



The Daily Dish

Health Care Policy Priorities

DOUGLAS HOLTZ-EAKIN | JUNE 26, 2020

Eakinomics: Health Care Policy Priorities

It is easy to get discouraged watching Congress in “action.” At the moment, serious and [targeted policymaking](#) to support the economy is missing in action, legislative reforms to curtail abusive police practices are stalled, and the House of Representatives is set to vote again on the Affordable Care Act (ACA). That’s right, the ACA – that Groundhog Day of all debates – is back, specifically the Patient Protection and Affordable Care Enhancement Act (H.R. 1425).

Don’t get all ginned up, stand, put on real clothes, or otherwise mess with your quarantine karma. As AAF’s Chris Holt [lays out](#) quite clearly, this is not a real debate and the vote is intended as an election-year piece of messaging. But it is a real bill; bills and the embedded ideas tend to take on a life of their own; and it is important to be clear about the quality of the content.

H.R. 1425 does four things. First, it pours large sums of taxpayer money into the individual market in an effort to increase the availability of subsidies regardless of income. Second, it does a sharp U-turn on the Trump-era rules that undercut the original ACA provisions – the expansion of short-term, limited-duration insurance, cuts to funding for enrollment outreach, and moves to provide states with more flexibility. Third, it attempts to get the Medicaid expansion in every state by a combination of more federal funding to states that expand and punitive Medicaid cuts for those that hold out. Last, it incorporates in whole cloth many provisions of H.R. 3 – Speaker Pelosi’s prescription drug bill – that dresses up threats and price fixing as “negotiation.”

The first two are pretty self-evident and reflect radically different visions of the functioning and structure of the individual market. The third is humorous – at least to me – because AAF filed an [amicus brief](#) in the Supreme Court case against the ACA, arguing that threatening to cut off all Medicaid funding was an unconstitutional coercive manner to implement the Medicaid expansion. This proposal just commits the same sin on a smaller scale.

Holt notes regarding the drug-pricing reforms: “American Action Forum experts have [written](#) extensively about H.R. 3 previously, but the two key features are direct government negotiation of drug prices and the establishment of an average international market (AIM) price for targeted drugs, which would function as a ceiling on how much drug manufacturers can charge.” None of these ideas should be seriously entertained.

There you have it. Not very desirable from a policy perspective and not likely to be a legislative issue. Welcome to an election year.