expansion.** The House Republican bill allows states to keep their Medicaid expansion to the able-bodied in perpetuity—a major change compared to the 2015 repeal bill. CBO concluded that many states will in fact keep their expansions, diverting funds from covering the most vulnerable to expand Medicaid to able-bodied adults. Moreover, the House bill maintains Obamacare's enhanced Medicaid match for nearly three years, encouraging expansion states to sign up more able-bodied adults between now and January 2020 to receive additional federal funding.
- 10. Inadequate Verification.** By relying on Obamacare's system of verifying eligibility for the new tax credit entitlement, the bill requires verification of citizenship but not identity—continuing Obamacare's problems of fraudulent applicants obtaining subsidies. In addition, some conservatives may be concerned that even these inadequate verification provisions could be stripped due to procedural concerns in the Senate.