

THE BROOKINGS INSTITUTION

5 on 45:

On Paul Ryan's suggestion of 'collapsing' Obamacare

Wednesday, February 8, 2017

PARTICIPANTS:

**Host:**

ADRIANNA PITA

**Contributor:**

ALICE M. RIVLIN

Senior Fellow, Center for Health Policy, Economic Studies  
The Brookings Institution

PITA: You're listening to 5 on 45 from the Brookings Podcast Network: analysis and commentary from Brookings experts on today's news regarding the Trump administration. President Trump and GOP members of Congress have said that they want to repeal and replace the Affordable Care Act, also known as Obamacare. House Speaker Paul Ryan recently said that the ACA is "collapsing." We asked a health policy expert for her analysis.

RIVLIN: I'm Alice Rivlin. I'm a senior fellow in the Economic Studies program and the Health Policy Center at Brookings.

No, I don't think it's collapsing at all. It has sustained some stresses, particularly in some states, but it's definitely not collapsing. They have just had a re-enrollment period or an open enrollment period which ended at the end of January, and almost as many people are now enrolled as were enrolled last year. So those numbers are quite encouraging. Some people thought there might be an exodus, that people wouldn't sign up because they were so unsure of what would happen, but actually they did.

So it's not collapsing, but the future is very uncertain. And the Republicans, as you know, said that they were going to repeal it right away, Donald Trump said he would repeal it on the first day. I think he'd forgotten that it was an act of Congress and he would need the Congress to do that. But they didn't think about what would happen if they won and if they actually had to deliver on the promise of repeal. What would happen immediately if they just repealed it would be that about 20 million people would lose their insurance – and worse than that, the individual insurance market, which is where you go to buy insurance if you're not covered by your employer or by Medicare or Medicaid, would likely melt down because they changed the rules under the Affordable

Care Act for how insurance companies had to behave in the market. They had to sell to everybody, they couldn't just pick the healthy people. And so if that's true, and you withdraw the mandate that everyone must buy insurance, then a lot of people won't. And you could have a so-called death spiral in the individual insurance market. That would probably affect another 10 million people. So you've got 30 million people at risk.

Not only that, but health care is a big industry. It's 18% of the GDP. There are all these hospitals and doctors and other kinds of providers, not to mention insurance companies, whose livelihoods depend on continued health insurance. So they would have quite a problem if they just repealed it.