



The Daily Dish

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More jobs in the economy hasn't translated to financial security for workers. According to the [Associated Press](#), pay growth is tapped and many are taking jobs with little chance for advancement or freelancing jobs with no opportunity for full-time work. As evidence, in a recent survey, half of Americans couldn't afford a \$400 emergency expense without having to borrow money or selling something they own.

[ICYMI: New AAF research reveals](#) the federal government has pushed \$35 billion and 75 million paperwork hours in unfunded regulatory mandates onto states during Obama's tenure as president. The bulk came in 2010 with the passage of Obamacare and Dodd-Frank.

[The G7 Summit is happening today](#) in Germany with the key issues being trade, Ukraine and Russia, Iran, and global terror threats. Meanwhile at home, Congress is attempting to pass Trade Promotion Authority, giving the administration a fast track for trade deals. If TPA passes, it would likely then lead to ratifying TPP, a deal worth \$77 billion and 550,000 jobs to the U.S. economy. TPP involves three of the G7 nations, including the U.S.

AAF's President Douglas Holtz-Eakin discusses Friday's jobs numbers on Periscope. [If you missed out, check out the video here.](#)

Eakinomics: State Medicaid Expansions

When the Affordable Care Act (ACA) was signed into law, it included a mandatory expansion of Medicaid to cover individuals up to 138 percent of the federal poverty level (FPL). The Supreme Court ruled, however, that this was an [unconstitutional](#) coercion of the states by the federal government, thereby making the Medicaid expansion voluntary. The good news was that the federal government would pick up 100 percent of the cost of the newly eligible enrollees (in contrast to the average of 59 percent that the federal government pays for most Medicaid enrollees).

The bad news came in two forms. First, the fraction of the cost of the expansion that the federal government would cover declines over time; 100 percent through 2016, 95 percent in 2017, 94 percent in 2018, 93 percent in 2019 and 90 percent in 2020 and thereafter. Second, if more people became aware of Medicaid because of the ACA, they might enroll even though they were eligible before. The federal government would pick up only its traditional 59 percent share for this so-called [woodwork effect](#).

For this reason, larger-than-expected enrollments carry real budget risks for states. Bigger numbers mean a bigger bill as the federal share of the newly eligible declines and a much bigger bill if enrollments are boosted by those already eligible. This is exactly what has [transpired](#) in some states, re-opening the debate in the 29 states and District of Columbia that opted to expand Medicaid through Obamacare. It is especially contentious in those states that have not expanded Medicaid and are considering the decision.

The exact fiscal implications have yet to clarify in many of the states, but it is clear that Medicaid will continue to be just as great a budget threat as in the past, or worse. Probably the surest prediction going forward, is that

an increasing number of states will seek “[waivers](#)” from the federal government so that they can manage their Medicaid populations in unique (and cheaper) ways. While it would have been better to undertake these explorations in health policy without putting a budgetary gun to the states’ heads, it is a promising area for policy innovation.

From the Forum

[Week in Regulation](#) by Sam Batkins, AAF Director of Regulatory Policy

[The U-6 Fix](#) by Douglas Holtz-Eakin, AAF President