

Senate GOP Releases Bill to Cut Medicaid, Alter 'Obamacare'



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Amy Klobuchar
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Senate Republicans released their long-awaited bill Thursday to dismantle much of Barack Obama's health care law, proposing to cut Medicaid for low-income Americans and erase tax boosts that Obama imposed on high-earners and medical companies to finance his expansion of coverage.

The bill would provide less-generous tax credits to help people buy insurance and let states get waivers to ignore some coverage standards that "Obamacare" requires of insurers. And it would end the tax penalties under Obama's law on people who don't buy insurance — the so-called individual mandate — and on larger companies that don't offer coverage to their employees.

The measure represents the Senate GOP's effort to achieve a top tier priority for President Donald Trump and virtually all Republican members of Congress. Senate Majority Leader Mitch McConnell, R-Ky., hopes to push it through his chamber next week, but solid Democratic opposition — and complaints from at least a half-dozen Republicans — have left its fate unclear.

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"We have to act," McConnell said on the Senate floor. "Because Obamacare is a direct attack on the middle class, and American families deserve better than its failing status quo."

Democrats gathered on the Senate floor and defended Obama's 2010 overhaul. They said GOP characterizations of the law as failing are wrong and said the Republican plan would boot millions off coverage and leave others facing higher out-of-pocket costs.

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"We live in the wealthiest country on earth. Surely we can do better than what the Republican health care bill promises," said Senate Minority Leader Chuck Schumer, D-New York.

Some conservative and moderate GOP senators, too, have complained about McConnell's proposal, the secrecy with which he drafted it and the speed with which he'd like to whisk it to passage. McConnell has only a thin margin of error: The bill would fail if just three of the Senate's 52 GOP senators oppose it.

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Sen. Dean Heller, R-Nev., facing a tough re-election fight next year, said he had "serious concerns" about the bill's Medicaid reductions.

"If the bill is good for Nevada, I'll vote for it and if it's not, I won't," said Heller, whose state added 200,000 additional people under Obama's law.

The House approved its version of the bill last month. Though he lauded its passage in a Rose Garden ceremony, Trump last week privately called the House measure "mean" and called on senators to make their version more "generous."

At the White House on Thursday, Trump expressed hope for quick action.

"We'll hopefully get something done, and it will be something with heart and very meaningful," he said

The bill would phase out the extra money Obama's law provides to states that have expanded coverage under the federal-state Medicaid program for low-income people. The additional funds would continue through 2020, and be gradually reduced until they are entirely eliminated in 2024.

Ending Obama's expansion has been a major problem for some GOP senators. Some from states that have expanded the program have battled to prolong the phase-out, while conservative Republicans have sought to halt the funds quickly.

Beginning in 2020, the Senate measure would also limit the federal funds states get each year for Medicaid. The program currently gives states all the money needed to cover eligible recipients and procedures.

The Senate bill would also reduce subsidies now provided to help people without workplace coverage get private health insurance, said Caroline Pearson, a senior vice president of the health care consulting firm Avalare Health.

Unlike the House bill, which bases its subsidies for private insurance on age, the Senate bill uses age and income. That focuses financial assistance on people with lower incomes.

Pearson said those subsidies will be smaller than under current law. That's because they're keyed to the cost of a bare-bones plan, and because additional help now provided for deductibles and copayments would be discontinued.

Under Obama's law, "many of those people would have gotten much more generous plans," she said.

The bill would let states get waivers to ignore some coverage requirements under Obama's law, such as specific health services insurers must now cover. States could not get exemptions to Obama's prohibition against charging higher premiums for some people with pre-existing medical conditions, but the subsidies would be lower, Pearson said, making coverage less unaffordable.

Like the House bill, the Senate measure would block federal payments to Planned Parenthood. Many Republicans have long fought that organization because it provides abortions.

The Senate would also provide \$50 billion over the next four years that states could use in an effort to shore up insurance markets around the country.

For the next two years, it would also provide money that insurers use to help lower out-of-pocket costs for millions of lower income people. Trump has been threatening to discontinue those payments, and some insurance companies have cited uncertainty over those funds as reasons why they are abandoning some markets and boosting premiums.

The nonpartisan Congressional Budget Office said the House bill would cause 23 million people to lose coverage by 2026. The budget office's analysis of the Senate measure is expected in the next few days.

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