

## **Trump, GOP Lawmakers Propose Implementing HSAs, FSAs As Substitute For APTCs**

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(Inside Health Policy)

While the Senate works through the weekend to come to a deal to end the government shutdown, President Donald Trump and GOP lawmakers are now proposing health savings accounts (HSAs) as an alternative to the enhanced Affordable Care Act premium tax credits that expire at the end of the year.

In a post on Truth Social Saturday (Nov. 8), Trump urged GOP senators to eliminate the enhanced tax credits, as well as the ACA entirely.

“I am recommending to Senate Republicans that the Hundreds of Billions of Dollars currently being sent to money sucking Insurance Companies in order to save the bad Healthcare provided by ObamaCare, BE SENT DIRECTLY TO THE PEOPLE SO THAT THEY CAN PURCHASE THEIR OWN, MUCH BETTER, HEALTHCARE, and have money left over,” Trump said in the post. “In other words, take from the BIG, BAD Insurance Companies, give it to the people, and terminate, per Dollar spent, the worst Healthcare anywhere in the World, ObamaCare.”

A day earlier, Senate health committee Chair Bill Cassidy (R-LA) spoke in detail on the Senate floor about a plan to implement federally pre-funded flexible spending accounts (FSAs) rather than ACA premium tax credits. Cassidy said he was speaking on behalf of himself as a senator rather than the GOP caucus or the health committee.

“We can do better than hiding the cost behind layers of bureaucracy,” Cassidy said, referring to the current enhanced ACA premium tax credits. “Instead of paying insurance companies to manage our money, let’s trust Americans to manage their own care — with a pre-funded Federal Flexible Spending Account.”

“It would pay for the care that families actually use — the parts of health care most Americans struggle to afford day-to-day,” Cassidy added.

Cassidy argued Trump could implement this plan quickly, citing Operation Warp Speed.

Multiple Republican senators have made similar statements supporting a change in ACA payment assistance. Speaking on the Senate floor on Saturday, Sen. Lindsey Graham (R-SC) opposed the ACA and argued the program benefits insurance companies over consumers.

“Every day we keep this system in place is a great day for the health care insurance companies who have been making out literally like bandits under ObamaCare,” Graham said.

Graham proposed an alternative and praised Trump for doing the same.

“We’re going to take this money that’s flowing to insurance companies, and we’re going to try to get it directly to you, the consumer, so you can have more purchasing power and actually, over time, create more competition and lower your health care prices — something ObamaCare is not doing,” Graham said.

“The Affordable Care Act is not affordable,” Graham added. “There is a better way. We’re going to insist on that better way. And to my Democratic friends: we are not going to extend this program for a year, because that would be unfair to the taxpayer, that would continue the health care system that’s out of control, it would enrich insurance companies even more. We’re not going to do that. We’re going to replace this broken system with something that is actually better for the consumer to meet the goal of lowering health care cost.”

Graham told reporters Friday (Nov. 7) that the GOP is working on a health care plan that would counter the one Schumer laid out earlier that day. But Sen. Markwayne Mullin (R-OK) cast doubt on how long the plan would take to finalize, telling *Inside Health Policy* the caucus is “a ways from being able to have a full offer on the table.”

When *IHP* asked Graham about the details of the plan on Saturday, Graham said Trump laid out his proposal and that there will hopefully be more conversations when the government reopens.

Meanwhile, Senate Finance ranking Democrat Ron Wyden (OR) spoke on the floor Saturday pushing back against the GOP argument about the ACA being better for insurance companies than consumers.

“I’d ask any Republican who accuses Democrats of bailing out insurance companies to talk to a small business owner in their state who fears that if they don’t have the tax credit next year they won’t be able to keep their doors open and run their business, and pay for health care,” Wyden said.

But the idea of using HSAs may not be a solely GOP-supported approach. Last month, Jeanne Lambrew and Ellen Montz — both of whom served in key health policy roles under former President Barack Obama — released a report in *Health Affairs* titled, “Combining Premium Tax Credits And Health Reimbursement Accounts For Small Businesses.” The two proposed using both tax credits and savings accounts for funding private health plans. Lambrew and Montz argued small businesses struggling to offer health benefits could maximize their tax benefit choices through their proposal.

Also, a number of HSA-related policies included in the House's version of the GOP megabill were removed before the bill was signed into law this July.

Instituting HSA policies has been a long-standing conservative request. In June, the conservative Paragon Health Institute pushed Republicans to add an "HSA option" to the OBBB.