Editorial ? Medicare or health insurance?

Is health insurance really as ?complicated? as Donald Trump contended recently while continuing to maintain that under his administration more Americans would be insured, get better coverage and pay less for it?

That promise stands out in rather stark contrast to what Americans were told Monday by the non-partisan Congressional Budget Office (CBO), headed by a Trump appointee.

The CBO had great news for supporters of the Republicans' proposed replacement for Obamacare (the Affordable Care Act), in that it predicted a $337-billion reduction in budgetary deficits over the next 10 years and a 10-per cent drop in average premiums.

But the news wasn't so great for Americans who happen to be poor or elderly, since the CBO calculates that the American Health Care Act (AHCA) would lead to 24 million more U.S. residents not having any health insurance by 2024, 14 million of them by as early as next year. That's because they will either be unable to afford the insurance or figure they don't need it.

To understand what this is all about, you must be able to differentiate between health insurance and medicare.

Health insurance, as it existed before Obamacare, was really no different from car insurance. There were many different plans offered by different insurers, but they all set premiums based on risk. The careful, middle-aged driver who has never had a claim could get the same level of insurance coverage for a tiny fraction of the cost faced by someone with a bad driving record and/or a conviction for drunk driving.

Under Obamacare, average premiums skyrocketed despite massive federal subsidies, thanks to a requirement that insurers accept applicants with pre-existing conditions and the caps placed on premiums for older policyholders. Those requirements reduced insurers' profitability to the point where many simply stopped offering health insurance.

As we see it, the real problem with Obamacare was that it was an attempt to achieve a compromise between insurance and medicare, which U.S. conservatives like to call socialized medicine.

Any workable medicare program must include all residents of the jurisdiction, and for it to be affordable the costs must be shared on the basis of one's ability to pay, rather than age or healthiness.

That being the case, the Ontario Health Insurance Plan (OHIP) should really be renamed the Ontario Medicare or Ontario Health Care plan, since it breaches the normal rules of insurance.

The current expectation south of the border is that the ACHA will be passed by the Republican majority in the U.S. House of Representatives, but will fail to get support from the needed 50 Republican senators, a number of whom say it needs major revisions.

One concern of some GOP senators is that allowing the insurers to impose risk-based premiums will see a 60-year-old who pays about $700 a year under Obamacare facing premiums of more than that each month under the ACHA.

The other major stumbling block facing the bill is Obamacare's expansion of Medicaid, under which states were offered huge federal subsidies for providing access to health care for millions of poor people, including those in nursing homes and suffering from drug addiction or mental illness. As it stands, the ACHA calls for Medicaid to be phased out by 2020, and some right-wing Republicans want it ended immediately.

In the circumstances, it will be interesting to see what happens, and whether eventually most Americans will awaken to the fact that if car insurance can be made mandatory, the same should be true for health insurance.