



The Daily Dish

Trump's Obamacare Executive Order

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Last week Senator John Barrasso (R-WY) stated that he and Environmental Protection Agency (EPA) nominee Scott Pruitt plan to implement major policy changes within the EPA saying that the EPA has instituted expensive regulations that will be reconsidered under the new administration. Barrasso's panel will meet on Wednesday to consider Pruitt's confirmation.

On Sunday President Donald Trump said that he wants to ensure America has more favorable terms under the North American Free Trade Agreement (NAFTA). President Trump stated that he plans on speaking with China and Mexico to discuss renegotiating the U.S.'s terms on immigration and border security under NAFTA.

Eakinomics: Trump's Obamacare Executive Order

Immediately following the inaugural parade, Donald Trump signed an [executive order](#) (EO) that [said](#) "To the maximum extent permitted by law, the Secretary of Health and Human Services (Secretary) and the heads of all other executive departments and agencies (agencies) with authorities and responsibilities under the Act shall exercise all authority and discretion available to them to waive, defer, grant exemptions from, or delay the implementation of any provision or requirement of the Act that would impose a fiscal burden on any State or a cost, fee, tax, penalty, or regulatory burden on individuals, families, healthcare providers, health insurers, patients, recipients of healthcare services, purchasers of health insurance, or makers of medical devices, products, or medications." The executive order contained similar language encouraging flexibility toward the states and promoting interstate competition.

What does this mean?

In part the EO is symbolic. It sends the message that when he campaigned promising to repeal and replace Obamacare that he meant it and that he would be accountable for his promises to the people. It also sends the message to Democrats that what goes around, comes around — President Obama used executive authorities to delay implementation of the employer mandate, extend enrollment periods, grandfather old insurance contracts, and otherwise prop up the failed law; Mr. Trump will do the same to replace it.

In part, it is also real. The Secretary of Health and Human Services (HHS) could modify the special enrollment periods that attracted an unanticipated number of high-cost patients and produce large insurer losses. The Secretary could modify the 90-day grace periods that permitted individuals to avoid paying their premiums and added to those losses. He could also re-define what satisfies the 10-part test for the Essential Health Benefits that an insurance policy must cover.

All of these would take time. But it would take no time for the Treasury to announce that enforcing the tax penalty for violating the individual mandate is a low priority. Any administration has great latitude in setting enforcement priorities. Sending the message that the individual mandate would not be enforced could essentially

gut this feature of Obamacare very quickly.

The EO on Obamacare is one part symbolism and one part substantive, and sets the tone for the repeal and replace effort.