



Written by [Michael Tennant](#) on August 10, 2020

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## Investigating Democrats' Insurance Claims

Gary Easley worked as a chef at the Four Points by Sheraton in Charleston, West Virginia, for 25 years. On St. Patrick's Day, he was laid off, a victim of falling revenues. Coronavirus fears had led people to stay home. Others lost their jobs or were unable to travel because of state shelter-in-place orders. Fewer and fewer were visiting the hotel's restaurant.



Along with his paycheck, Easley's health insurance disappeared practically overnight. It was particularly frightening for him because he suffers from a variety of chronic conditions for which he takes nine different prescriptions, which, absent insurance, would cost him about \$2,700 a month, he told the *Washington Post*.

Fortunately, Easley was able to get help from a free clinic. But his story has been replicated all across the country as joblessness has reached levels not seen since the Great Depression. Unlike the 1930s, however, most Americans now get their health insurance through their employers. When jobs go, so does health coverage — an unfortunate thing to happen anytime, but especially in the midst of the high unemployment caused by governments' response to COVID-19.

The Kaiser Family Foundation (KFF) estimated that as early as May 2, nearly 27 million Americans would have lost their health insurance because of job loss. That number would probably have been higher but for the fact that, according to the *Post*, "the kinds of work disappearing the most — restaurant jobs and others in the service industry — have always been less likely to offer health benefits."

Still, of those who do lose their health coverage along with their jobs, KFF believes 79 percent are eligible for government-subsidized insurance through such programs as ObamaCare, Medicaid, and the Children's Health Insurance Program. Another five percent should be able to obtain coverage through their spouse's or parent's employer-sponsored plan.

## Democrats Dump on Trump

What, then, of the remaining 4.3 million newly uninsured, not to mention the 27.5 million who, despite ObamaCare, still didn't have coverage prior to the coronavirus panic?

Democrats have a ready answer: It's President Donald Trump's fault.

The Center for American Progress (CAP), a left-wing Washington, D.C., think tank, published a lengthy article with the thesis "President Trump's relentless attacks on the Affordable Care Act [ACA] have depressed enrollment in the health insurance marketplace."



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“Fewer people with marketplace coverage,” CAP continues, “not only means fewer people with health coverage but also fewer people with financial security, timely access to care, and peace of mind — which are all the more important during the COVID-19 pandemic.”

CAP lists several ways in which Trump has allegedly contributed to lower ACA enrollment.

First, “While the enrollment period for 2017 coverage was still open when President Barack Obama’s term ended, the Trump administration took actions to undermine the ACA within days of taking office, including canceling television ads for the marketplace outreach campaign. By one estimate, Trump’s actions resulted in 500,000 fewer people enrolling in coverage for 2017.”

Next, Trump “slash[ed] the outreach and enrollment assistance budget for the [HealthCare.gov](#) portal by 90 percent,” “halved the duration of the [annual] open enrollment period,” “zeroed out the individual mandate penalty,” and “loosen[ed] regulation of short-term junk plans.”

Finally, Trump chose “to stop [the Obama administration practice of] reimbursing insurance companies for their expenses related to complying with the ACA’s financial assistance to low-income enrollees” because Congress had not appropriated the reimbursement funds. Insurance companies attempted to make up for the lost revenue by hiking premiums on their benchmark “silver” plans, which made them unaffordable for many people who were not eligible for subsidies.

CAP “estimates that at least 1.26 million more people would be enrolled in marketplace coverage today if not for the Trump administration’s attacks on the ACA, and total enrollment would have at least held steady near its 2016 level instead of falling.”

## **ObamaCare Not as Advertised**

Trump, of course, has correctly maintained all along that ObamaCare is bad law, and even now he continues to vocally back its being struck down by the Supreme Court. His decisions to weaken the law and to spend fewer taxpayer dollars on it, therefore, are in keeping with both his public pronouncements and his oath to uphold the Constitution.

CAP is probably correct that cutting outreach budgets and shortening the open enrollment period tend to depress enrollment. However, one must ask why, if ObamaCare is such a wonderful program, people need to be constantly reminded to participate in it. Shouldn’t they be rushing to enroll and encouraging all their friends and family to do likewise? Or is it just possible that, as KFF points out, there are still “challenges in navigating the application and enrollment process,” and some people “may find marketplace coverage ... unaffordable even with subsidies”? In fact, Congress’ recent boost to unemployment benefits may raise some out-of-work folks’ incomes enough that they don’t qualify for much in the way of subsidies, putting ObamaCare coverage completely beyond their grasp.

While the repeal of the individual mandate probably induced some people to drop coverage, the total reduction in ACA enrollment has been small (about three percent since 2018). Although many observers expected healthy people to forgo expensive ACA coverage that they could always buy later if they needed it, the ratio of healthy to sick people with exchange coverage seems not to have changed much. If anything, it has tilted more in the direction of the healthy. Another KFF study found that “the average number of days individual market enrollees spent in a hospital in 2019 was slightly lower than inpatient days in the previous four years,” suggesting that “the individual market has not become significantly less healthy” as a result of the individual-mandate repeal.



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*Photo: AP Images*

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### **The President's Trump Card**

Trump's changes to short-term insurance regulations, which extended such policies' maximum terms, may turn out to be his biggest contribution to insuring people during the coronavirus panic. CAP, with its unlimited faith in government, derides these policies as "junk plans" because they are the closest thing to free-market insurance available under the ACA.

Former Trump advisor Brian Blase wrote in a [Forbes.com](#) piece:

Short-term plans are affordable and flexible since they are not subject to Affordable Care Act requirements. They provide value for a lot of people who expect a short coverage gap — maybe a few months — because of job loss. COBRA [the Consolidated Omnibus Budget Reconciliation Act of 1985] allows many people to remain on their employer plan for up to 18 months [after losing their jobs]. But because workers typically bear its entire cost, averaging more than \$7,000 a year for individuals and \$20,000 for families, most cannot afford it.

