



**The Daily Dish**

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DOUGLAS HOLTZ-EAKIN | SEPTEMBER 29, 2014

Speaker Boehner [has placed](#) both tax reform and a long-term highway bill “in the realm of doable” in the next two years. After August’s \$10.8 billion short-term highway bill, Congress will need to vote again on the issue in the next year, giving the opportunity to discuss real reforms. [In addition](#), the Speaker also placed immigration reform on the table when he told ABC “Big things in Washington take bipartisan majorities. Issue of immigration, only way to do it, and frankly the right way to do it, is to do it in a broad bipartisan way.”

After a very successful five years, the Rockies Express pipeline for natural gas has [filed for westward service](#). Companies in the industry are pushing to keep up with demand that has caused output to increase 800 percent in some regions. The company is citing “Prolific and unforeseen growth of gas production” as their official reason. As much of the pipeline attention is on Keystone, remember projects like the Rockies Express also bring jobs and revenue.

### ***Eakinomics: Medicaid Coverage Does Not Guarantee Health Care***

[Medicaid](#) is the combined federal-state health insurance program for low-income Americans. It is also a centerpiece of Obamacare's coverage expansions, a questionable choice in light of the program's [history](#) of limited access to actual health care by its beneficiaries. Originally, expanding Medicaid eligibility was mandatory, but the Supreme Court ruled that the federal government could not [compel](#) states to do so. Since then, 27 states have elected to expand Medicaid.

Now the New York Times is [reporting](#) that the Inspector General for HHS has [found](#) that new beneficiaries can not count on adequate access to providers and care. This is hardly an unexpected [result](#). Medicaid typically reimburses doctors at rates well below private insurance and somewhat below Medicare, making many physicians loathe to accept new Medicaid patients.

The finding is an almost-inevitable result of a key strategic decision in Obamacare. At the time the law was passed, it was important to give Americans more affordable insurance options and to do so by providing quality care at a lower cost. One possible strategy would be to institute market-based reforms to the delivery system, and in the process reduce the cost of care. These savings could then be plowed into coverage expansions. The “reform first” strategy was discarded for a “cover first” strategy of insurance subsidies and Medicaid expansions. Unfortunately, the delivery system is simply not equipped to handle the influx, and especially not at lower rates of reimbursement.

A flawed strategy that focused on a program already in need of reform has led to another Obamacare broken promise.

### ***From the Forum***

[Week in Regulation](#) by Sam Batkins, AAF Director of Regulatory Policy