

# Rand Paul: My Proposal Will Improve Health Care and Lower Costs | Opinion

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Obamacare costs the taxpayers billions of dollars and costs every individual thousands of dollars a year in increased premiums. As conservatives, including myself, warned in the debate over Obamacare, subsidizing insurance simply increases demand and therefore increases the price of health insurance.

Where once there existed the choice of a higher deductible plan with lower premiums, now Obamacare plans offer high deductibles and high premiums. Any semblance of a functioning individual health insurance market has been eliminated, as government health insurance or employers are the only real source of coverage for nearly all Americans.

My health care plan, called the Health Marketplace and Savings Accounts For All Act, which I will introduce this week, does two things and costs the taxpayers nothing.

First, my plan legalizes the ability for any group to purchase insurance collectively and operate across state lines. My plan would make it legal for Costco, Sam's Club, or Amazon to bargain for their millions of members as a single entity, thereby driving prices down. These collectives could be bigger than any corporation in America and have the size and leverage to drive health premiums down. In fact, once these co-ops are legalized, the individual market likely melts away, and everyone in America would gain the benefits that normally accrue to the group market.

My plan is the only plan being offered that would drive prices down. All other plans, such as the Democrat plan to continue the add-on subsidies to the original

Obamacare subsidies, will continue to drive up health insurance premiums. All Republican variations of these plans only vary in their cost to the taxpayer.

Some in the GOP want to simply give the fully expanded Obamacare subsidies to individuals' Health Savings Accounts (HSAs). Which, in reality, will be a distinction without a difference. It will cost the taxpayers the same amount and simply serve as a pit stop for the money before it inevitably flows to the insurance companies.

Other compliant Republicans are offering variations on this theme. Some in the GOP want to give the Obamacare subsidies (minus the pandemic add-on) to individuals' HSAs. This plan will do nothing to lower insurance premiums and puts its Republican supporters on the record as supporting Obamacare subsidies.

Does anyone remember when the GOP won several elections vowing to repeal Obamacare?

In addition, my plan would allow everyone in America to have an HSA. Currently, [only 10 percent of insurance plans](#) are eligible for an HSA. Letting everyone save their own money for an HSA provides tax-free accounts that consumers own and can use for many health items not always covered by traditional medical insurance, such as orthodontia. We have already seen successes in the limited cash pay health care market. [Forty-seven](#) percent of cash prices are cheaper than insurance-negotiated prices.

My plan would also allow health insurance premiums to be paid for with HSA funds. There is no logical reason why HSAs should not be able to be used toward the biggest health care expense people pay: health insurance premiums. Individual market health insurance should receive the same tax treatment as employer coverage.

Since my plan involves no subsidies, there will be no direct cost to the taxpayer, and market incentives will motivate reductions in prices because the money involved is actually earned and owned by each individual. Americans have 401(k)s and 529s to encourage saving for retirement and education to reduce government

dependency; health care should be treated no differently. As an example, a 25-year-old who just contributed \$200 a month at a 6.5 percent rate of return would have [\\$33,000](#) in his or her HSA after 10 years.

But, of course, the swamp sees things differently and will likely opt for some form of Obamacare subsidies to HSAs instead of directly to insurance companies. Perhaps it is a marginal improvement, but still a vote for Obamacare, something most conservatives would have strenuously objected to just a few short years ago.

I, for one, continue to support the repeal of Obamacare and replacing it with true free market reforms, not just some rearranging of the current system. Legalizing cross-state health care buying co-ops and letting everyone have an HSA is the only truly conservative option.

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*The views expressed in this article are the writer's own.*