



## The Daily Dish

# August 28th Edition

CHRISTOPHER HOLT | AUGUST 28, 2015

[A federal court has blocked](#) the EPA's Waters of the U.S. rule saying "The risk of irreparable harm to the states is both imminent and likely." The rule could cost nearly [half a billion dollars](#), however that isn't even the largest concern for most. According to Rep. Lamar Smith, "The EPA's vastly unpopular Waters of the U.S. rule would begin a new era of government control over private property."

[The White House denies](#) a report from a Canadian newspaper that a decision on Keystone XL will come before Labor Day. It has been a long time coming, over 2,500 days ago TransCanada submitted their petition to the State Department for approval to build Keystone XL. Since then, the U.S. has missed out on \$175 billion in economic activity from not building Keystone, according to [AAF research](#).

***Eakinomics: It's Time to Modernize Medicaid for the Next Fifty Years**, Guest Authored by Christopher Holt, AAF Director of Health Care Policy*

Maybe you missed it in the hoopla surrounding Medicare's 50<sup>th</sup> Anniversary, but last month the Medicaid program also turned 50. Medicaid—intended as a safety net to ensure low-income and disabled individuals would have access to health care—is in some ways the forgotten child of Lyndon Johnson's Great Society. Even amid the debate of the Affordable Care Act's (ACA) Medicaid expansion, Medicare has always been the focal point for policymakers and pundits. But Medicaid today covers [71 million](#) Americans, more than Medicare or any other public health insurance program in the US. In 2014 Medicaid accounted for [16.3 percent of ALL national health expenditures](#), 9 percent of all federal spending, and [roughly a quarter of states' budgets](#). And while Medicaid enrollment is on the upswing following passage of the ACA, as the following chart demonstrates, the program's costs are expected to grow at an even faster rate than enrollment in the coming years.



While Medicaid's growing budgetary impact is certainly noteworthy, even more concerning is that for all that money the program is failing to meet its original goal of ensuring access to health care for vulnerable Americans. Unfortunately, having health coverage is not the same as having health care. Health care providers often cap the number of Medicaid patients they will take due to the low reimbursement rates paid by Medicaid, meaning the beneficiaries are often left struggling to find providers.

Medicaid at 50 is a broken down program, failing to deliver on the promises made to those most in need; all the while eating up federal and state budgets and crowding out other policy priorities. There are many ideas for how to better finance Medicaid, from block grants to per capita caps. You can read more about these and other policy

ideas and their pros and cons in [this](#) recent paper from AAF's Tara O'Neill. However, the key take away is this, Medicaid needs to be modernized for the next 50 years. It's time to give Americans a program that actually delivers on the promise of quality health care, without mortgaging their financial future.

### ***From the Forum***

[Mental Illness Often Left Untreated](#) by Jonathan Keisling, AAF Health Care Data Analyst

### ***Fact of the Day***

[The administration's greenhouse gas regulations are pricier than the defeated Cap-and-Trade bill from 2009](#)

### ***What We're Reading***

*By Another Measure, U.S. Economic Growth Has Nearly Stalled This Year*— A big upward revision to gross domestic product, now seen increasing at a 3.7% pace in the second quarter, has reassured some economists that the economy is on solid footing heading into the second half of the year. ([Wall Street Journal](#))

*CMS sends Medicaid outpatient drug rule to OMB*— The CMS has completed work on a long-awaited rule overhauling the way prescription drugs are purchased for Medicaid beneficiaries. The regulation has been submitted to the Office of Management and Budget for review. ([Modern Healthcare](#))