



The Daily Dish

The Senate Vote-a-Rama

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On Monday Iranian lawmakers approved a plan to increase military spending over the next five years. Plans to develop a long-range missile program are said to have been included in the spending increase plans which could be a red flag for the incoming Trump Administration. The president-elect has stated he will not allow Iran to develop long range missiles capable of reaching the United States.

Yesterday the American Action Forum (@AAF) released a new analysis showing Obama Administration regulators published \$164 billion in final regulatory costs with \$210 billion in total (proposed and final) regulatory costs in 2016. Additionally, the administration imposed over 120 million paperwork burden hours during President Obama's final year in office.

Eakinomics: The Senate Vote-a-Rama

The Senate continues to consider the fiscal 2017 budget resolution. Granted, it is not a real budget resolution as that would reflect policy objectives on both the outlay and receipts sides of the ledger. That's not the case, in this instance, because the fiscal year is already well underway and the sole objective of the resolution exercise is to obtain the capacity to pass health care legislation (Obamacare repeal) in reconciliation. The budget resolution does contain the necessary instructions for reconciliation; the remainder is simply the spending and revenues that are projected to be inherited from Barack Obama. This has led some to charge that a vote for the resolution is a vote in favor of massive debt and deficits, which is not really the case. Those who wish to fix the outlook will get their chance in the fiscal 2018 budget resolution to be considered later this spring.

However, because this is, technically, a budget resolution it has two interesting features: (a) a maximum of 50 hours of debate, and (b) unlimited amendments. You might think that both are impossible to have at the same time, and you are close to right. But just close. During consideration of a budget resolution, senators may offer an unlimited number of amendments and uniquely, are guaranteed a vote. Unsurprisingly, senators take healthy advantage of this feature, leading to a large backlog of amendments still awaiting a vote at the end of the 50 hour limit. At that point, the Senate starts working through all the pending amendments in 10-minute votes with little time for review and with the sponsor and an opponent granted just 30 seconds each for statements for and against. This ordeal can tack another 10-20 hours on to the consideration of a budget. The whole process goes under the nickname "vote-a-rama" and should happen over the next day or so.

It is a fertile environment for bad policy ideas. A perennial is the notion of repealing the so-called "noninterference" clause included in the 2003 Medicare Modernization Act (MMA), and allowing the Secretary of Health and Human Services (HHS) to negotiate with prescription drug manufacturers on behalf of the Medicare Part D program. As I have noted in Eakinomics before, the Congressional Budget Office (CBO) noted — even at the time of passing the MMA — that getting rid of the noninterference provision would have a negligible impact. This is hardly surprising because the private sector prescription drug plans already have all the market-based leverage available to get low prices. Of course, there is one thing that the government can do that the private sector can't: price controls. For that reason, one usually suspects that a call to repeal the noninterference clause is really just price-fixing in disguise. Price-fixing never works, and price-fixing in one

sub-market like Medicare is usually even more damaging to that market.

Vote-a-rama will come and go; the focus should remain on the important work of health care repeal and reform.