



The Daily Dish

ICYMI

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A new study released on Thursday found that emergency room visits surged even after Medicaid was expanded. The study was based on the state of Oregon's Medicaid expansion. The study found that even after two years of coverage, ER visits remained high despite attempts to convince people to go to physicians' offices as opposed to ERs. Researchers stated that despite prevailing opinions that those with insurance would use the ER less, that was not the case, in fact, they found those covered by insurance were more likely to "use a range of services – including the ER".

On Wednesday the first new U.S. nuclear reactor in 20 years went into operation in Tennessee. The new facility is said to produce electricity for 650,000 homes and businesses according to the Tennessee Valley Authority. The construction of the reactor began in 1973, however, the project was put on hold in 1985 and work was not restarted on it until 2007.

### *Eakinomics: ICYMI*

In case you missed it, Social Security made a brief appearance in the final presidential debate. At last. I had (mistakenly) anticipated that reality would constrain the 2016 presidential field. That reality is that the Congressional Budget Office projects that if the federal budget is left on autopilot for two terms of the next president, the budget deficit will nearly double to \$1 trillion (or 4.0 percent of Gross Domestic Product or GDP) by 2024. Moreover, the majority of the borrowing (roughly 60 percent) will be simply to pay interest on previous borrowing. Mechanically, the budget is slipping into a debt spiral that would eventually be mirrored by financial disruption and economic distress. Scary stuff.

The driving force in the red ink is growth in entitlement spending — Medicare, Medicaid, Affordable Care Act, Social Security and so forth. The economy is expected to feature a sluggish 2 percent real growth and roughly 2 percent inflation. So, the dollar value of national resources is rising at about 4 percent annually. So, too, CBO anticipates will revenue. But the large entitlement programs will grow much faster than that — between 5 and 6.5 percent annually.

Even worse, these large programs are fundamentally underperforming. Social Security is kept solvent by the requirement to cut benefits across-the-board by 21 percent in just under two decades, Medicare delivers low-value medical care, Medicaid strains state budgets, and the Affordable Care Act — don't get me started. The combination of poor performance and budgetary danger is a clear call for sensible reforms, and one might have hoped that the next president would have used the campaign as an opportunity to educate Americans on the real challenges.

Not so. Hillary Clinton continues to promise to expand Social Security and Medicare, with vague promises to tax only the very affluent to cover the expansions. Donald Trump argues for preserving the status quo. But neither has a plan to fix the problem they will inherit.

It is quite distressing. But stay tuned. While the campaign rhetoric will shortly subside, the reality will still await the winner.