
UPDATE: ~~THE NOT SO QUIET~~ BLATANT SABOTAGE OF YOUR HEALTH CARE

HOW THE ADMINISTRATION BROKE OUR HEALTH CARE SYSTEM

October 2017



U.S. SENATOR BOB CASEY



FIGHTING *for a FAIR SHOT for FAMILIES, KIDS and SENIORS*

The ~~Not So Quiet~~ Blatant Sabotage of Your Health Care

“I know you may believe Obamacare is failing. In Pennsylvania, it is not failing on its own. If our market fails, it is because of your actions, and its failure will rest squarely on your shoulders.”

—PA Insurance Commissioner Letter to (fmr.) HHS Secretary Price

The Trump Administration’s relentless, destructive, partisan attack on the health insurance is failing millions of individuals and families in need of affordable health care. While experts say the health insurance market has been showing signs of stabilizing and moving toward profitability,ⁱ over the course of the last 10 months, President Trump and Congressional Republicans have caused costs to rise and chaos in the Marketplace to ensue.

The Trump Administration and Republicans in Congress are blatantly sabotaging the health insurance marketplace. Over 1.1 million Pennsylvanians have gained health coverage under the Affordable Care Act through the Marketplace and Medicaid Expansion.ⁱⁱⁱ Because of the law, the uninsured rate in Pennsylvania was well below the national average.^{iv} Following relentless executive actions and Congressional activities, Republicans have sabotaged the health insurance marketplace. Examples of sabotage include:

- **NEW:** Refusing to make payments that lower consumer costs. Cost-sharing reductions (CSRs) in the Affordable Care Act have provided \$7 billion annually to reduce deductibles and co-payments for millions of consumers, including over 225,000 Pennsylvanians. ^v
- **NEW:** Allowing insurance companies to sell junk policies to consumers. President Trump is allowing short-term plans designed to fill gaps in coverage to be a primary form of insurance.^{vi} These policies are not required to comply with existing consumer protections, like the ACA’s essential health benefits or limits on cost sharing, resulting in skimpy coverage at high-costs.^{vii}
- **NEW:** Eliminating protections in certain plans against pre-existing condition exclusions. By allowing individuals to purchase short term policies,^{viii} President Trump is, once again, providing insurance company executives the ability to deny coverage to individuals with a pre-existing medical condition. ^{ix}
- **NEW:** Allowing insurance companies to sell plans across state lines. Interstate sales would actually reduce the options available to consumers. Out-of-state insurers would be able to lure healthy enrollees away from existing risk pools, which would then become progressively sicker and more expensive until they ultimately fail. This may mean that individuals in perfect health could find cheaper policies, but everyone else would face large premium increases, or no coverage at all. ^x
- **NEW:** Allowing more groups to form association health plans (AHP). Allowing small groups

to offer health insurance has been tried before^{xi} – and the result was bare-bones coverage, insolvency, and fraud. Making the problem worse, President Trump may also allow these plans to be exempt from consumer protections which would allow them to charge higher premiums for people with preexisting conditions.^{xii}

➤ [Shortening the amount of time in which people can shop for coverage through the Marketplace.](#) The Trump Administration announced that individuals will only have 45 days to shop for and enroll in health insurance through the Marketplace, half the amount of time afforded to individuals and families last year.^{xiii} This decision is expected to result in heightened confusion and depressed enrollment. It may also reduce the number of healthier individuals who enroll in coverage.^{xiv} These healthy individuals help ensure a healthier risk-pool, which means lower costs for families.

➤ [Slashing funding intended to inform consumers of affordable health insurance options.](#) The Trump Administration halted advertisements and suspended email and social media enrollment outreach during the final days of the ACA's Open Enrollment for 2017.^{xv} For 2018, the budget intended to inform people about affordable health insurance options available on the Marketplace will only be \$10 million, a 90 percent reduction from last year.^{xvi} Moreover, some of the funding meant to help inform people about affordable health insurance options was used by the Trump Administration on a public relations campaign to undermine the law, resulting in 130 videos at an estimated cost of \$550 per hour.^{xvii}

➤ [Terminating contracts with individuals who help guide individuals and families through the application process.](#) President Trump terminated the contracts for in-person assisters^{xviii} and eliminated more than 1,000 jobs at two call-centers^{xix} who guided applicants through the health insurance enrollment process and helped them enroll in affordable health insurance. The Administration also slashed funding by 39 percent to local organizations who help with plan selection.^{xx}

➤ [Barring Regional Health Officials from Participating in Sign-up Season.](#) Regional staff members are uniquely positioned to provide the most current information to assisters, navigators, organizations, and others about the availability of affordable health insurance options and where to go to purchase coverage.

