



Written by [Raven Clabough](#) on February 6, 2015

Republicans Unveil Proposal for ObamaCare Alternative

On Wednesday, Republicans unveiled their work-in-progress alternative to ObamaCare, but the “blueprint,” as they call it, mirrors much of what is found in the Affordable Care Act.

Fox News reports,

The Patient Choice, Affordability, Responsibility and Empowerment — or CARE — Act was drafted by Sen. Richard Burr, R-N.C., Senate Finance Committee Chairman Orrin Hatch, R-Utah, and House Energy and Commerce Chairman Fred Upton, R-Mich.



The [proposal](#) calls for a repeal of President Obama’s signature law; however, it retains so many of the same provisions found within the Affordable Care Act that the *Washington Post* has dubbed it “Obamacare Lite.”

Republicans attempt to defend this fact by stating that the goal is to avoid regression. Senator Hatch wrote in a statement,

We agree we can’t return to the status quo of the pre-ObamaCare world, so we equip patients with tools that will drive down costs while also ensuring those with pre-existing conditions and the young are protected.

The Republican alternative reduces federal regulation of insurance policies, entrusting the states with the authority to specify the “essential health benefits” that are required to be provided by insurance. Unlike ObamaCare, the Republican plan does not include a federal exchange, but permits the states to run such marketplaces at their discretion.

“We can lower costs and expand access to quality coverage and care by empowering individuals and their families to make their own healthcare decisions, rather than having the federal government make those decisions for them,” Senator Burr said.

The proposal outlines provisions for targeted tax credits to individuals and families up to three times the poverty level in an effort to encourage people to purchase plans in the marketplace. Large subsidies would still be offered to low income individuals and families, but would be less than the current ones, which have been estimated by the Congressional Budget Office to cost a total of \$1 trillion over the next decade.

Like ObamaCare, the Republican alternative would permit young people to stay on their parents’ health plan until the age of 26, but it would also allow states to opt out of that provision. The “blueprint” also states that “no one can be denied coverage based on a pre-existing condition,” though that provision would apply only to those who have been continuously covered by insurance. For the previously uninsured, the new proposal allows for a “one-time open enrollment period in which individuals would be able to purchase coverage regardless of their health status or pre-existing conditions.”



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Under ObamaCare, premiums for older Americans cannot be more than three times what younger people are charged. The Republican proposal changes that ratio to five to one, and allows states the authority to set increased or decreased restrictions.

Under the Republican plan, employers are still incentivized to provide coverage to their employees through tax deductions.

Republicans included provisions they've long been advocating, which would permit insurers to sell plans across state lines and limit the amount of monetary damages awarded in medical malpractice suits.

The GOP plan notably repeals both the individual and employer mandates. A document outlining the plan states, "If consumers do not want to buy coverage, they don't have to." Likewise, the proposal would repeal dozens of new taxes and fees under ObamaCare.

Democrats have panned the Republican alternative to ObamaCare, stating that it does not provide the coverage offered under the Affordable Care Act. The GOP blueprint will likely also provoke criticism for its method of paying for the plan. The *New York Times* reports:

Their plan includes a potentially explosive proposal: Workers would have to pay federal income tax on the value of employer-provided health benefits that exceed certain annual thresholds — \$12,000 for individuals and \$30,000 for families. Health benefits above those levels would be treated and taxed as regular income for the employee. The thresholds would increase over time.

Media outlets note that the GOP's latest healthcare proposal is similar to those they have submitted in the past. But an aide familiar with the plan explains why:

One of the reasons that you don't see massive changes is we thought we had a decent product last year based on feedback as we've talked with governors, with industry. A lot of industry frankly thinks this is a very durable, sustainable, credible alternative from a market perspective, and they think it's operationally viable.

Republican aides state that GOP leaders are awaiting further input from governors and legislators before moving forward on any particular plan, says Fox News.

It seems that many Republicans and Democrats on Capitol Hill have in common the notion that the Constitution is merely a guidebook for policies that can be accepted or refuted depending on the scenario.

However, not all Republicans support the GOP "alternative" to ObamaCare. Potential 2016 GOP presidential contender Senator Rand Paul (R-Ky.) suggested something that has become a radical idea when he joined Greta Van Susteren on Fox News' *On The Record* and discussed repealing the Affordable Care Act. Van Susteren asked what Americans would be left with regarding their healthcare options if ObamaCare were to be repealed. "We could try freedom for a while," Paul replied. "We had it a long time. That's where you sell something and I agree to buy it because I like it." He added that that is how most marketplaces already operate. "I think it might work. It works everywhere else," he noted.

Other constitutionalists have concurred with Senator Paul that the best solution would be for the federal government to actually follow the U.S. Constitution and stay out of healthcare entirely. Government meddling — particularly at the federal level — in the healthcare markets, is what has caused many of the problems that have led to calls for "reform" in the first place. True free market healthcare, where individuals can work directly with their doctors and where prices are transparent



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and competitive, would be far better for all Americans, including those who have difficulty affording insurance under today's system.

Meanwhile, the Supreme Court is preparing to oversee a challenge to ObamaCare's subsidies for private insurance for those who do not have access to them through their jobs. If the high court strikes down that provision, millions of consumers would lose coverage.

And Republicans are looking to the Supreme Court for further guidance, according to an aide:

As soon as we get feedback we are going to keep updating our proposal because now there is a different sense of urgency being in the majority to try to put something together, especially as we are headed to 2017. Not to mention what the Supreme Court may decide on June 30.

Most are not expecting a final version of the Republican plan to come up for a vote until after the presidential election in 2016. One GOP aide commented,

Let's all be realistic. The president, who the law is named after — he's not repealing his bill. So what we are doing is putting a very credible idea out there because what our bosses were sick and tired of hearing is the Republicans have no ideas..

Will this whole thing happen before 2017? I find that hard to believe, but we're going to prepare for 2017.



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