



The Daily Dish

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As expected, the White House's 7.1 million enrolled has begun to shrink when real math sets in. [Blue Cross Blue Shield has reported](#) that between 15-20 percent of those who have selected their plans on exchanges have not paid. If these numbers hold true for the remaining insurers, then the enrollee count will drop to 5.6-6 million people. This is also before we are able to subtract the number of people who had insurance, but were not able to keep their plan due to the law. Though, "We have enrolled (about) 7.1 million (depending on how many actually pay)," doesn't quite sound like a Rose Garden moment.

Obamacare will have a [new shepherd in HHS](#). After five years as director of HHS Kathleen Sebelius has resigned. She will be replaced by Sylvia Mathews Burwell, the director of the Office of Management and Budget.

New AAF Research- [What's the Difference: A Look at the Leading Housing Finance Reform Bills in Congress](#): Andy Winkler, AAF Director of Housing Finance Policy, gives a full analysis of GSE reform in congress and where it stands with a side-by-side breakdown of Johnson-Crapo and The Path Act.

New AAF Insight- [Early ACA Enrollees Appear Older and Sicker](#): "...we now have an initial picture of how exchange enrollee's prescription utilization compares with that of insurance plan enrollees served by Express Scripts outside of the exchange...individuals receiving coverage through the exchange in January and February appear to be older, sicker, and more expensive than those who receive coverage through commercial insurance plans."

Eakinomics: A Case Study in the Growth Government

The Children's Health Insurance Program (CHIP) subsidizes health insurance for children in families with incomes too high to qualify for Medicaid. Since 1997, CHIP provides federal matching funds to states to provide this coverage, which is why some refer to the program as SCHIP to recognize the states' role. However, with the passage of Obamacare every parent is mandated to have health insurance, every employer is mandated to provide affordable insurance, and exchanges operate in every state to provide subsidized policies.

So CHIP should simply be eliminated, right? It is never that easy.

The Medicaid and CHIP Payment and Access Commission (MACPAC) estimates that if CHIP were eliminated, 5.3 million children would be shifted to a family's employer policy or rolled into exchange coverage — in theory. Unfortunately, Obamacare is an enormously flawed law. It turns out that employers *are* required to provide "affordable" (meaning the employee share of the premium is equal to no more than 9.5 percent of their income) insurance, but only for the employee and not necessarily for the family. If so, then the rest of the family would not be eligible for subsidized coverage in the exchanges.

It appears that about 36 percent (1.9 million) of the affected children have parents that are enrolled in employer coverage. We can't be sure how many would get caught in the glitch, but at least some of them would find

themselves out of luck. Another 21 percent of those children have parents that are not enrolled in their employer's coverage – leaving the kids uninsured.

In short, CHIP cannot simply go away. (Those children who do move to subsidized coverage will find that it is more expensive and harder to find a doctor due to higher premiums on the exchange than in the CHIP program, and narrower networks offered by exchange plans.) It may get smaller — the Congressional Budget Office anticipates the outlay of \$15 billion in 2015 decreasing to \$7 billion in 2016 – but it will still be around.

It is an illuminating lesson in how government grows. A “universal coverage” law turns out to be far from universal and a program that should be history needs to continue. The result is a government that is more complex and costly.