



## Insight

# Obamacare Regulation: Mistake or the Most Expensive of All Time?

SAM BATKINS | APRIL 13, 2016

Gallons of proverbial ink have been spilled over the actual costs and benefits of federal regulation. As of today, it appears that the federal government's own figures peg this burden at \$1.8 trillion for just paperwork compliance. To put this number into perspective, there are roughly [116 million households](#) in the U.S.; so, the regulatory burden per household equals \$15,650. But is this yet another [major typo](#)?

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Office of Information and Regulatory Affairs (OIRA)  
Inventory of Currently Approved Information Collections  
April 12, 2016

Government-Wide Totals for Active Information Collections

ACTIVE OMB CONTROL NOS.	TOTAL ANNUAL RESPONSES	TOTAL ANNUAL HOURS	TOTAL ANNUAL COST
9,333	291,817,708,718	11,434,910,936.5	\$1,818,795,521,202

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Members of the administration have repeatedly attacked high figures for federal regulatory compliance, especially the Small Business Administration report pegging the costs at \$1.8 trillion. In testimony, current “regulatory czar” Howard Shelanski [responded](#) to the study’s findings: “I am not sure I can say in polite company, sir, where I would put that study. But let me say pretty clearly that the study has been, I think, pretty thoroughly refuted by everyone who has looked at it.” Shelanski’s predecessor, Professor Cass Sunstein, also [rejected](#) the headline figure of \$1.8 trillion, calling it “deeply flawed.” Yet now, the

government advertises that figure for everyone to see?

As of January 26, 2016, the cumulative paperwork burden stood at 11.5 billion hours, with *only* \$69 billion in associated compliance costs. To put this new \$1.8 trillion figure into context, there are only [14 countries](#), including the European Union, that produce more than \$1.8 trillion annually in GDP. These new government estimates essentially broadcast to the world that federal regulatory compliance costs more than Canada or Australia produce in a year, and that’s just the paperwork portion of regulation, to say nothing of other burdens.

**Office of Information and Regulatory Affairs (OIRA)**  
Inventory of Currently Approved Information Collections  
January 26, 2016

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**Government-Wide Totals for Active Information Collections**

ACTIVE OMB CONTROL NOS.	TOTAL ANNUAL RESPONSES	TOTAL ANNUAL HOURS	TOTAL ANNUAL COST
9,368	78,244,431,221	11,514,626,377.5	\$69,005,765,788

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What is the culprit for a jump of \$69 billion to \$1.8 trillion, a 26-fold increase? When in doubt, blame the Affordable Care Act. Last week, in the period of just one day’s review, the White House received a [paperwork requirement](#) requesting to impose 431,550 hours on Americans, down from 649,500. The associated costs of the collection, “Summary of Benefits and Coverage Disclosures,” went from a reasonable \$5 million to \$1.7 trillion, a scant increase of 34,756,451 percent. How is this possible? See below.

Please note that the OMB number and expiration date may not have been determined when this Information Collection Request and associated Information Collection forms were submitted to OMB. The approved OMB number and expiration date may be found by clicking on the Notice of Action link below.

**View ICR - OIRA Conclusion**

<b>OMB Control No:</b> 1545-2229	<b>ICR Reference No:</b> 201604-1545-003
<b>Status:</b> Active	<b>Previous ICR Reference No:</b> <a href="#">201409-1545-021</a>
<b>Agency/Subagency:</b> TREAS/IRS	<b>Agency Tracking No:</b> Ready
<b>Title:</b> TD 9724 - Summary of Benefits and Coverage Disclosures	<b>Common Form ICR:</b> No
<b>Type of Information Collection:</b> Revision of a currently approved collection	<b>Conclusion Date:</b> 04/06/2016
<b>Type of Review Request:</b> Regular	<b>Date Received in OIRA:</b> 04/05/2016
<b>OIRA Conclusion Action:</b> Approved without change	
<a href="#">Retrieve Notice of Action (NOA)</a>	

**Terms of Clearance:**

	Inventory as of this Action	Requested	Previously Approved
<b>Expiration Date</b>	04/30/2019	36 Months From Approved	01/31/2019
<b>Responses</b>	213,624,047,553	213,624,047,553	79,699,998
<b>Time Burden (Hours)</b>	431,550	431,550	649,500
<b>Cost Burden (Dollars)</b>	1,749,999,652,592	1,749,999,652,592	5,035,021

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In sum, this is probably not possible and likely a massive typo of some sort. Here are [some examples](#) of “Summary of Benefits and Coverage” for health insurance plans. They aren’t overly complicated. However, there aren’t any glaring reasons to explain this foul-up. In the [supporting documentation](#), Treasury’s share of the cost could equal \$17.35 million. Is it possible this \$17 million figure morphed into something exponentially larger?

There were no public comments on this revised requirement, so it’s possible the administration could only now be learning of the massive error. The total burden from federal regulation might well top \$1 trillion, but a requirement on summary benefits for health insurance surely can’t contribute roughly 99 percent of the overall regulatory tally. Surely one Affordable Care Act requirement could not impose burdens greater than the Gross Domestic Product of Australia or Canada? Or could it?