➤ [Making the online Marketplace where individuals and families can visit to purchase insurance less accessible and available.](#) Instead of featuring direct links for consumers to apply for coverage, and “easy to understand” summaries of benefits and coverage, as well as dates of enrollment, healthcare.gov includes information criticizing the law and encouraging people to apply for coverage through private sector brokers. It also removes language indicating that women cannot be denied more than man for coverage.^{xxi} While brokers may provide important assistance to individuals and families, the website is designed to help people shop for and enroll in coverage without relying upon individuals with vested interests in particular coverage.

➤ [Relentlessly pursuing a legislative agenda to increase costs and decrease coverage.](#)

Republicans in Washington spent the better portion of this year attempting to pass legislation to repeal the Affordable Care Act and turn Medicaid into a block grant. Americans rejected these proposals, as each proposal would increase costs for families and reduce coverage. Yet, Congressional Republicans and the Trump Administration ignored the will of the people, and are pursuing these same goals through sabotage.

Conclusion

As a result of the maniacal obsession by the Trump Administration and Congressional Republicans to score political points, hard-working individuals and families will watch their health care costs skyrocket and their coverage decline. Consumers should not bear the cost of the Trump Administration and Congressional Republicans' sabotage. Yet, unfortunately, this is exactly what will happen to consumers in the 2018 plan year thanks to efforts to undermine the law. All Americans deserve affordable health insurance coverage; Americans deserve better than sabotage.

ⁱ Cynthia Cox, Larry Levitt, Gary Claxton. *Insurer Financial Performance in the Early Years of the Affordable Care Act*. Kaiser Family Foundation, April 2017. <http://kff.org/private-insurance/issue-brief/insurer-financial-performance-in-the-early-years-of-the-affordable-care-act/>

ⁱⁱ Deep Banerjee, James Sung, Joseph N. Marinucci, Jacqueline Unverrich. *The U.S. ACA Individual Market Showed Progress In 2016, But Still Needs Time To Mature*. S&P Global Marketplace Intelligence – Global Credit Portal, April 2017.

https://www.globalcreditportal.com/ratingsdirect/renderArticle.do?articleId=1828594&SctArtId=421970&from=CM&nsI_code=LIME&sourceObjectId=10047007&sourceRevId=5&fee_ind=N&exp_date=20270408-00:16:31

ⁱⁱⁱ Wes Venteicher, Ben Schmitt. *Pennsylvania has IM in path of Obamacare repeal*. Tribune-Review, November 2016. <http://triblive.com/news/editorspicks/11447429-74/health-insurance-plans>

^{iv} Centers for Disease Control and Prevention. *National Health Interview Survey Early Release Program*. U.S. Department of Health and Human Services. May 16, 2017. <https://www.cdc.gov/nchs/data/nhis/earlyrelease/insur201705.pdf>

^v Sarah Lueck. *Interactive Map: Cost-Sharing Subsidies at Risk under House GPO Health Bill*. Center for Budget and Policy Priorities, March 2017. <http://www.cbpp.org/blog/interactive-map-cost-sharing-subsidies-at-risk-under-house-gop-health-bill>

^{vi} Presidential Executive Order. *Promoting Healthcare Choice and Competition Across the United States*. Issued October 12, 2017. <https://www.whitehouse.gov/the-press-office/2017/10/12/presidential-executive-order-promoting-healthcare-choice-and-competition>

