The Daily Dish

The Real Health Policy Choice

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Republican House members are planning on introducing a 5-year flood insurance extension bill which aims to reduce costs in order to get the debt laden program back on firm footing. Under a Republican House plan, the program will include bipartisan proposals to decrease the cost of federal flood insurance while simultaneously increasing the insurance's accessibility. Current NFIP funding runs out in September.

In an interview released this week the president said that he is considering aligning his tax reform plan with his infrastructure plan. President Trump stated that the reason he is considering linking the two is because the Democrats are supportive of increased infrastructure spending. The president's tax plan, which was released in April by the White House, did not include any transportation funding.

Eakinomics: The Real Health Policy Choice

To the surprise of nobody except delusion progressives, Aetna has joined the ranks of insurers who are walking away from participating in the Obamacare exchanges. CNBC reports that "The company said it expects to lose more than $200 million in its individual business line this year, on top of nearly $700 million in losses between 2014 and 2016." It withdrew from Nebraska and Delaware for 2018, on top of exiting 15 of its 17 markets in 2017.

This news is important, however, for framing choices about health care policy; particularly, repeal and replace. The choice is not between the 11 million in the Affordable Care Act (ACA) individual market that the Congressional Budget Office (CBO) expects in 2018 and whatever option the House and Senate ultimately settle on. It is between the ongoing and increasing devastation under Obamacare and an alternative that is viable and stable or growing. Put differently, the CBO's projection that enrollment rises from 10 million in 2017 to 13 million by 2020 is simply the wrong point of comparison when thinking about, for example, the House-passed American Health Care Act (AHCA). While the media is touting the CBO calculation that (soon to revised based on the final version of the bill) the individual market enrollment will fall by 2 million (by 2026), a realistic assessment would have enrollment rising or, at worst, stable.

Similarly, it is unrealistic to assume that Medicaid spending will continue to grow at the current projection of 5.3 percent per year. That entitlement growth — when combined with Social Security, Medicare, and the ACA premium subsidies — leads to a debt spiral and economy calamity. Instead, it is simple fact that there will have to be Medicaid reform at some point in the not-too-distant future. So, the right comparison is between the AHCA Medicaid reforms and an alternative reform in the future. It is not between the AHCA Medicaid reforms and pretending that Medicaid as we know it can continue indefinitely.

Across the health policy landscape one finds unsustainable programs — ACA exchanges, Medicaid, Medicare, and others. Too often the choice is false presented as keeping those programs indefinitely, or choosing a reform. Instead, the real choice is between letting the implosion continue or chasing reforms to make the social safety net stable and secure.