

[Home \(/\)](#) » [2020 \(/stories/2020\)](#) » [July \(/stories/2020/jul\)](#)

OPINION: How Republicans can roll back the COVID-19 Obamacare expansion

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 Joel White

The GOP gets high marks for its economic policy response to COVID-19. Because they are concerned about losing their jobs and possibly their health coverage, most voters want more on healthcare – not just “managing” the pandemic or seeking a cure – but helping the millions who’ve been relegated to programs like Obamacare and Medicaid.

Republicans must offer a market-based alternative for these people. Just three years after the “Repeal and Replare” effort, Obamacare is growing faster than ever. Having no realistic options, 4 million of the newly unemployed are signing up – a 35% increase over last year. Another 8 million are piling into

Medicaid. Almost none of those seeking coverage can afford the to keep their private coverage option – COBRA – because government policies are stacked against it. (1)



Republicans must fix this immediately to prevent a temporary swell in public programs from becoming a permanent government expansion. Allowing such continued, rapid growth in Obamacare would prove especially disruptive if the Supreme Court strikes down the Affordable Care Act in the near future.

The key is to create a level playing field until the pandemic subsides. Most of those enrolling in Obamacare or Medicaid would have rather extended their employer-sponsored health benefits, but COBRA can't compete with heavily subsidized government programs that reduce and even eliminate premiums.

Since employers have no incentive to keep paying their 75% - 80% share of premiums once workers leave, COBRA premiums can cost the unemployed four times more for the same benefits they enjoyed as an employee. That means a \$600 monthly premium for an individual COBRA plan versus \$145 in Obamacare and no premium at all in Medicaid.

In this scenario, COBRA doesn't stand a chance...and the government seems to like it that way. Department of Labor literature even recommends that the unemployed forgo COBRA in favor of "more affordable and generous options such as the Health Insurance Marketplace and Medicaid."

This leaves Republicans with a stark choice: either preside over the ongoing expansion of Obamacare and Medicaid or start rolling it back by levelling the playing field – temporarily -- for COBRA.

Clearly the best option is to offer incentives that make COBRA premiums comparable to those of government plans, at least until the state of emergency is over. This is true for several reasons.

First, doing nothing implements Speaker Pelosi's health agenda without a vote. The status quo is allowing her big spending, big government plan to happen automatically since funding for entitlement programs like Medicaid and Obamacare grows as enrollment increases. Also, because eligibility is a function of income, once a person loses a job, government run health care is an automatic option. COBRA, on the other hand, is a private sector option that sunsets after 18 months and involves no permanent funding.

Second, helping people afford COBRA delivers on the promise President Obama and Vice President Biden failed to keep: If you like your health plan, you can keep it. If the unemployed choose COBRA, they won't have to re-start annual deductibles mid-year, switch their doctors, or change provider networks. Most people also know that government programs like Medicaid tend to be less generous, restrict access to doctors and prescription drugs, and foster dependence.

Third, this approach is a political winner (and perhaps a necessity) for Republicans in 2020. It'll be a godsend for millions of working-class families in the swing states Trump won by just a handful of votes in 2016.

Republicans have done much to help COVID-19 victims, but they need a plan for those who've lost employer-sponsored health benefits. Helping these Americans keep – or even reclaim – those benefits will rescue millions from the clutches of Obamacare and Medicaid. It must be implemented quickly to make a difference in this pandemic or in this election.

– Joel White is President at the Council for Affordable Health Coverage.

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