



Joe Biden's campaign said the former vice president was emphasizing the need for immediate action. | Sean Rayford/Getty Images

HEALTH CARE

## Biden unveils health care plan: Affordable Care Act 2.0

By **DAN DIAMOND** | 07/15/2019 06:01 AM EDT | Updated 07/15/2019 01:10 PM EDT

Democratic front-runner Joe Biden on Monday unveiled a health plan that's intended to preserve the most popular parts of Obamacare — from Medicaid expansion to protections for patients with preexisting conditions — and build on them with a new government-run public insurance option.

Biden would also empower Medicare to directly negotiate drug prices, allow the importation of prescription drugs from abroad and extend tax credits to help tens of millions of Americans buy lower-priced health insurance.

The plan — which the campaign says will cost \$750 billion over a decade, to be paid for by reversing some of the Trump administration's tax cuts — is less transformative than the "Medicare for All" proposal advanced by Sen. Bernie Sanders (I-Vt.) and supported by some other Democrats, which would effectively do away with private insurance and shift all Americans to government-run health coverage.

"I understand the appeal of Medicare for All," Biden said in a video posted Monday morning. "But folks supporting it should be clear that it means getting rid of Obamacare. And I'm not for that."

Progressives have argued that Democratic candidates should aim for Medicare for All because it protects the party from starting with — and settling for — a more incremental compromise. Democrats and former President Barack Obama previously supported a public option that could compete with private health plans before dropping it as part of negotiations around the Affordable Care Act.

On a call with reporters on Sunday, campaign staff stressed that Biden wouldn't settle for a watered-down compromise as president and that his plan would help 97 percent of Americans get health coverage. Nearly 5 million Americans in states that haven't expanded Medicaid would get premium-free access to Biden's new public option, for instance.

"We're starting with the Affordable Care Act as the base and going to insist on the elements that we sought last time," said a senior Biden campaign official. "And we'll get them this time."

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Biden's public option plan drew fire from Republicans and health care industry lobbyists who said that the proposal went too far.

The Biden administration also would allow all shoppers on the individual insurance market to qualify for premium tax credits, which are currently capped at four times the federal poverty level, or nearly \$50,000 for an individual. Undocumented immigrants would be newly allowed to purchase coverage in the ACA marketplaces, although they wouldn't be eligible for federal subsidies, a campaign official said.

Speaking with reporters, campaign staff slammed the Trump administration's efforts to strike down the ACA in court and also addressed Biden's differences with rival candidates. Biden on Friday suggested that there would be "a hiatus of six months, a year, two, three" that would put patients at risk if Democrats pursued Medicare for All — a claim that Sanders swiftly attacked as "misinformation."

In response to POLITICO's questions, Biden's campaign said the former vice president was emphasizing the need for immediate action.

"We can't afford the years it will take in order to write and *maybe* pass Medicare for All," a spokesperson wrote in an email. "A stop in progress is unacceptable. That's why the Biden Plan builds on Obamacare and works toward achieving universal coverage as soon as possible."

Health policy experts said that Biden's coverage plan appears to be more politically feasible than Sanders' proposal.

"Building on the ACA is the quickest way to get more people insured and improve affordability, while not taking on any powerful health industry group or disrupting coverage for those who already have it," said Larry Levitt, executive vice president of health policy for the Kaiser Family Foundation. But incremental improvements to the ACA would leave "an inefficient and costly health care system in place," Levitt added, preserving high prices and high deductibles for the roughly 160 million Americans with employer-based health coverage.

But even Democrats' incrementalist approaches face deep opposition from a well-funded health industry opposed to expanding government-backed health insurance.

"Vice President Biden's proposal for a new government insurance system through a 'public option' would undermine the progress our nation has made and ultimately lead our nation down the path of a one-size-fits-all health care system run by Washington," said Lauren Crawford Shaver, executive director of the Partnership for America's Health Care Future, in a statement released Monday morning. Shaver— whose group includes dozens of major associations, including hospital lobbyists— pointed to studies that hospitals would lose revenue if Medicare was expanded.

Republicans also attacked Biden's plan, resurrecting arguments used to bash the ACA. "Obamacare 2.0: Because it worked so great the first time," tweeted RNC spokesperson Elizabeth Harrington, pointing to the troubled rollout of the online insurance marketplaces, government coverage mandates and other implementation challenges.

Meanwhile, some Wall Street analysts were skeptical of Biden's public option proposal, arguing the policy was flawed.

"We suspect that provision is unlikely to be implemented, as it would allow employers to 'dump' the highest cost patients into exchanges," wrote Raymond James in an investor's note Monday morning.

Biden also announced new ideas to combat the nation's high drug prices. Pointing to lessons learned from his signature cancer initiative — which announced on Monday it was suspending operations because of Biden's campaign — the former vice president says he'll have the Department of Health and Human Services establish an independent review board that will link the price of new specialty drugs to the average price in other countries. His plan also calls for capping most drug price increases at the rate of inflation.

Meanwhile, Biden would seek to expand access to abortion and contraception, reiterating his recent calls — like those of other Democratic candidates — to enshrine *Roe v. Wade* in federal law and restore federal funding for Planned Parenthood.

Biden's plan also takes aim at health care providers, suggesting that he'll try to tackle problems like unexpected large medical bills

and health care market concentration, although the details released by the campaign are sparse. Biden also would double investment in community health centers, arguing that the centers help reach underserved populations.

Campaign staff said Biden would soon announce additional proposals to combat gun violence, improve rural health and address other health care initiatives.

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