

Today in Capital Matters: USPS and Medicaid Reform

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Chris Edwards of the Cato Institute explains why the House's postal-reform bill fails to make the changes the U.S. Postal Service needs:

Private companies facing falling demand cut costs and improve efficiencies, but Congress limits the ability of the USPS to do likewise. The House bill relieves the USPS of more than \$50 billion in worker retirement health costs at taxpayer expense, but it doesn't trim the excessive pay and benefits of its unionized workforce.

The House bill requires the USPS to deliver mail to every address in the nation six days a week, but that is wasteful and unneeded because there are fewer letters, advertising brochures, and periodicals in your mailbox these days, and of the ones that still do come, few are time-sensitive. Congress has also prevented the USPS from closing nearly any of its 31,000 locations, even though thousands of them serve only a handful of customers per day. . . .

Ross Marchand of the Taxpayers Protection Alliance on why the federal government should let states reform Medicaid:

Policy-makers can steer clear of wasteful spending and bureaucratization by jettisoning the complicated structure of Medicaid and giving program dollars directly to low-income families. States such as Arkansas have already implemented this approach, recognizing that individually purchased private insurance is far superior to government insurance. Under this system, doctors can treat vulnerable patients without worrying about Medicaid not approving claims in full or clawing back already-paid claims. Other states such as Texas take a more middle-of-the-road approach, using Medicaid dollars for a stabilization fund to directly reimburse the claims of the uninsured instead of going through the federal billing process.