The Daily Dish

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Federal officials arrested more than 300 people nationwide for health care fraud, those arrested accounting for over $900 million in false billings to Medicare and Medicaid. Yesterday, the Justice Department announced that this was the largest crackdown in history. GAO has designated Medicaid a high-risk program since 2003 because of its rates of improper payments, which have totaled $161 billion since 2008.

AAF analysis found the cumulative result of past Department of Energy (DOE) rules has shrunk employment in the heating, ventilation, and air conditioning industry by 19,200 jobs, or 15 percent, from 2003 to 2013. AAF reviewed 15 rules issued by the DOE between 2010 and 2015 and found that discount rates drove favorable assumptions. Using favorable rates can turn a rule with net costs into one with net benefits and by DOE's own admission, roughly 1 in 8 consumers will suffer net costs as a result of these new energy efficiency standards.

Eakinomics: Replacing Obamacare

The House Republicans yesterday unveiled their task force blueprint for replacing Obamacare. Although there have been many proposals (see here) to do so over the years, this is notable for a number of reasons. First, it represents Republicans sorting through a large number of possible alternatives and settling on a single plan. And not because they have to (as did the Democrats when Scott Brown won Ted Kennedy's seat and their Senate majority fell below 60 votes), but because they wanted to show voters their policy values in advance of the election. Indeed, the notion that good policy is good politics is reinforced by their commitment to fix the broken Cadillac tax by capping the tax-exclusion for employer-sponsored insurance.

Second, it is much better policy. It is better insurance policy because it uses incentives to get young invincibles into the pool and create coverage for pre-existing conditions in the

process. It provides flexibility for the design of insurance policies and consumer incentives for cost control. Contrast this with the heavy Obamacare dose of mandates, regulations, and rigidity.

It is better health care policy because it permits flexibility in Medicare, Medicaid and elsewhere in the management of care, while focusing on paying for high-quality outcomes. It incorporates the support of science, innovation and medical advancement that was in the 21st Century Cures initiative.

It is better budget policy because health care programs would now be on a budget. Premium support in Medicare and capped allotments in Medicaid send the signal to beneficiaries and providers alike that there is no longer an unrestricted draw on Treasury funds and the American taxpayer. They will have to use resources wisely to deliver quality care. But it also harnesses market forces to cut costs, innovate and improve quality.

Finally, it is better economic policy because it makes the health sector look like the rest of the economy — built on competition, rewarding quality and low-costs, and evolving flexibly to meet the needs of the customer base. It is a far cry from the top-down, industrial-age Obamacare spigot of federal dollars and regulations.

Often health care reforms look like lists. But the most important feature — the one that is genuinely a better way — is to trust families, doctors, hospitals, device makers, and the remainder of the health sector to respond to market incentives and deliver high-quality care.

From the Forum

The Future Of America's Entitlements: What You Need To Know About The 2016 Medicare And Social Security Trustees Reports by Douglas Holtz-Eakin, AAF President, Tara O'Neill, AAF Health Care Policy Analyst, and Gordon Gray, AAF Director of Fiscal Policy

Discounting Consumers: How DOE's Wishful Thinking Leads To Higher Costs, Fewer Jobs by Sam Batkins, AAF Director of Regulatory Policy and Curtis Arndt, AAF Data Analyst

Final Drone Regulations by Sam Batkins, AAF Director of Regulatory Policy

The Part B Demo by Brittany La Couture, AAF Health Policy Counsel

No Congress Didn't Give The FCC A Broad Mandate To Regulate Privacy by Will Rinehart, AAF Director of Technology and Innovation Policy