## The Daily Dish

# Build? Back? Better? Health

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### Eakinomics: Build? Back? Better? Health

The Build Back Better (BBB) legislative agenda's health provisions don't really build anything new, don't restore anything previously in place, and don't obviously reform health care to be "better." They are misnamed, at a minimum.

The BBB (aka "the reconciliation bill") has gained enormous attention for its $3.5 trillion price tag – actually "zero" in the eyes of the president and probably $2 trillion too high in the eyes of Senate moderate Democrats. But the more important (or terrifying) aspect is the scope of the effort. It has been advertised as a climate bill, an education bill, a social safety net bill, and a major tax bill. But it is also a health reform bill; indeed, the BBB includes more health care spending than the Affordable Care Act (ACA).

To begin, the BBB would add, at great expense, vision, dental, and hearing benefits to traditional Medicare. But as it happens, Medicare beneficiaries can already receive vision, dental, and hearing coverage through the program if they want it. As detailed by Christopher Holt, 89 percent off Medicare Advantage (MA) plans also include Part D coverage (Medicare Advantage prescription drug, or MA-PD, plans). As Holt notes: "As of March of this year, 42 percent of all Medicare beneficiaries were enrolled in an MA plan, and that number is projected to increase to 51 percent by 2030. Interestingly, racial minorities make up a larger share of the MA population (32 percent) than they do of the fee-for-service population (21 percent). As of this month, 90 percent of the 27.1 million Medicare beneficiaries enrolled in MA plans are in MA-PD plans. In 2020, 98 percent of MA-PD plans covered vision care, 93 percent provided hearing benefits, and 87 percent covered dental services."

Adding available benefits at great expense does not seem to build much, take us back to another time, or make things better.

In addition, the BBB promises to make permanent the more generous tax credits for individual insurance under the ACA. Specifically, the American Rescue Plan (ARP) made the subsidies more generous, made them fully available regardless of income, and lowered the threshold for "affordable" insurance to 8.5 percent of family income. It also implements a new federal Medicaid program for individuals in those (12) states that did not expand Medicaid in response to the ACA, with the bridge to the new program being "free" individual market policies for the affected poor people over the 2022-2024 window. Holt and Stephen Parente analyze these provisions in detail.

The ACA and Medicaid provisions are purely focused on expanding coverage. What is the impact? "In total, the Build Back Better provisions considered in this analysis would lead to an increase in the number of insured people in 2031 of 7 million relative to current law, at a net cost of $831 billion between 2022 and 2031." Obviously, the story is richer than that; see Holt and Parente for details.

The immediate point is that these have nothing to do with building, back, or better. They are tired clones of previous efforts by Democrats to expand coverage. The broader point is that the national conversation on health care reform has hit a critical point. As far back as 2007, there was a bipartisan desire for expanding coverage and controlling the cost of health care. Democrats have had a laser-like focus on the former and no particular track record on the latter (other than ever-larger subsidies to health insurance), but no track record on genuine health reforms that would reduce costs or raise the value of care.

Real, value-oriented oriented reforms would be building and better. There is no reason to go back to the same, expensive coverage-at-all-costs approach.