Despite woes, Obamacare not in ‘death spiral’

WASHINGTON — President-elect Donald Trump says that President Barack Obama’s health care law “will fall of its own weight.”

House Speaker Paul Ryan says the law is “in what the actuaries call a death spiral.”

And Senate Majority Leader Mitch McConnell says that “by nearly any measure, Obamacare has failed.”

The problem with all these claims: They are exaggerated, if not downright false.

As congressional Republicans prepare to repeal the health law, they are working to portray it as a mess of Democrats’ making, and themselves as the ones who will clean up that mess.

In the process they are exaggerating the law’s very real problems, according to health care experts, who largely believe that the Affordable Care Act’s troubles with high prices and lack of competition could be addressed with bipartisan solutions.

Republicans, who’ve gained political advantage from campaigning against the law since its passage in 2010, aren’t interested in playing along. Instead they’ve denounced the law and made the case to repeal it, although there are signs some are getting cold feet now that the reality is upon them.

Democrats, too, are guilty of rhetorical excesses around the health care law, often claiming that it’s working as intended while downplaying its flaws.

But with Republicans in the majority and driving the agenda, here’s a look at some of the GOP claims about the law, and how they compare with the facts:

TRUMP, RYAN AND MCCONNELL: The law will “fall of its own weight,” is in a “death spiral” and “has failed.”

THE FACTS: Experts agree that the law is not currently in a “death spiral,” an actuarial term that refers to a vicious cycle when rising insurance costs force healthy customers out of the marketplace, resulting in still higher prices, which cause even more customers to bail, etc., until the system collapses.

But some say that if the current situation continues, that is a likely or possible scenario. Health care premiums are jumping by double digits this year, and the health care marketplaces created by the law are short on the healthy consumers who make insurance companies profitable.

“It’s not a failure in that 20 million people or more have insurance that didn’t used to have insurance. Everything else, it’s too early to judge,” said economist Gail Wilensky, who ran Medicare under former President George H.W. Bush.

“To say that the exchange markets remain unstable and in turmoil is an appropriate statement,” she said. “To say that they’re in a death spiral really depends on what happens.”

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RYAN: “You cannot fix a fundamentally broken law; you’ve got to replace it.”
THE FACTS: Experts agree that Congress could fix the law’s problems, should it choose. Indeed many argue that some of the law’s problems can be traced to the decision by Obama and Democrats to push it through on a partisan basis — alienating Republicans who have refused ever since to participate in any attempt to tweak the law to improve it, as would be necessary with any program of such size and complexity.

Some predict that when Republicans get through with their repeal-and-replace effort, what it will really amount to will be an improved Obamacare — even if they don’t admit it.

The health care exchanges, for example, could be improved with changes aimed at getting more young and healthy people to sign up, such as giving insurers more flexibility to charge older people higher prices.

“You could, I think, relatively simply address the issues that the exchanges have,” said Dan Mendelson, president of Avalere Health, a health consulting firm, noting that other major programs including Medicare have been tweaked repeatedly since their creation. “If you freeze a program in a point of time, it is likely to have problems, and that’s exactly what’s happening.”

Bob Laszewski, a health care consultant, predicted: “Before this all ends they’re going to fix it ... The Republicans are going to say they repealed and replaced, and the Democrats are going to say they fixed it.”

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MCCONNELL: Obamacare “didn’t lower costs, it didn’t increase choice.”

THE FACTS: McConnell’s comments are true in part.

The first five years of Obama’s presidency saw historically slow growth in U.S. health care spending, though experts differ on whether the law had anything to do with that. Some credit the global recession. Individual consumers in the law’s marketplaces, meanwhile, face higher premiums this year, though subsidies protected most customers from the increases.

And while the Affordable Care Act did increase choice initially in the individual market, that is not the case now with brand-name insurers bailing out of the online state markets, although the many Americans with employer-based health coverage have been insulated from such changes.

In about one-third of U.S. counties, consumers in the individual markets don’t have a choice of plans.

“It depends for whom you’re talking about,” said Larry Levitt, senior vice president at the Kaiser Family Foundation. “For people with pre-existing conditions, choices are infinitely more abundant because they couldn’t get coverage at all. For someone who’s young and healthy there are likely fewer choices available now than before.”

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Associated Press writer Ricardo Alonso-Zaldivar contributed to this report.

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