



The Daily Dish

## Wisdom from William

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On Tuesday federal regulators finalized a rule giving the Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA) additional powers to regulate pipelines that are considered to pose an imminent threat to public safety or the environment. The new rule gives PHMSA the power to issue emergency restrictions on gas and liquid pipeline operators. The rule is part of new powers that Congress gave PHMSA in a pipeline safety bill passed earlier this year.

In a new #Eakinomics video, American Action Forum (@AAF) President Douglas Holtz-Eakin explains the real solution that is needed to put a real end to inversions. "The fundamental issue is tax reform," says Holtz-Eakin in the video. "We're going to be competitive and keep our headquarters as soon as we do tax reform that brings down the corporate rate and moves us closer to a 21st century tax system. Administrative action won't do it, contract bans won't do it, only tax reform will solve the inversion problem."

### *Eakinomics: Wisdom from William*

*"It's fine to celebrate success, but it is more important to heed the lessons of failure."* Bill Gates

*"You've got this crazy system where all the sudden 25 million more people have healthcare and then the people are out there busting it, sometimes 60 hours a week, wind up with their premiums doubled and their coverage cut in half. It's the craziest thing in the world."* Bill Clinton

Which William to heed? Taken at face value, it looks like both, as Clinton seems to be advocating to heed the lessons of failure that have left 5 states with only one insurer in their Obamacare exchanges, 20 percent of beneficiaries with only a single choice of insurance plan, and 60 percent with only two or fewer choices. Those still purchasing face 2016-2017 premium increase requests (for the lowest-cost silver plan) of 27 percent (Tennessee will have 3 insurers on the exchange with premiums increasing between 44-62 percent; Arizona will see average premium increases of 51 percent.) Moreover, one half of the individuals enrolled in the individual market are purchasing coverage off-exchange so those individuals do not receive subsidies and thus must pay the entire cost of the premium increase.

Those aren't the only pocket-book issues, as 40 percent of individuals are now in high-deductible health plans (up from just 25 percent when the ACA was born), the average deductible for individual coverage among silver plans in 2016 is \$3,117, and the average out-of-pocket maximum is \$6,110. And these outlays don't buy what they used to, as insurance networks are narrowing.

So, one might think that Bill Clinton is heeding the failures of a toxic mix of excessive regulation, stiff mandates, entitlement spending, and federal control. But, no, he went on to advocate for his wife's plan for more Medicaid, buying into Medicare and the so-called "public option" in the exchanges. That ignores the deep need for reforms in Medicaid, the legacy fee-for-service aspects of traditional Medicare, and the abject failure of the first version of the public option — the ACA COOPs.

As 17 of the 23 COOPs have failed entirely, the flaws in the government-centric approach are pretty apparent. But the nail in the coffin may be the [announcement](#) by Evergreen Health — Maryland’s ACA COOP — that it was converting into a for-profit, private insurer. The fact that the “private option” was a better bet — even after the departures of Aetna, United and others — speaks volumes.

When it comes to health policy, Gates 1 and Clinton 0.