

New Attack on Affordable Care Act

Enhanced subsidies are set to expire in late 2025.

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The Affordable Care Act (ACA) is back under attack. Not as in the repeal-and-replace debates of yore, but in a fresher take from Republican lawmakers who say key parts of the ACA cost taxpayers too much and provide incentive for fraud.

Several House Republican leaders have called on two watchdog agencies to investigate, while Senator Chuck Grassley (R-Iowa) fired off more than half a dozen questions in a recent letter to the Centers for Medicare & Medicaid Services.

At issue are the ACA's enhanced subsidies, put in place during the COVID-19 pandemic as part of economic recovery legislation. Grassley said in a recent news release that the subsidies "left Obamacare, a program already riddled with problems, wide open to new waste, fraud and abuse."

While potential fraud in government programs has always been a rallying cry for conservatives, the recent criticisms are a renewed line of attack on the ACA because repealing it is unlikely, given that more than 21 million people enrolled in marketplace plans for this year.

"I see what's happening right now as laying the groundwork for the big fight next year," said Debbie Curtis, a vice president at consulting firm McDermott.

The enhanced subsidies are set to expire in late 2025. Without them, millions of Americans would likely see their premiums go up.

But the debate will also likely draw in other issues, including Trump-era tax cuts, which also must be addressed next year. Also potentially in play are other aspects of the ACA, including a special year-round enrollment period and zero-premium plans for low-income consumers.

Much of what eventually happens will depend on the makeup of the Senate and House, as well as control of the White House, after the November elections. Both sides have incentive to extend all or part of the tax cuts, but each will want some kind of compromise on other issues as well.

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