GlobalResearch
Center for Research on Globalization

Trumpcare: Social Devastation, Denial of Health Care, Bonanza for Insurance Companies

By Stephen Lendman
Global Research, May 04, 2017

Region: USA
Theme: Poverty & Social Inequality

Late Wednesday, House Majority Leader Kevin McCarthy (R. CA) said "(w)e have enough votes" to pass Trumpcare on Thursday. "It'll pass," he added.

Earlier in the day, $8 billion was added to help cover individuals with pre-existing conditions – a meaningless amount providing too little help to matter.

The measure faces strong opposition from healthcare advocacy groups. American Medical Association president Dr. Andrew Gurman said

> "(n)one of the legislative tweaks under consideration changes the serious harm to patients and the health care delivery system."

The 11th hour changes "tinker at the edges without remedying the fundamental failing of the bill – that millions of Americans will lose their health insurance as a direct result of this proposal."

It's an abomination, leaving low-income Americans unable to get vital affordable coverage, ones with pre-existing conditions most vulnerable.

A new study by Harvard and MIT academics discussed subsidized healthcare insurance for low-income adults, based on the Massachusetts experience from 2009 – 2013. Its main results state:

"Subsidies Matter: Insurance take-up falls rapidly as (they) decline." A $40 monthly premium increase causes about 25% of low-income individuals or households to drop coverage.

If monthly premiums increase up to $116, the "estimate(d) take-up falls…to less than half" of individuals covered (44%)."

> "Plans Suffer Adverse Selection: Enrollees induced by larger subsidies to purchase insurance are also lower-cost, consistent with adverse selection into insurance."
>
> "But adverse selection cannot completely explain low take-up: even adjusting for adverse selection, enrollees' own expected medical costs are three to four times larger than what they are willing to pay for insurance."

“Uncompensated Care Matters:” Estimated uncompensated care for low-income individuals and households “accounts for nearly all of the gap between enrollee willingness to pay and costs.”

The “primary beneficiary of expanded insurance” is providers, not enrollees.

Low willingness or ability to pay accounts for “highly incomplete enrollment” in Obamacare marketplaces.

Modest premium increases “are a major deterrent to universal coverage” for low-income people, based on the Massachusetts experience.

Adverse selection helps explain why Obamacare insurance plans have higher than expected costs.

> “While reducing insurance subsidies can lower costs, significant subsidies are required to achieve near-universal coverage,” the study showed.

Eliminating subsidies or reducing them sharply would prevent low-income Americans from the ability to afford health insurance.

Price matters. When premiums rise, enrollee numbers fall. According to study co-author Nathaniel Hendren, Trumpcare as it now stands would make coverage unaffordable for households earning less than $75,000 annually.

The Obamacare/Massachusetts experience proves the only viable option is government-sponsored universal coverage for everyone.

It’ll save hundreds of billions of dollars annually in wasted insurance costs – good for industry profits, bad for assuring everyone has heathcare coverage, a fundamental human right.

Stephen Lendman lives in Chicago. He can be reached at lendmanstephen@sbcglobal.net.

His new book as editor and contributor is titled “Flashpoint in Ukraine: How the US Drive for Hegemony Risks WW III.”

http://www.claritypress.com/LendmanIII.html

Visit his blog site at sjlendman.blogspot.com.

Articles by: Stephen Lendman

About the author:

Stephen Lendman lives in Chicago. He can be reached at lendmanstephen@sbcglobal.net. His new book as editor and contributor is titled "Flashpoint in Ukraine: US Drive for Hegemony Risks WW III." http://www.claritypress.com/LendmanIII.html Visit his blog site at sjlendman.blogspot.com. Listen to cutting-edge discussions with distinguished guests on the Progressive Radio News Hour on the Progressive Radio Network. It airs three times weekly: live on Sundays at 1PM Central time plus two prerecorded archived programs.