According to an analysis by Chris Pope of the Manhattan Institute, short-term plans often provide better value than ACA plans. For equivalent insurance protection, short-term plan premiums are much lower — in some cases about half the cost. Moreover, short-term plans generally cover far more providers.

The Obama administration, disdainful of the market and desirous of stamping out ObamaCare's competition, reduced the term for which short-term insurance policies could last, from 364 days to just three months. The Trump administration restored the 364-day limit and allowed renewals for up to three years. Thus, declared Blase, "The President can largely take credit for the availability of this coverage."

Consumers have certainly been taking advantage of the availability of short-term insurance in recent months. "One company that offers short-term plans, Pivot Health, saw a 165% increase in enrollment between February and March of this year," noted Blase. "According to its survey, nearly 90% of new members were previously uninsured."

Americans who do want short-term coverage had better buy it before they need it. While most plans cover coronavirus testing and treatment, because they are genuine insurance (unlike ObamaCare), they won't cover preexisting conditions any more than homeowner's insurance bought the day *after* your house burns down will pay to rebuild it.

### **Enrollment Exchange**

Besides Trump's real or imagined attacks on ObamaCare, Democrats are also chiding him for refusing to create a special enrollment period for those who have recently lost their jobs. On April 7, 28 Senate Democrats sent a letter to Health and Human Services Secretary Alex Azar saying that since Congress had provided Azar with the authority to reopen ACA enrollment because of "extenuating circumstances," "it is inexcusable for you not to exercise that authority during perhaps the largest extenuating circumstance of our lifetimes, and to choose to lock out millions of Americans from the ACA exchanges because they failed to predict a sweeping global pandemic."



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Yet the decision as to whether to reopen enrollment didn't have to fall on Azar. "Congress," *Vanity Fair* observed, "declined to include the enrollment period in their recent stimulus package, throwing the matter into the Trump administration's hands" — and giving Democrats a convenient scapegoat for their own oversight.

Regardless, as Azar explained in an April 3 press conference, a special enrollment period isn't really needed. The loss of employer-sponsored insurance automatically entitles a person to enroll in ObamaCare. "The special enrollment period," penned *Vanity Fair*, "would have enabled Americans who have lost their jobs to obtain new health insurance more easily and with less paperwork at an urgent time, however, as well as give those who have already been uninsured another chance to purchase insurance as the pandemic ramps up." But letting the previously uninsured enroll now, especially if they have contracted COVID-19, runs counter to the logic, such as it is, of ObamaCare: Since insurers are forced to cover preexisting conditions, people must in turn be forced to buy insurance at set times rather than waiting until they are sick so insurers aren't stuck with expensive claims backed by meager premiums.

Perhaps if ObamaCare hadn't been such a mess from the beginning, Americans wouldn't be stuck with this one-size-fits-all approach. The 11 states plus the District of Columbia that have their own exchanges have chosen to open special enrollment periods. The ACA's disastrous rollout, though, caused the remaining states to default to the federal exchange, leaving decisions regarding enrollment periods and other significant matters centralized in Washington, where they are subject to presidents' whims. For that, Democrats have only themselves to blame.

### **Negative Stimulus**

None of this is to say that Trump is entirely blameless when it comes to healthcare in the age of COVID-19. Some of his actions have, in fact, made matters worse.

In early April, Trump announced that his administration would use \$100 billion Congress appropriated in the coronavirus "stimulus" law to reimburse hospitals for treating uninsured COVID-19 patients, an approach that *Politico* described as "essentially a narrow single-payer system." Critics argue that while this may help certain hospitals and patients, making it easier for people to sign up for ObamaCare might ultimately have been less expensive because it would have enabled them to obtain free or inexpensive testing and treatment for the virus in its early stages, possibly obviating the need for hospitalization. In addition, many of the hospitals that most need the money have seen few coronavirus patients. Ordered by state and local authorities to abandon their "nonessential"-but-lucrative other services, many have been forced to lay off staff.

By signing the stimulus law, Trump also boosted Medicaid payments to states by as much as \$50 billion and forced insurers to cover COVID-19 testing and treatment. The administration expanded Medicare to cover telemedicine and expedited Medicare payments to providers, too.

"President Trump is probably now overseeing one of the biggest expansions in government health spending in one year ever," Larry Levitt, KFF executive vice president for health policy, told *Politico*.

Furthermore, whatever damage Trump has done to ObamaCare enrollment — and it appears to be slight — may be undone by both the coronavirus and one of his own policies.

According to *Politico*, the mounting job losses caused by governments' ham-handed responses to the



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virus are actually driving insurers back to the ACA exchanges that many of them had abandoned. “The insurers are portraying Obamacare as a safe harbor as economic fallout from the pandemic threatens job-based health plans that drive their biggest profits,” says the website.

On top of that, Trump’s decision to let employers use tax-free health reimbursement arrangements to buy Obama-Care plans for their employees may spur further enrollment. “Though businesses didn’t rush to embrace the idea at first,” wrote *Politico*, “they’re now openly discussing it — while insurers see it as a way to get a big influx of customers.”

In sum, Democrats’ charges that Trump is directly responsible for people’s inability to get health insurance during the pandemic are mostly baseless political posturing. The president can, however, be faulted for failing to convince Congress to repeal ObamaCare in full, perhaps by offering a replacement that would have rolled back other federal programs and mandates that put care and coverage out of reach of so many, and for signing massive deficit spending into law. But don’t expect to hear any of that from the party of Nancy Pelosi and Chuck Schumer.

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