While the White House kicks the can to the Nebraska Supreme Court to render a decision on Keystone, a bipartisan group of senators have proposed a bill that would set a time limit on all pipeline approvals and remove the White House from the process. This week will mark six years that Keystone has been waiting for approval from the administration. Under the proposed legislation, the State Department would have 120 days to consider any new pipeline.

The Senate will take up the House's continuing resolution to fund the government with the backing of both parties' leaders. Senators Reid and McConnell have agreed to bring the legislation to the floor and pass the bill.

The government's watchdog has concluded that Healthcare.gov is not fully secure. The GAO report details, "Until it addresses shortcomings in both the technical security controls and its information security program, the Centers for Medicare and Medicaid Services is exposing HealthCare.gov-related data and its supporting systems to significant risks of unauthorized access, use, disclose, modification and disruption."rdquo; This is happening as one of Minnesota's largest providers is leaving the state's exchange saying that the administrative resources needed to take part in MNsure were not sustainable.

Did you celebrate National Play-Doh Day? AAF channeled its inner child to celebrate. You can find the results of our creations here.

Eakinomics: Extending CHIP

The Child Health Insurance Program (CHIP) was created in the Balanced Budget Act of 1997 to ensure health insurance coverage of children whose parents' incomes exceeded the Medicaid eligibility cutoff, and typically to offer a richer set of benefits. One might think that with the passage of ObamaCare, CHIP would be unnecessary — the children would be covered by the policies their parents are subsidized to purchase on the exchanges or by the policies that employers are mandated to provide. This seems especially compelling because the income range for ACA subsidies (138 percent of the poverty line up to 400 percent of the poverty line) overlaps with the CHIP eligibility range.

Not so fast.

As it turns out, ObamaCare contains a "family glitch": employers can meet the mandate by offering affordable coverage to the *employee* (but not the family) or family coverage (but not "affordable"). That means the family might not be covered, or employers might choose to not take up insurance that covers children. The upshot is that despite ObamaCare, there are 2.3 million children who will fall through the cracks created by the policy errors.

It gets better. Under ObamaCare states are required to maintain their CHIP programs through 2019 ("maintenance of effort") but the Congress only funded the program through 2015. So, if nothing is done, states are really caught in a bind. On top of that, Congress resorted to a budget gimmick (see my testimony) to make

the 2009 reauthorization look cheaper, so they now need to come up with even *more* money to continue the existing program.

The upshot is simple: new funding needs to be provided, but the end solution should involve reforming CHIP to focus on the 2.7 million children affected by either the family glitch or the loss of CHIP money in Medicaid programs. In doing these reforms, Congress should return to the CHIP tradition of bipartisan legislation, limited block-grant funding (no open ended entitlements) and reliance on state flexibility.

Nothing will get done in 2014. But the clock is ticking and 2015 is an opportunity to begin the transformation of CHIP that the ACA requires.

From the Forum

The Children's Health Insurance Program: Status and Outlook by Douglas Holtz-Eakin, AAF President

The Fate of Keystone XL Rests with the Nebraska Supreme Court by Catrina Rorke, AAF Director of Energy and Environmental Policy

Proposed Energy Efficiency Standards for Air Conditioners and Heat Pumps by Dan Goldbeck, AAF Research Analyst