



Steps to ACA repeal: Trump's first week

By Stephanie Zaremba | January 25, 2017

President Donald Trump vowed that dismantling the Affordable Care Act would be one of his first actions as president. He's keeping true to his promise — and Capitol Hill has been abuzz with actions and speculation around the future of the law. Here's what you need to know about the status of the ACA this week:

The effect of Trump's executive order is unclear

A few hours after becoming president, Trump issued an executive order authorizing federal agencies to waive, defer, or exempt as much of the ACA as possible. Nothing is repealed or unwound immediately as a result of this order, and how the agencies will choose to carry it out remains to be seen. Possible changes include broader exemptions to or reduced enforcement of the individual mandate, changes to the required benefits that plans must provide, and greater flexibility for states. A few things to note:

First, changes can only be made to the extent permitted by law. There is still a good deal of the law that only Congress can undo.

Second, changes will have to be made in accordance with the laws on administrative rule-making, and in most cases that process takes some time (proposed rules, comment periods, etc.) Don't expect too many immediate changes on major issues.

And finally, in the short term, everyone will be watching to see how insurers respond to the growing uncertainty around the fate of the ACA. It doesn't seem that the executive order was coordinated with Congressional Republicans, and it is unclear if the intent is to smooth the repeal transition and shore up the marketplaces or to ensure quick demise of the ACA.

The individual mandate could go

Last weekend, Trump adviser Kellyanne Conway was quick to stress that getting rid of the individual mandate remains a top priority for the president. However, White House press secretary Sean Spicer declined to answer whether the administration will enforce the mandate. So the speculation continues...

Republican senators offered replacement plans

Republican Sens. Susan Collins of Maine and Bill Cassidy of Louisiana introduced a replacement blueprint bill on Monday. It is not yet clear whether this plan will gain traction, and Sen. Collins called it a “work in progress.”

Their plan calls for states to choose from three options: keep the current ACA system, reject any federal assistance, or transition to a new program that will automatically enroll eligible individuals in a high-deductible plan linked to a health savings account. It also calls for maintaining ACA taxes initially and transitioning to a new system by 2020. The bill’s sponsors claim that their plan will cover more individuals than the ACA, but Democrats were quick to criticize the plan for failing to guarantee that those currently covered by the ACA could keep their coverage.

Republican Sen. Rand Paul of Kentucky also introduced his own plan Tuesday, underscoring the extent to which replacement is far from settled. Paul’s plan eliminates the ACA coverage requirements to allow insurers to sell cheaper plans, provides individuals with a \$5,000 tax credit to help pay for insurance, allows insurers to sell plans across state lines, and extends the tax exemption on premiums to the individual market. Another notable difference between Sen. Paul’s plan and the Collins/Cassidy plan: Paul calls the ACA taxes a “nonstarter” while Senator Cassidy sees the tax revenue as “essential.”

Congressional Republicans head to Philadelphia today for a two-day retreat, where much of the agenda will focus on gaining some consensus around next steps on repealing and replacing the ACA.

Trump walked back on ‘insurance for everybody’

President Trump initially claimed that his replacement plan would ensure “insurance for everybody.” If you didn’t quite believe that, you were right. His advisers and Vice President Mike Pence have been at pains

over the past week to clarify that the president meant he would make sure insurance was affordable for everybody.

Republican governors are engaged

Last week, 10 Republican governors – from states that had and hadn’t expanded Medicaid eligibility – met with Republicans from the Senate Finance Committee to discuss the future of the ACA. While no commitments were made, the senators tried to assure governors from expansion states that they would not lose the coverage gained for their low-income populations.

Separately, the National Governors Association wrote a letter to House Republicans stressing that Congress should not shift more of the costs onto states as they sort out Medicaid reform. While the letter didn’t specifically address Medicaid block grants – an idea that has been floated by many a Republican lawmaker lately – anyone reading between the lines will see that governors are concerned that they will be left holding much of the bill for providing healthcare to their most vulnerable populations.

States may have their day

The handover from the feds to states might not be entirely unwelcome, though. One possible outcome of ACA “repeal and ... something” is that states may be given the opportunity to regain some control. For example, N.Y. Gov. Andrew Cuomo announced action that his administration is taking to essentially safeguard the ACA’s protections by requiring that health insurers cover medically necessary abortions and most contraceptive methods at no cost. Expect to see more states taking steps like these in the wake of federal uncertainty.

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