

# HEALTH CARE FOR AMERICA NOW!

## TRUMP SABOTAGE:

### How Trump is Working to Undermine the ACA

In addition to avidly encouraging repeal of the Affordable Care Act (ACA) in Congress, President Trump has run an aggressive [campaign to sabotage and undermine the ACA](#) everyday he's been in office. Failing to repeal the law at least five times, Trump has [repeatedly said](#) that the best thing to do is to let the ACA "[explode](#)," and he has done [everything](#) in his power to make that happen.

Trump began his sabotage effort immediately upon taking office. Shortly after his inauguration, he [issued an executive order](#) directing federal agencies to use their administrative powers to begin dismantling the ACA "to the maximum extent permitted by law." Then the Department of Health and Human Services (HHS), the agency charged with promoting and enforcing the law, [announced](#) that it would [stop planned ads for the final week of open enrollment](#) for marketplace health coverage, which experts say [reduced final enrollment](#) by more than [400,000 people](#).

Trump's [campaign to undermine the ACA](#) has involved three major areas of sabotage.

- 1. Sabotaging the individual mandate.** From Day One the administration has said it [does not intend to enforce the individual mandate](#), which is the cornerstone of the ACA because it ensures that everyone participates in the insurance market, which keeps rates down and encourages competition. Experts and insurers say that failure to enforce the mandate is a major cause of [market uncertainty](#), which, in turn, will cause rates to go up and insurers to leave markets.
- 2. Sabotaging the insurance markets by threatening to withhold the Cost-Sharing Reduction (CSRs) payments to the insurance companies.** [Insurers and experts](#) agree that this has been the most significant act of sabotage. According to the [Congressional Budget Office](#), CSR uncertainty "may lead insurers to withdraw from the market" ([several have in several states](#)) and will [increase rates by 20% in 2018 and 25% in 2020](#). Along with lax enforcement of the individual mandate, uncertainty about the CSR payments has caused significant disruption in [otherwise healthy markets](#). Here's the background:
  - About 6 million people — more than half of all marketplace consumers — benefit from CSRs, which go to people with incomes below 250 percent of the poverty line (about \$60,000 for a family of four) and reduce their out-of-pocket costs by an average of about \$1,100 per person.
  - Under the ACA, insurers must provide health plans with lower deductibles and other out-of-pocket costs to people who qualify for CSRs, and the federal government then reimburses the insurers for the cost of doing so, which is about \$7 billion a year. Insurers have to provide these savings regardless of whether they are reimbursed by the federal government, as the law intends.
  - In 2016, House Republicans filed a lawsuit saying that the Obama administration could not make CSR payments because a glitch in the ACA did not technically appropriate the funding, although the law clearly spells out the program and payments. While the judge ruled in favor of the plaintiffs, the court said the administration could continue making the payments while the case is appealed, which the Obama administration did. Instead of continuing to appeal the decision and making clear that they would continue to make the payments to insurers, the Trump

administration has repeatedly threatened to withhold the payments. It's been playing a game of chicken, making the payments on a month-to-month basis at the last minute, while threatening each month to not make them at all. This has fueled premium increases for 2018, since insurers have to set rates based on the assumption that the CSR payments will not continue to be made.

- Following the failure of the Senate to pass ACA repeal in July, the Senate's Committee on Health, Education, Labor and Pensions began a [bipartisan effort](#) to fix this problem – specifically, they were considering requiring CSR payments for [two years](#). But the committee's work was [scuttled by GOP leadership](#) to make room for the last-ditch effort to push the failed Graham-Cassidy repeal bill in September. This came at a crippling time – September 27 was the final deadline for insurers to sign contracts to participate in the federal ACA markets next year.

**3. Sabotaging enrollment and outreach.** The administration has sabotaged efforts to inform consumers about the ACA and enroll them in coverage in five ways. Combined, these actions could have a significant impact on the number of people who enroll in 2018.

- First, the administration [cut the open enrollment period in half](#), reducing it to six weeks (November 1-December 15) from twelve last year (November 1, 2016 – January 31, 2017).
- Second, it [slashed advertising](#) for open enrollment by 90% from \$100 to \$10 million. This advertising is the only way many consumers will learn about enrollment.
- Third, it [slashed funding for local ACA “navigators”](#) by 41%, workers who are essential to helping consumers select their insurance coverage. Navigators play a critical role in what can be a complicated process.
- Fourth, the administration announced that it will [shut down the enrollment website](#) for 12 hours nearly every Sunday during the open enrollment period. HHS says this is for [“maintenance outages.”](#) [However, there is no justification for this level of maintenance.](#)
- Lastly, HHS [issued a directive](#) that its ten regional directors were not to participate in or help with state-based enrollment activities, as has been the case in years past, further distancing the agency from the law it's supposed to promote and enforce. An [HHS statement](#) on this says it all: "Obamacare has never lived up to enrollment expectations despite the previous administration's best efforts. The American people know a bad deal when they see one and many won't be convinced to sign up for 'Washington-knows-best' health coverage that they can't afford." **This sums up the principle behind the Trump sabotage campaign – ceaselessly attack and refuse to enforce the law and then blame the law if and when it has problems they have helped to create.**

Throughout the life of the ACA, the GOP has fought its implementation and sought to undermine it in multiple ways, including opposing state efforts to expand Medicaid. Currently, 32 states and the District of Columbia have expanded Medicaid, while 19 states have not. [Five million Americans would gain coverage in 2017 if these 19 states expanded Medicaid](#) under the ACA, which provides 90% federal reimbursement to states for the costs of expansion.

---

*For a timeline of Trump and GOP sabotage, the Center on Budget and Policy Priorities has a dedicated web page, [“Sabotage Watch: Tracking Efforts to Undermine the ACA.”](#)*