

HEALTH CARE FOR AMERICA NOW!

President Trump is Working to Dismantle the ACA Despite Growing Public Approval for the Law

In addition to avidly encouraging repeal of the Affordable Care Act (ACA) in Congress, President Trump has stepped up his own aggressive and systematic [campaign to sabotage and dismantle the ACA](#). Despite growing popularity of the ACA, 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 undermine and dismantle the law piece by piece. In fact, he referred to his October 12 executive order that pushes junk insurance policies and will cripple the market as “[starting the process](#)” of ACA repeal.

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](#).

The president is [using executive power to dismantle the ACA](#) by forcing premium increases, creating instability in the market, allowing the sale of insurance that doesn’t meet minimum standards, actively interfering with the ability of consumers to sign up for coverage, and rolling back the guarantee of no-cost birth control for 55 million women.

Trump has attacked the health care law in five ways:

- 1. Refusing to implement the individual responsibility provision of the ACA.** 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 lower and encourages competition. Experts and insurers say that failure to enforce the mandate is a major cause of [market uncertainty](#), which, in turn, raises costs for everyone and encourages insurers to leave markets.
- 2. Threatening to withhold Cost-Sharing Reduction (CSRs) payments to the insurance companies – and then announcing on October 12, 2017 that he will end these payments.** Cost sharing reduction payments are reimbursements to insurance companies that lower costs for about 6 million people who buy insurance on ACA exchanges, making health care more affordable for more people. [Insurers and experts](#) agree that this has been a very 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](#), putting health coverage out of reach for million of people. Now that Trump has ended the payments, the departure of insurers from key markets is likely. New York’s attorney general has already announced a likely [lawsuit](#) by a coalition of states challenging the decision. Along with lax enforcement of the individual mandate, uncertainty about the CSR payments has already caused significant disruption in [otherwise healthy markets](#). Here’s more background:

- 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. To see what percent of enrollees depend on CSRs in your state, see the map here: <https://www.cbpp.org/blog/interactive-map-cost-sharing-subsidies-at-risk-under-house-gop-health-bill>
- 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.
- 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 address 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. Bipartisan talks in the Senate have started again.

3. Cutting enrollment and outreach. The administration has sabotaged efforts to inform consumers about the ACA and enroll them in coverage in six ways that are intended to lower enrollment in ACA plans 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”](#), workers who are essential to helping people sign up for coverage, by 41%. 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. Many people who work during the week wait until the weekend, when they have more time, to sign up for their health care. HHS says this is for [“maintenance outages.”](#)
- Fifth, HHS [issued a directive](#) forbidding its ten regional directors from helping with state-based enrollment activities, a standard part of their job in years past since the agency is supposed to promote and enforce the law. This is a key part of the **Trump sabotage campaign – ceaselessly attack and refuse to enforce the ACA, creating problems that can then be blamed on the law and Obama's administration.**

- Lastly, [according to the New York Times](#), HHS has even removed important links from its website, including information about how people could get care through their ACA plans. HHS has also been using [official videos](#) and its press office to smear the ACA, promote repeal, and cause consumer confusion.
- 4. Ending critical preventive benefits for women.** The Trump administration [issued a sweeping new rule](#) that guts the federal requirement that employers include birth control coverage in their health insurance plans. The decision will impact more than [55 million women who have access to birth control without co-payments](#) because of the contraceptive coverage provision under the ACA. In 2013 alone, [the mandate saved women \\$1.4 billion](#) on birth control. Specifically, the order allows any employer, not just religious ones, to raise religious or "moral" objections to birth control and refuse to pay for it for employees. This is a significant departure from the original rule which allowed exemptions for religious employers only (such as churches or catholic hospitals).
- 5. Loosening rules for insurance companies, rolling back consumer protections, and allowing the sale of bare-bones policies outside the ACA marketplaces.** The administration issued an [executive order](#) on October 12, 2017 that allows the sale of junk health insurance and is designed to lure healthy consumers from the individual market in an effort to trigger its collapse. The executive order includes three changes.
- First, it would expand the use of “short-term” policies from 90 days or less to up to one year. These plans are completely exempt from the ACA’s rules and standards. That means that insurance companies can go back to refusing coverage for people with pre-existing conditions, charging them more for their coverage, and selling bogus plans that don’t include essential health benefits like maternity care, mental health and prescription drugs that are required for plans sold in the ACA marketplaces. These plans could even have life-time and annual benefit caps. Unsuspecting consumers may buy these plans thinking they have good coverage, only to find out they have insurance that’s not worth the paper it’s printed on.
 - Second, it expands the role of so-called “association health plans” in a way that allows plans formed by associations to bypass existing rules for insurance companies (like consumer protections and essential health benefits) that cover other health insurance plans under the ACA. Currently such plans are treated as small business plans and are covered by the ACA. This will allow association plans to systematically cherry pick young, healthy consumers and pull them out of the existing individual health insurance market, which will transform the market into an insurance pool dominated by older and sicker people. That means that rates will skyrocket, insurers will flee, and ultimately the entire private health insurance market could collapse. This would likely make coverage fundamentally unaffordable for middle-class consumers not eligible for the ACA’s tax credits.
 - Third, it expands the use of Health Reimbursement Arrangements, which are employer-funded accounts that reimburse employees for health care expenses, such as deductibles and co-payments. While this sounds good, this change would allow employers to use HSAs to pay premiums – currently not allowed by law – which would create an incentive for employers to stop providing insurance for their employees. Instead they could offer pre-tax

dollars – but probably not enough for coverage. This would push sicker patients into the individual market while pulling out healthier consumers, some of whom may purchase the newly available short-term plans. This provision is another way to trigger the collapse of the market.

President Trump and Republicans in Congress have tried all year to repeal the ACA, to dilute the rules it creates for insurance companies, to strip away mechanisms that make coverage affordable in the marketplaces and to roll back the expansion of Medicaid in the 32 states and District of Columbia where it has been implemented and brought the number of people without health coverage to a historic low in our country.

Despite the fact that Congress has failed to repeal the law, largely because of public outcry, President Trump is continuing the repeal efforts through new channels. His sabotage of the law will result in some of the same outcomes we would've have seen as consequences of repeal: higher costs, less coverage, and fewer rules that protect consumers from insurance company abuses.

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.”](#)