

White House Senses Political Risk on Healthcare Despite Shutdown Bravado

Trump aides are discussing proposals to extend Obamacare subsidies on which millions of Americans rely

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WASHINGTON—President Trump has projected unwavering confidence that he is winning the messaging war over the government shutdown. But behind the scenes, his team is increasingly concerned that the issue at the center of the debate will create political vulnerabilities for Republicans.

Advisers are worried that the GOP will take the blame for allowing healthcare subsidies to expire, raising costs for millions of Americans ahead of next year's midterm elections, according to administration officials.

Inside the White House, aides are discussing proposals to extend the enhanced subsidies for Affordable Care Act health-insurance plans, the officials said. Trump hasn't yet decided whether he will endorse such a proposal, according to the officials. Republicans say they will only hold negotiations with Democrats on the matter after the government is reopened.

The closed-door hand-wringing stands in contrast to the public bravado conveyed by the president and his top advisers. Trump has posted artificial-intelligence videos of House Minority Leader Hakeem Jeffries (D., N.Y.) wearing a sombrero. And he has said the shutdown gives his administration an "unprecedented opportunity" to make far-reaching cuts and target programs favored by Democrats. The administration is preparing to oust thousands of federal workers.

The emerging dynamic puts Trump in a bind: He is determined to crush the most concerted Democratic resistance since he regained the White House. But he also has to find a solution to a looming problem that threatens his agenda and the GOP majority in the midterms. The president's love for a fight is pitted against his zeal for dealmaking.

"It has the potential to be a significant issue," said Republican strategist Whit Ayres. "Whether it becomes one or not depends upon the course of the election."

Trump's advisers have privately acknowledged this week that although their boss has long called for repealing Obamacare, allowing the subsidies to expire could cause political headaches for a president who was elected in large part because of voter

frustrations with inflation and the rising cost of living. Voters have expressed deepening frustration with Trump's handling of the economy in recent polls amid a weak jobs market and stubborn inflation.

Trump and his team, however, are determined not to cave to Democrats' demands and negotiate while the government is shut down. White House officials think they have the upper hand—for now.

They have amplified a Republican talking point that Democrats want to give healthcare to people in the country illegally. Unauthorized immigrants aren't eligible for ACA benefits, and they aren't allowed to enroll in Medicaid under federal law, but some federal dollars go toward emergency Medicaid coverage for migrants without legal status.

Ending the subsidies would result in higher premiums for more than 20 million people. Of the 75 congressional districts where at least 10% of the population is enrolled in the Affordable Care Act, 62 are in red-leaning Florida, Georgia and Texas, according to Kaiser Family Foundation, a healthcare-policy think tank. More than half of the 62 districts in those states are represented by Republicans.

GOP strategists have for months warned of political fallout from the expiration of the subsidies. Trump pollster Tony Fabrizio in July issued a memo outlining the risks for Republicans for not acting. "By broad bipartisan margins, voters want to see the tax credits extended rather than expire at the end of the year, whether in the context of premiums doubling or 5 million families losing their health insurance," the memo said. "This includes solid majorities of Trump voters and swing voters." The findings have been presented by White House aides to Senate Republicans, an official said.

The White House is particularly sensitive to the House races next fall. Republicans have a razor-thin majority in that chamber, and a Democratic takeover would complicate Trump's policy ambitions for his final two years and likely lead to investigations into the president and his allies.

Vice President JD Vance and several Republicans on Capitol Hill have said they would be willing to negotiate on healthcare if Democrats voted to reopen the government. Some moderates are floating possible solutions, including proposing a yearlong extension of the subsidies, until after the midterms. The Medicaid cuts in the Republicans' sprawling tax-and-spending bill passed over the summer don't fully take effect until 2026.

"Even though none of us were supportive of the ACA to begin with, we can't walk away from the people that have had no place else to go to get their healthcare coverage," said Sen. Mike Rounds (R., S.D.).

Any effort to extend the subsidies would face resistance from within the Republican Party. Hard-liners in the House Freedom Caucus have made it clear they would oppose any deal that increased spending. “Most of these reforms were done in the tax bill in July,” said Stephen Moore, an outside economic adviser to Trump. “So why would we rewrite that bill?”

Republicans opposed both the initial ACA law and the extra subsidies, first passed by Democrats in 2021. The number of people enrolled in ACA coverage has more than doubled since 2021, to around 24 million this year. Although the extra subsidies don't expire until the end of the year, consumers can start shopping for next year's coverage on Nov. 1, and some have already started receiving notifications about next year's premiums.

Trump's rise in politics was fueled by opposition to Obamacare, and he failed in his first term to repeal the law and replace it with something else. This week he told Democrats he would be willing to work on a new healthcare program.

Following a meeting with Trump on Monday in the Oval Office, Democrats said he seemed taken aback by the consequences of the expiring healthcare subsidies, which they took as a sign that he was interested in a potential deal.

Democrats, meanwhile, are risking any blame for shutting down the government in hopes that voters will reward them for staging an important fight.

“This is an issue that affects both Democrats and Republicans,” Sen. Jeanne Shaheen (D., N.H.) said Thursday during an interview with Fox News. “I talked to my colleagues on the other side of the aisle, and they say, ‘We agree, this is a problem.’ So, let's sit down, let's fix it.”