

White House: Health-Care Deregulation Will Save \$450 Billion (2)

Posted Feb. 8, 2019, 9:59 AM Updated Feb. 8, 2019, 12:14 PM

- Savings from relaxing Obamacare rules, expanding group plan definitions
- Exchanges not ravaged by policies, White House says
- Democrats remain focused on upholding, restoring mandates

The Trump administration estimates its deregulatory agenda for health care will provide a value of \$453 billion to the economy over next decade, a senior administration official said in a call to reporters.

[The report](#) looked at the effects of allowing groups of small businesses to form health insurance plans for their employees, expanding short-term limited-duration insurance plans, and moving the individual mandate penalty to zero.

This report comes as House Democrats seek to reverse what they describe as the Trump administration's sabotage of Obamacare. Democrats have said that their wins in the midterm elections were a mandate to uphold the Affordable Care Act, and the House Energy and Commerce Committee is holding a [hearing Feb. 13](#) to look at ways to stabilize the ACA.

The report, from the White House Council of Economic Advisers (CEA), included Trump administration arguments that the exchanges are showing greater signs of stability. This report is "obviously some form of a response" to criticism that these policies are "weakening the effectiveness and benefits of the Affordable Care Act," John Arensmeyer, CEO of the Small Business Majority, said in an interview. Small Business Majority is an advocacy group that represents small business owners.

From 2018 to 2019, for example, average premiums for the benchmark exchange plans on which federal subsidies are based dropped by 1.5 percent. That is the first time average benchmark premiums have dropped since the exchanges opened in 2014.

Further, some 87 percent of exchange enrollees received subsidies in 2018, and those people have incentive to keep their exchange coverage. Thus, the individual mandate

penalty and providing people with more options are not driving critical numbers of people out of the exchanges, the CEA said.

The Trump administration has focused on increasing options for people in the non-group health insurance market who make too much money to qualify for ACA subsidies, many of whom have been priced out of the market. There was a 20 percent drop in unsubsidized enrollment nationally between 2016 and 2017, Centers for Medicare & Medicaid Services Administrator Seema Verma said in 2018. That represented about 1.3 million people.

The official, who asked not to be named, framed the repeal of the individual mandate penalty as no longer penalizing people for turning down government assistance and said it would reduce the deficit by \$185 billion over the next decade by reducing ACA premium subsidies.

More than 20 million people have gained coverage under the ACA, but nearly 13 million of those people became covered as a result of the ACA's Medicaid expansion rather than through the exchanges, the report stated.

These three policies touted by the White House report are “destabilizing the market, and making it more expensive, the latter of which they actually admit in the report,” Arensmeyer said.

When people who buy coverage where they are underinsured or uninsured for certain things, it “exposes them to economic harm,” said Mila Kofman, executive director of the DC Health Benefit Exchange Authority, the Obamacare exchange for the District of Columbia.

“A report that touts positive economic impact and fails to account for negative impact ... is not credible,” Kofman said.

The administration sees this report as providing a fuller picture of the insurance market, rather than just looking at ACA enrollment and premium rates.

The report was calculated based on the assumption that these changes will be in place for the next decade and will be fully functional, and does not take into account pending litigation against the policies.

(Added information from the report .)

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