



The Daily Dish

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DOUGLAS HOLTZ-EAKIN | AUGUST 14, 2014

The President is fond of calling his executive branch the “most transparent administration” in history, but the government’s own inspectors general (IG) disagree. [NPR reports](#), recently forty-five IGs signed a letter asking to stop the administration’s stonewalling. Michael Horowitz, IG to the Justice Department who experienced difficulties while investigating Fast and Furious, said “Restricting or delaying an OIG's access to documents may lead to incomplete, inaccurate or significantly delayed findings...” Can we expect an open government if its own watchdogs can't do their job?

As [The Hill](#) reports, a new report by the Government Accountability Office (GAO) tells The Centers for Medicare and Medicaid Services (CMS) to do a better job to avoid duplicate audits of health care providers. Despite changes within CMS, the agency must do “a better job of making sure providers are not being penalized for minor administrative mistakes or reviewed for the same issue by multiple auditors.”

Eakinomics: Health Care Cost Deja Vu

The more things change, the more they stay the same. For years, health care costs grew faster than incomes — to the point that health care grew to one-sixth of the economy. Then came the revolution; namely the financial crisis, recession, and Obamacare. Health care costs supposedly were tamed by a combination of new laws and weakened consumers.

Not so fast, according to the [National Business Group on Health](#). Its survey indicates that the nation's largest employers are projecting health-benefits costs will rise 6.5 percent in 2015. With 2 percent inflation, that amounts to 4.5 percent real, inflation-adjusted growth. This is, in turn, way faster than anyone believes that real Gross Domestic Product (GDP) will grow. Here we go again.

Actually, for some workers the increase will be more dramatic. The firms expect to keep their own cost increase to just 5 percent. That means shifting more costs to employees through high-deductible plans or higher copays and deductibles in comprehensive plans.

Meanwhile, over on the Obamacare exchanges the average premium increase will be [7.5 percent](#) according to PriceWaterhouseCoopers (PWC). This translates to real premium hikes of 5.5 percent and even more daunting math compared to GDP. But once again, it could be worse. In this case, the president’s decision to flip-flop and permit individuals to keep plans made illegal by his health care reform means that the young and healthy are especially underrepresented in states that allowed the existing policies to survive. In those areas, premium hikes are anticipated to average 11 percent.

Health care costs used to be public policy enemy #1. They still are.

From the Forum

[Breaking Down Barriers to Medicaid Innovation: Rethinking Medicaid Waiver Approval](#) by Angela Boothe,
AAF Healthcare Policy Analyst