



**The Daily Dish**

## April 18th Edition

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After announcing eight million Americans have signed up through ACA exchanges (neglecting the number who have yet to pay), the President told the media, “I think we can all agree that it’s well past time to move on.” Well, [according to Rasmussen](#), the belief that Obamacare is still bad legislation is not confined to political offices. Over half of Americans “think the health care system will get worse as a result of the law.” In the same survey just four days ago, “Fifty-nine percent (59%) now [expect health care costs to go up under Obamacare](#).”

New AAF insight- [CBO’s Estimate of the President’s Budget: The Five Most Important Facts](#):

- 1.) \$1.6 Trillion – The CBO estimates the deficit will be \$1.6 trillion more under the President’s Budget than the administration claims.
- 2.) 74.3 Percent – CBO estimates that the debt under the President’s Budget grows from 72.1 percent in 2103 to 74.3 percent as a share of the economy and remains on an upward trajectory. This is far bleaker than the rosy picture painted by OMB.
- 3.) Over \$1.1 trillion in Gimmicks and Fiction – Even compared to CBO’s baseline the President’s Budget relies on at least \$1.1 trillion in gross savings that fail a reality check...
- 4.) \$1.4 Trillion More Taxes and \$446 Billion More Spending – Compared to CBO’s baseline, the President’s Budget is pure tax and spend, raising \$1.4 trillion in new taxes, while proposing \$446 billion in new spending
- 5.) \$1.3 Trillion in Rosier Economic Assumptions – \$1.3 trillion of the \$1.6 trillion difference between the CBO and OMB’s estimate of the President Budget is due to OMB’s use of better economic assumptions.

### ***Eakinomics: An Affordable Care Act Update***

President Obama personally announced that at the close of the first open enrollment period 8 million Americans had signed up for coverage in the Affordable Care Act (ACAs) exchanges. He also took this opportunity for a full-throated defense of the ACA, [arguing](#) “I find it strange that the Republican position on this law is still stuck in the same place that it has always been. They still can’t bring themselves to admit that the Affordable Care Act is working.”

*Is the ACA working? Should critics acknowledge they are wrong and “move on” as the president contends?*

The reality is a far from uniform success. Yes, the ACA enrollment reached 8 million but that number still comes with several caveats: How many have actually paid? How many were previously uninsured? How many newly uninsured were created by the cancellations of policies? And we know that only 28 percent are between the ages of 18 and 34 — up from 26 percent two months ago but still short of the 39 percent target that would ensure stable insurance pools.

In addition, [healthcare.gov](http://healthcare.gov) now appears to be functioning, and the vast majority of enrollees have elected highly subsidized coverage that ensures they will not face a sharp financial shock. Of course, the taxpayers will be on the hook for the actual costs, so this “success” is in the eye of the beholder.

As a matter of the insurance reforms, however, there are a number of notable failures. The “SHOP” marketplace for small businesses still is not operating. The president asked states to “grandfather” existing policies that fail to meet ACA requirements until after he has left office, raising real questions about the success of the insurance regulations. The employer mandate has been weakened (it now applies to firms with 100 employees or more instead of 50 employees) and deferred for a year. And the individual mandate has been undercut by a “hardship” exemption so broad as to eliminate it. One could argue that the insurance sign-up is “working” because the president deferred, modified, or waived any aspect that presented potential trouble.

The second part — and the most important part — of the ACA is delivery system reforms that are intended to slow the pace of national health spending while raising the quality of care. While there is little dispute that the ACA has spawned an enormous amount of restricting in the health sector, it is less clear what the results might be. The most recent [evidence](#) does not suggest that health care spending has been permanently dented. Moreover, the specific policies that the ACA wrought have a very mixed record:

*Medical homes:* The *Journal of the American Medical Association* analysis found that the medical home pilot only improved patients' health on one of 11 measures and didn't cut visits to hospitals or emergency departments.

*Pioneer Accountable Care Organizations (ACOs):* Thirty-two organizations opted for this much-anticipated program run by Medicare's innovation center, but by last summer, nearly one-third of participants had dropped out. And while 13 pioneers did qualify for bonuses, most were relatively meager: [just four pioneers](#) generated about two-thirds of the savings.

*Medicare Shared Savings Program ACOs:* CMS released data last month that found most of the 114 ACOs in this program didn't [beat their payment targets](#). In fact, only one-quarter performed strongly enough to take home a slice of savings.

At best, the jury is still out on whether the ACA vision of the future of health care will work.

The ACA is a political issue because the sweeping law affects health care delivery, medical innovation, the availability and cost of health insurance, the future of Medicare and Medicaid, the federal budget, labor markets and compensation, and the overall pace of economic growth. Signing up 8 million enrollees does show an ability to meet the demand for subsidized health insurance. But it is not a clear victory on the many other policy fronts embedded in the ACA.