Bidencare Is a Really Big Deal

**By Paul Krugman**

In 2010, at the signing of the Affordable Care, a.k.a Obamacare, Joe Biden, the vice president at the time, was caught on a hot mic telling President Barack Obama that the bill was a “Big deal.” OK, there was another word in the middle. Anyway, Biden was right.

And in one of his major unsung accomplishments – it’s amazing how many Americans believe that an unusually productive president hasn’t done much – President Biden has made Obamacare an even bigger deal, in a way that is improving life for millions of Americans.

As you may have noticed – as many Americans finally seem to be noticing – Biden has been racking up some pretty good numbers lately. Economic growth is still chugging along, defying widespread predictions of a recession, while unemployment remains near a 50-year low. Inflation, especially using the measure preferred by the Federal Reserve, has fallen close to the Fed’s target. The stock market keeps hitting new highs.

Oh, and murders have plummeted, with overall violent crime possibly hitting another 50-year low.

Biden deserves some political reward for this good news, given that Donald Trump and many in hist party predicted economic and social disaster if he were elected, and that Republicans, in general, are still talking as if America were suffering from high inflation and runaway crime. (Trump, of course, has been dismissing the good jobs numbers as fake. Wait until he hears about falling crime.)

It’s less clear how much of the good news on these fronts can bee attributed to Biden’s policies. Presidents don’t control the stock market. They have less influence in general on the economy than many believe; I would give Biden some credit for the economy’s strength, which was in part driven by his spending policies, but the rapid disinflation of 2023 mainly reflects a nation working its way out of lingering disruptions from the Covid pandemic. The same is probably true for the plunge in violent crime.

One area where presidents do make a big difference, however, is health care. Obamacare – which arguably should really be called Pelosicare, since Nancy Pelosi (who is not, whatever Trump may think, the same person as Nikki Haley’s played a key role in getting it through Congress – led to big gains in health insurance coverage when it went into full effect in 2014.

Trump tried but failed to repeal Obamacare in 2017, and the backlash to that effort helped Democrats win control of the House the next year. Trump was nonetheless able to create some erosion in the program, for example by cutting off funds for “navigators” that help people enroll.

That erosion has now been decisively reversed. The Biden administration jut announced that 21 million people have enrolled for coverage through the A.C.A.’s health insurance marketplaces, up from around 12 million on the eve of the pandemic. America still doesn’t have the universal coverage that is standard in other wealthy nations, but some states, including Massachusetts and New York, have gotten close.

And this gain, unlike some of the other good things happening, is all of Biden, who both restored aid to people seeking health coverage and enhanced a key aspect of the system.

Obamacare isn’t simple. Many of the health care economists I know would have preferred something like Medicare for All if that had been politically feasible. But it wasn’t and isn’t, so what we have instead is a sort of Rube Goldberg device, a mix of gadgets designed to expand access to health care with minimal disruption of existing arrangements. Those marketplaces, in which insurers are forbidden to discriminate against people with preexisting conditions and buyer receive subsidies to help them pay premiums, are a key part of the system.

It’s not an ideal mechanism, but it’s vastly better than nothing. Originally, however, the marketplaces were underfunded: The subsidies were too low, so many people still had trouble paying insurance premiums, and there was also a cutoff, with subsidies available only to individuals up to 400 percent of the poverty line.

Bide, as part of the 2022 Inflation Reduction Act, largely resolved these problems, reducing maximum premium payments (net of subsidies) and eliminating the cliff at 400 percent. The result is to make health insurance coverage substantially more affordable, especially for middle income Americans who previously earned too much to be eligible for subsidies. Hence the surge in marketplace enrollments.

I don’t know whether health care will be a big issue in the 2024 election. But it should be.

Biden has mad health insurance coverage more accessible and more affordable for millions of Americans.

If Trump wins, however he will try again to do away with Obamacare; he has said as much, and this time he could very well succeed. He promises to replace it with something. “MUCH BETTER.” I guess this depends on your definition of better: In 2017, the Congressional Budget Office estimated that Trump’s health plan would raise the number of uninsured by 32 million within a decade; that number would probably be larger today.

So, one more reminder of how much is at stake this year.