The Daily Dish

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DOUGLAS HOLTZ-EAKIN | OCTOBER 13, 2015

When given the option, workers will choose to leave their union. The Washington Examiner reported what happened after last year's Supreme Court decision giving workers a choice and found that the Seattle branch of the SEIU fell by half when it could no longer automatically collect dues without consent.

ICYMI: New research from AAF shows that the Department of Energy has issued $158 billion in regulatory costs since 2007. The effects of these rules can be seen in the HVAC industry which has shed 55,572 jobs, or more than 30 percent of its total since 2001. Click here for more on the overly burdensome regulations.

As the FCC continues to regulate more and more, a key democrat thinks it may be time to slow down on streaming video. Rep. Frank Pallone Jr. said that "The online video market is still burgeoning, so right now we can't know what business models consumers will prefer and we can't know yet how to craft the proper consumer protections." This is after the FCC has already issued a proposed rule to classify some online video providers similar to cable companies. At the time, Commissioner Pai opposed the ruling saying, "In evolving markets like these, the government should be hesitant to extend the outdated regulations and classifications of old."

Click here for the 4 big problems with the recent attempt at Wall Street reform by progressives

Eakinomics: Obamacare Co-Ops Go Belly Up

Remember when progressive advocates argued for the superiority of the government in health care? Remember when the Veterans Administration (VA) was the model for a single-payer system? Remember when the architects of the Affordable Care Act created "Consumer Operated and Oriented Plans" (COOPs) to embody in legislation the progressive dream of a single-payer and "public option" in health-care system?

Things don't look so good right now.

The VA scandal drags on over a year later. And the COOPs are losing millions and closing their doors one by one. First, CoOportunity Health in Iowa and Nebraska, the Louisiana Health Cooperative and Nevada Health Co-Op closed their doors because of insufficient funds to pay expected claims. Now, two more — the Kentucky Health Cooperative (with 51,000 customers) and Health Republic Insurance of New York (215,000 customers) — shut down over the weekend. In general, the COOPs have proven unable to handle the basic risk management tasks required of insurers — setting premiums and accepting customers in a fashion that balanced revenues and costs. Instead, the COOPs squandered taxpayer money in the form of startup grants and operating subsidies.

Ironically, the Kentucky Health Cooperative is pointing the finger at the federal government, which recently announced that there would be only a fraction of the funds available to insurers to reimburse their claims under the risk corridors. These risk corridors — a mechanism to hedge against policy risks that produce broad losses or profits — has been labeled an "insurer bailout" by some critics of the Obamacare. It seems particularly odd that the ultimate need for a “bailout” is from those entities created by the ACA itself.

From the Forum

Week in Regulation by Sam Batkins, AAF Director of Regulatory Policy

A Progressive Bidding War by Gordon Gray, AAF Director of Fiscal Policy; and Meghan Milloy, AAF Director of Financial Services Policy

Fact of the Day

The medical device tax is a 2.3 percent excise tax on net revenue (not profit) for all manufacturers and importers of taxable medical devices.