



## **What A Donald Trump Presidency Means for the Goodman Institute** **John C. Goodman, November 9, 2015**

Donald Trump is a deal maker. And despite the charge that this was an issue free election, Trump made quite a few promises voters will expect him to keep.

This is where our new think tank can be helpful.

**Replacing Obamacare.** Republicans could use reconciliation to defund Obamacare. They have already done that once and president Obama vetoed the measure. President Trump would feel pressure to sign a similar bill. But that would take health insurance away from about 20 million people and the result would be inconsistent with how Trump talked about health care during the election.

A free enterprise approach to health reform could meet Obamacare's goals without Obamacare. That would require Democratic votes in the Senate. A good possibility is the Sessions/Cassidy bill - which basically comes from the Goodman Institute.

We have been discussing the legislation with the No Labels coalition (Lieberman, Frist, et al,) and we are considering getting our policy wonks together with the wonks that tend to advise Democrats (Furman, Emanuel, Orszag, etc.) to see if we can find common ground. I believe we will. Sessions and Cassidy were reaching out to Democrats even before the election.

Newt Gingrich wants to be part of this effort.

**Tax reform and wages.** The quickest, surest way to raise the income of blue collar workers is not by negotiating better trade deals. It's through corporate tax reform. Ron Wyden (the Ranking Member on Senate Finance) is for it. Other Democrats will be too once they understand the measure is pro-labor.

This is where Larry Kotlikoff's tax model will prove very, very helpful. It has the respect and awe of everyone in the tax policy community in DC (right and left) and in the East Coast financial media. The Kotlikoff model shows that Trump's idea of a 15% corporate flat tax would raise average household income by \$4,000 a year in higher take home pay.

**Entitlement reform.** Trump has indicated he may resist this. Yet the Obamacare Medicare spending cuts are going to force everyone's hand. Tom Saving is a former Trustee of Social Security and Medicare and he and I have been working of a series of win/win reforms for Medicare - which have the merit of solving problems while making everyone better off. That's going to be a good starting point.

Then we need to junk as many Obamacare Medicare reforms as we can, including allowing all the Accountable Care Organizations to become Medicare Advantage plans. This will be more likely if Paul Ryan stops using the words "premium support," which sounds like something new and scary, and instead uses the words "liberalize Medicare Advantage," which is a program the elderly really loves.

Getting personal accounts for the long-term privatization of Medicare will be a stretch, but the idea should be on the table. Saving and his colleagues have done a lot of modeling on how to do this. In fact, they are the only scholars who have done this type of modeling.

Kotlikoff has a Social Security reform that should be front and center in January: getting rid of the earnings penalty and allowing seniors to work without any loss of benefits. This reform, which we put in the original Republican Contract with America, actually pays for itself.

**Immigration.** Trump is probably the only person who can get immigration reform passed and signed into law. That's because no matter what is agreed to, people aren't going to accuse him of selling out. I have been discussing a guest worker program idea with Helen Kriebler for a long time. Anyone could come into the country as a guest if they have a job and a verifiable ID. No ID, you can't work. No job, you must leave.

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