-
- vii Dania Palanker, Kevin Lucia, Emily Curran. *New Executive Order: Expanding Access to Short-Term Health Plans Is Bad for Consumers and the Individual Market*. The Commonwealth Fund – To the Point, October 11, 2017. <http://www.commonwealthfund.org/Publications/Blog/2017/Aug/Short%20Term%20Health%20Plans>
- viii Presidential Executive Order. *Promoting Healthcare Choice and Competition Across the United States*. Issued October 12, 2017. <https://www.whitehouse.gov/the-press-office/2017/10/12/presidential-executive-order-promoting-healthcare-choice-and-competition>
- ix Dania Palanker, Kevin Lucia, Emily Curran. *New Executive Order: Expanding Access to Short-Term Health Plans Is Bad for Consumers and the Individual Market*. To the Point, October 11, 2017. <http://www.commonwealthfund.org/Publications/Blog/2017/Aug/Short%20Term%20Health%20Plans>
- x National Association of Insurance Commissioners. *Interstate Health Insurance Sales: Myth vs. Reality*. July, 2017. http://www.naic.org/documents/topics_interstate_sales_myths.pdf
- xi Mila Kofman, Kevin Lucia, Eliza Bangit, Karen Pollitz. *Association Health Plans: What's All The Fuss About?* Health Affairs, November 2006. <http://content.healthaffairs.org/content/25/6/1591.full>
- xii Kevin Lucia, Sabrina Corlette. *President Trump's Executive Order: Can Association Health Plans Accomplish What Congress Could Not?* The Commonwealth Fund – To the Point, October 10, 2017. <http://www.commonwealthfund.org/publications/blog/2017/oct/association-health-plans-executive-order>
- xiii Centers for Medicare and Medicaid Services Final Rule, April 13, 2017. <https://s3.amazonaws.com/public-inspection.federalregister.gov/2017-07712.pdf>
- xiv Katherine Baicker, William J Congdon, Sendhil Mullainathan. *Health Insurance Coverage and Take-Up: Lessons from Behavioral Economics*. Milbank Q, March 2012. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3385021/>
- xv Presidential Executive Order. *Minimizing the Economic Burden of the Patient Protection and Affordable Care Act Pending Repeal*. Issued January 20, 2017. <https://www.whitehouse.gov/the-press-office/2017/01/20/executive-order-minimizing-economic-burden-patient-protection-and>
- xvi Zachary Tracer, Anna Edney. *Trump Guts Budget for Obamacare Ads*. Bloomberg Politics, August 31, 2017. <https://www.bloomberg.com/news/articles/2017-08-31/trump-health-department-is-said-to-slash-obamacare-ad-budget>
- xvii Sam Stein. *Team Trump Used Obamacare Money to Run PR Effort Against It*. Daily Beast, July 20, 2017. <https://www.thedailybeast.com/team-trump-used-obamacare-money-to-run-ads-against-it>
- xviii Carla K Johnson. *Trump Administration Pulls Obamacare Signup Help in 18 Cities*. Bloomberg Politics, July 20, 2017. <https://www.bloomberg.com/news/articles/2017-07-20/trump-administration-pulls-health-law-help-in-18-cities>
- xix Mike Copeland. *Call center closing will eliminate more than 800 Waco-area jobs*. Waco Tribune-Herald, April 10, 2017. http://www.wacotrib.com/news/business/call-center-closing-will-eliminate-more-than-waco-area-jobs/article_1d94d424-e626-5d4f-9a6b-d712df0b1b63.html; Stephen Gruber-Miller, *Over 200 layoffs expected at General Dynamics in Coralville*. USA Today, March 31, 2017. <https://www.usatoday.com/story/news/local/2017/03/31/layoffs-general-dynamics-coralville-medicare-medicaid-call-center/99875318/>
- xx Zachary Tracer, Anna Edney. *Trump Guts Budget for Obamacare Ads*. Bloomberg Politics, August 31, 2017. <https://www.bloomberg.com/news/articles/2017-08-31/trump-health-department-is-said-to-slash-obamacare-ad-budget>
- xxi Sam Stein. *Team Trump Used Obamacare Money to Run PR Effort Against It*. Daily Beast, July 20, 2017. <https://www.thedailybeast.com/team-trump-used-obamacare-money-to-run-ads-against-it>