

Is “Repeal and Replace” Destined to Become “I’ve Been BTUed”?

Richard H. Rosenzweig

While it appears President Trump aims to resurrect failed health care legislation, he and the Republican Congress may actually have dodged a bullet when the House did not vote on the leadership sponsored American Health Care Act (AHCA) to repeal and replace Obamacare. Although the Republicans may suffer losses in the 2018 midterm elections if Obamacare remains largely intact, and there may be some bruising primaries, passage of the AHCA in the form it was debated could have helped Democrats take back control of the House.

The AHCA was supported by less than 20% of the public at the time it died in the House according to one poll. It became more unpopular as voters learned about its contents. Some analysis concluded that its implementation might have resulted in millions of Americans losing their healthcare. Those that maintained their care could have lost essential benefits and coverage for prescription drugs, maternity and new-born care, emergency services, substance abuse, and mental illness. The bill was a dagger pointed at millions of votes that helped to elect President Trump.

The politics of repeal and replace is eerily similar to what occurred in the early days of the Clinton Administration when I was Chief of Staff of the U.S. Department of Energy. The largest revenue raiser in President Clinton’s \$500 billion deficit reduction package, introduced shortly after he was inaugurated, was the ill-fated BTU Tax – a broad-based energy tax. Although it was sold for its security and

environmental benefits, its main virtue was that it accounted for approximately 30%, or over \$70 billion, of the \$250 billion in tax increases included in the President's proposal.

The largest obstacle to passage of BTU Tax was a group of moderate to conservative Democrats representing the energy producing and rust belt states dependent on low-cost energy to support manufacturing. Governor and Candidate Clinton spent years casting himself as a moderate or "new" Democrat that would look out for the middle-class voters that Democrats had lost during the previous two decades. Convincing these voters of this was critical to his election given the perception that the Democratic party was too liberal to win at the national level. The perception was based on the fact that the Democrats had lost 4 of the 5 previous presidential elections in electoral landslides. Yet President Clinton's first major legislative action was anathema to the moderate image he created and was strongly opposed by voters central to his electoral coalition that believed the BTU Tax would hurt the middle class by raising energy prices.

President Trump's first major foray into the legislative process bears startling similarities to President Clinton's. After promising no one would lose their health care, President Trump endorsed the AHCA -- despite analysis indicating millions of citizens would lose their coverage. Millions of these voters were President Trump's core supporters in the industrial Midwest. A large number of these people were only able to secure health insurance through Medicaid expansion or other provisions included in Obamacare.

In 1993, The BTU Tax struggled to gain political traction. Its fate was uncertain prior to the first vote in the House of Representatives where it passed by a narrow 219-213 margin. Not wanting to oppose the

first major initiative from a new president from their own party, many Democrats from the energy producing states voted for the budget that included the BTU Tax. The administration committed to change the tax prior to Senate action to address those members' concerns. That never happened. The BTU Tax as passed by the House never saw the light of day in the Senate. Prominent moderate and conservative Democratic Senators such as John Breaux (D-LA) and David Boren (D-OK) were strongly opposed. The BTU Tax became a 4.3 cent gasoline tax. In the end, House members were forced to take a vote on an unpopular issue that was never voted on by the Senate. And with that, the expression "I've been BTUed" was coined, a euphemism for "I've been you-know-what".

The Democrats lost their majority in the House for the first time in several decades in 1994. The failure of health care, a controversial crime bill, and a \$250 billion tax increase all contributed to the Democrats' defeat. But the BTU Tax did not help. Many members who voted for it lost their bid for re-election. I describe the substantive and political machinations of the BTU Tax in greater detail in my [book](#).

Fast forward a quarter of a century later to the fight over repeal and replace. Although the bill is currently dormant, House Republicans could pass a bill similar to the AHCA in an attempt to say they lived up to their campaign commitment. Based on comments from Republican Senators, it is highly unlikely that the House plan would receive broad support from the caucus required for passage. Some expressed concern that the changes in Medicaid would adversely affect their state while others believe the Obamacare should be repealed outright. Given these conflicts, the Senate may choose not to take up the House bill or to start all over. This would mean that Republican House members would have been asked to take a tough vote for no reason, endangering many of their re-election prospects. This sounds

similar to outcomes from voting on the BTU Tax, a point made by some Republican House members.

Ironically, the freedom caucus, blamed for the house failure by refusing to provide the votes necessary for passage, may have prevented many members from being repealed, replaced -- or BTUed.

There have been conflicting signals sent as to whether the Republicans will turn back to healthcare.

President Trump had said he was moving on when the decision was made not to vote on the House bill although his position appears to have changed. Given that Obamacare is more popular now than at any time since it was signed into law, the failure by the House to vote on the repeal and replace bill may end up being the best result and allow the party to avoid the Democrats' fate in 1994.

Richard Rosenzweig is an Independent Consultant and the author of the book, Global Climate Change Policy and Carbon Markets: Transition To A New Era, recently published by Palgrave Macmillan. He is also an Adjunct Professor in the School of Public Affairs, American University and Senior Advisor at the Partnership for Global Security. Rosenzweig was Chief of Staff at the U.S. Department of Energy when President Clinton proposed the BTU Tax.