



The Daily Dish

Obamacare Enrollment, Act IV

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As the threat of cyberattacks increases the Federal Deposit Insurance Corporation (FDIC), the Federal Reserve and the Office of the Comptroller of Currency (OCC) issued a joint notice on Wednesday alerting banks of proposed enhanced cybersecurity standards. The proposed rules are divided into two tiers and are based on the size as well as the prominence of a bank or financial institution. The proposed rules would cover how institutions create cyberattack prevention strategies, how they would gauge and minimize their risk as well as how they would respond to an attack.

A newly released survey found that people who carry student debt are less likely to participate in “employer sponsored retirement plans”. The survey found that 71 percent of those with student loans participate in their employer’s retirement plan compared to 77 percent of those without debt, however, when those with student debt do participate they tend to contribute less to their plan. A recent survey by Aon Hewitt found that 44 percent of millennial employees have student loans compared to only 26 percent of Gen Xers.

Eakinomics: Obamacare Enrollment, Act IV

For connoisseurs of Congressional recess CSPAN, yesterday was a banner day. Health and Human Services (HHS) Secretary Sylvia Burwell took to the stage to announce the HHS projections for enrollment in the Affordable Care Act (ACA) exchanges. The speech had by-now-boilerplate praise for the ACA, and a few head scratching moments like: “We will take advantage of innovative digital platforms. So innovative that their very existence I didn’t even know about. Before we made partnership with Twitch I had no idea there was a live streaming service where you can watch people play video games and certainly had no idea that they had 10 million visitors a day.” I, too, had no idea that you could pay to watch other people play video games, probably because I’ve paid a lot of money in my life to avoid having to watch my own children play video games.

There was also some very nuanced language. Specifically, “For 2017, we expect 13.8 MILLION people to have selected a plan.” Notice that HHS projects that 13.8 million will select a plan, which is advertised as increasing enrollment by roughly 1.1 million over this year. (Note, however, that is is fully 9.1 million below the Congressional Budget Office’s original projections for 2017, making it hard to accept at face value that the “marketplace is strong and will continue to be strong because it is offering a product that people want and they need.” One might also quibble that people “need” it because the president made it illegal to not have it.) But “selecting” a plan is very different from actually paying for health insurance. When people do the latter, it is referred to as an effectuated plan.

Does this matter? Yes. In 2016, there were 12.7 million plans selected, but only 11.1 million effectuated. HHS projects that for next year the 13.8 million selected plans will yield only 11.4 million effectuated plans. In English, the number of people covered by insurance will rise by only 300,000.

In short, the 2017 edition of Obamacare will look a lot like the failing 2016 edition, Twitch notwithstanding.