



Written by [Joe Wolverton, II, J.D.](#) on March 11, 2017

Rand Paul: Republican Healthcare Plan Is “Obamacare Lite”

“Being divided into factions, they are more concerned to ruin their rivals, than to follow the dictates of reason.”

— Samuel Pufendorf

The House Republican “alternative” to ObamaCare — the American Health Care Act, also known as RyanCare (after Speaker of the House Paul Ryan) or TrumpCare — is no better than its similarly named predecessor, according to Senator Rand Paul (R-Ky.).



Paul (shown), a frequent foe of the GOP Establishment, is not happy with his party’s version of a healthcare bill, which is touted by the bill’s supporters as a “replacement,” but disparaged by Paul (and other constitutionally minded legislators) as “Obamacare Lite.”

In a lengthy statement to Breitbart News, the libertarian-leaning Paul recited chapter and verse of the American Health Care Act that made it worthy of the “Obamacare Lite” epithet. Paul told Breitbart:

I think the reason why the House leadership bill is Obamacare Lite is because it retains subsidies. Obamacare had subsidies for people to buy insurance. In the Paul Ryan bill, they keep the subsidies — they just call them refundable tax credits. Some people are predicting that it’s actually going to be more expensive than the subsidies we have under Obamacare. This isn’t you getting your own money back, this is you getting somebody else’s money. So, a family that makes \$30,000 a year could actually get \$14,000 that they didn’t pay. Let’s say they paid zero in income tax, they could get \$14,000 back. One, we don’t have the money — it’s a new entitlement program and two, if you get \$14,000 back do you think the insurance company is ever going to sell insurance for less than \$14,000? That becomes the floor. So, it actually pushes insurance rates up — it doesn’t allow insurance rates to fall. So, that doesn’t allow insurance rates to fall and it sets up a new entitlement. The second thing that Paul Ryan’s Obamacare Lite bill does is they keep the Obamacare taxes — all of them — for a year. And then after a year, they keep the Cadillac Tax forever. That’s the tax on if you have really good insurance, Obamacare taxes that. So will Paul Ryan’s plan. The third thing they do that is Obamacare-like is they keep the individual mandate. It seems like every Republican says they were against the individual mandate. That’s if you didn’t buy insurance you had to pay a penalty to the government, a tax. Obamacare Lite, Paul Ryan’s plan, just changes it so you have to pay a penalty to the insurance companies. I consider that to still be a mandate that isn’t consistent with those of us who want less government involvement. So they keep the subsidies, they keep the taxes, and then they keep the mandate. Then the fourth thing they do is they actually subsidize the insurance companies. Right now, insurance companies are losing money and Obamacare has this rescue thing called ‘risk corridors’ to bail out the insurance companies. Paul Ryan has got the same thing, he just calls it reinsurance and it’s \$100 million worth. I predict that might not even be enough. So I don’t like any of it. Now, I do think we agree as Republicans on repeal. But I don’t think we agree on the replacement. That’s why I say we should



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separate them, vote on repeal and then vote the same day on a separate bill that's called replace. Notably, Senator Paul offered his own healthcare plan — one he claimed would repeal President Obama's Affordable Care Act and replace it with a system relying on the market for price controls and coverage guidelines.

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In short, Paul's plan — which he reintroduced earlier this week — would:

- legalize inexpensive insurance plans;
- remove many of the regulations currently restricting the use of Health Savings Accounts (HSA);
- allow individuals to deduct the cost of their health insurance from their income and payroll taxes;
- expand Association Health Plans (AHPs) to allow small business owners and individuals to band together across state lines through their membership in a trade or professional association to purchase health coverage for their families and employees at a lower cost;
- increase access to health coverage by creating an interstate market for health insurance that allows insurers licensed to sell policies in one state to offer them to residents of any other state;
- provide states new flexibilities for Medicaid waivers for innovative state plan designs;
- allow non-economically aligned physicians to negotiate for higher quality healthcare for their patients; and
- allow physicians to deduct a portion of the costs incurred from uncompensated care.

Paul has introduced a separate bill that would repeal ObamaCare, including the elimination of the penalties associated with ObamaCare's individual and employer mandates to purchase health coverage, effectively ending the mandates, as well as repealing the rest of the roster of ObamaCare taxes.

Paul's promotion of his own plan and his direct refutation of the Trump-supported House Republican federal healthcare scheme has not gone unnoticed by President Trump, who singled Paul out in one of his tweets: "I feel sure that my friend @RandPaul will come along with the new and great health care program because he knows Obamacare is a disaster!"

In response, Paul demonstrated what seems like a genetic predisposition to stand up to his party's leadership. "I don't feel isolated by this. I actually feel emboldened," Paul said in reaction to President Trump's tweet.

In this battle against his own party's attempt to continue growing government, Paul is joined by the usual suspects: the House Freedom Caucus.

The Freedom Caucus is a 40-member group of representatives committed to "open, accountable and limited government, the Constitution and the rule of law, and policies that promote the liberty, safety and prosperity of all Americans."

One of the most vocal and iconoclastic of that group is Kentucky Representative Thomas Massie.

After reading the summary of the GOP's American Health Care Act, Massie described it as "a stinking pile of garbage."

"I think the [American Healthcare Act] was written by the same people that wrote Obamacare," Massie told the *Washington Examiner*. "That's why it looks so similar. It was the insurance lobby."



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Someone — Paul and his allies or President Trump and the GOP leadership — is going to have to blink first in this “hell of a Mexican standoff,” as a senior House aide described the policy clash.

President Trump said that any legislator who dares oppose passage of the GOP plan will face an electoral “bloodbath” at the next election.

Senator Paul predicts that the president will soften his stance once he hears from the variety of voices in the conservative chorus.

“I think what has to happen, and this is just beginning is that conservatives need to get in front of the president. So far it’s been leadership, which are mostly the establishment Republicans. I just think he needs to hear from some conservatives and he will realize there are many different issues. I think he does realize there are many different issues and many different factions out there,” Paul told Breitbart.

Speaker Ryan stands steadfastly behind his bill and against plans — like Rand Paul’s — to repeal ObamaCare.

“We know that if we just repealed it, the system collapses,” Speaker Ryan said, going on to describe the Republican replacement as “a conservative wish list.”

True conservatives have just one thing on their wish list: for the federal beast to be forced (by the states and the people) back inside its constitutional cage and to leave healthcare — and thousands of other federally funded programs — to the legitimate control of the marketplace.



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