

JOEL WHITE

Jeb's health care plan best GOP proposal to date



Republicans have long vowed that Obamacare's days are numbered. Now they're finally getting serious

about what they'll put in its place.

Recently, Republican presidential candidate Jeb Bush, former governor of Florida, outlined a replacement plan for Obamacare – the best Republican proposal to date.

Bush's plan aims to expand access to coverage and rein in health costs by reforming the tax treatment of health insurance and empowering patients to take greater control of their care.

He starts by pointing out that the Affordable Care Act has failed to, well, make care affordable. Health costs are on track to consume more than half of the median family's income within the next decade.

In Maryland and Tennessee, premiums for some exchange plans sold by BlueCross-BlueShield will jump by more than 30 percent next year. New Mexico's top insurer will raise prices by 51.6 percent.

These premium hikes are partly the result of Obamacare's benefits mandates, which require plans to cover everything from speech therapy to child dental care – regardless of whether patients want them. Lower-cost plans covering only emergencies are largely forbidden.

Obamacare has also made life difficult for small businesses. Bush has argued that “it costs small businesses more to comply with Obamacare's myriad new rules than

it does to insure a worker.” Indeed, adhering to Obamacare's diktats costs the average small business more than \$15,000 a year.

On top of that, the Obama administration is now fining small businesses that offer their workers money to help them pay for healthcare expenses with “health reimbursement arrangements.” Beginning this past July, firms who gave their workers cash through HRAs have been subject to IRS fines of up to \$100 a day per employee – or \$36,500 per person annually.

Never mind that small businesses are not legally required to offer coverage. In fact, under the IRS rule, they'd be better off not giving employees any help with their healthcare expenses.

Fortunately, Bush's proposal addresses the affordability concerns of individuals and businesses alike.

Bush would first roll back Obamacare's cost-inflating coverage mandates. That would allow individuals and businesses to buy lower-cost catastrophic policies

Individuals without employer-sponsored plans would receive tax credits to help offset the cost of coverage. Older Americans would receive larger credits, since they tend to have higher medical expenses and premiums.

Small businesses, meanwhile, would be allowed to give their workers tax-free lump sums to purchase coverage on the individual market.

Bush's plan would also leverage transparency to reduce costs and improve outcomes. For instance, insurance plans would have to make



information about their provider networks available before people signed up for coverage.

Empowering consumers and providers with this information has the potential to reduce costs dramatically. According to the Institute of Medicine, our medical system wastes \$795 billion each year. Of that, \$210 billion spent on unnecessary services like repeated tests.

Such waste would decline if consumers took ownership of their care. The Bush plan doubles the amount that they can set aside for routine healthcare expenses in tax-advantaged Health Savings Accounts.

Patients will be far more vigilant about the cost of their care if they're the ones paying for it.

The contrast between the Affordable Care Act and Bush's replacement plan couldn't be clearer. The former forces patients to pay ever-more for care; the latter empowers them to save money by making their own healthcare decisions.

Joel White is the president of the Council for Affordable Health Coverage, a Washington, D.C.-based coalition of insurers, pharmaceutical manufacturers, employers, patients, consumers and health care providers.