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FROM THE EDITOR'S DESK

THE HEALTH CARE SCHMOZZLE

by Charles R. Kesler

THE BEST DESCRIPTION I'VE HEARD OF THE REPUBLICANS' ONGOING attempt to repeal and replace Obamacare came from my wife. "It's a schmozzle," she said one day.

The word, new to me, is English slang, or maybe Australian, depending on which online dictionary you check, and, though not Yiddish, is said to have Yiddish roots. Only in America! At any rate, my wife, Sally Pipes, a health care expert and inveterate critic of Obamacare, knows a health care schmozzle when she sees one.

The word has two meanings, each relevant. A "schmozzle" is a minor melee, an ineffectual brawl, like a baseball fight—though in this bench-clearer, only one side bothered to leave the dugout. The Obamacare dust-up involves Republicans only.

In its second sense, a "schmozzle" is a big disorderly mess, which is a good description of the GOP's three competing plans (one from the House, two from the Senate), all unpopular and none of which can command a Senate majority (as of press time).

Obamacare consists of five main parts: (1) its wide-ranging mandates dictating almost complete federal control over the market for individually purchased health insurance; (2) taxpayer-funded subsidies that help cover the artificially high premiums that result; (3) a huge expansion of Medicaid; (4) a bold but barely acknowledged raiding of Medicare funds to help defray the Medicaid bills; and (5) tax increases. The Republican bills take aim at one and a half of the five parts—the tax increases (though they've backed away from repealing all of these) and Medicaid. So maybe we're down to one part.

The bills call, essentially, for keeping the Affordable Care Act's structure while cutting off some of its revenue streams, and for out-year reforms in Medicaid and reductions in its rate of spending growth.

The GOP bills retain almost all of Obamacare's mandates, including that no insurer can charge higher prices to those who wait to buy coverage until they are sick or very sick. This "community rating" mandate is the main reason why premiums in the individual market have roughly doubled under Obamacare in just four years. Not the only reason, of course: the law prescribes an elaborate array of expensive minimum benefits that make insurance too costly for young people and families, who pay to subsidize the older and sicker.

Republicans would effectively repeal the individual mandate, as well as the laxly enforced employer mandate. But without significantly

loosening the "essential benefit plans," insurance costs would continue to rise in subsequent years—probably dramatically. Only now, the increases would be blamed on Republicans.

HOW DID THE GOP GET INTO THIS MESS? WHEN PRESIDENT Obama pitched the Affordable Care Act, he emphasized that nothing Americans liked about health care would change. He had to take that tack, because 17 out of 20 Americans liked their health coverage. The only change they would notice, he promised, was a reduction in their premiums (\$2,500 per family, remember?). His bill proposed to expand access to the middle-class world of insurance, and for the poorest of the poor, to extend a lifeline to Medicaid.

In practice, however, the majority of the people who acquired new health care coverage got it through Medicaid (about 15 million), not the insurance policies offered on the exchanges (the 12.7 million Americans enrolled in the exchanges in 2016 soon boiled down to only 9.1, after subtracting those who didn't pay the premiums or couldn't prove citizenship). Obamacare soon went, in effect, from being an unpopular insurance reform to being a somewhat popular entitlement program.

Republicans are trying desperately to revive the health insurance market for individuals, but they are trying to sell a product that the experience of Obamacare has taught millions of Americans they don't want or need. Who needs insurance, after all, if you can get it at the last minute at the same cost, and if health care itself is a right that cannot be denied and that someone else will have to pay for?

Together with the deterioration of the Obamacare exchanges in many states, this development has trapped the GOP into a scramble to save Obamacare from itself, and to save the idea of a market for health care (and health insurance) from the entitlement maw. The first is popular, the second much less so; and the two are at odds.

On cue, the "public option," ostentatiously sacrificed by Obama and the Democrats in 2010, threatens to return, only this time not as an option. Yet Democrats in California recently retired their vaunted plan for a statewide single-payer system, because they had to admit they had no idea how to pay for it.

The Democrats are running out of other people's money, and the Republicans are running out of votes and time. If that isn't a schmozzle, I don't know what is.

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