Lack of understanding about Medicaid is also a problem

Chicago Tribune Editorial

Medicaid is a federal program that is jointly funded with the states, providing health and long-term care insurance to more than 80 million low-income Americans.

And if you didn't know all of that, you're not alone.

The government has spent a fortune over the years de-emphasizing the term "Medicaid," instead promoting other names that carry less of a stigma. The idea has been to encourage eligible Americans to sign up for benefits they otherwise might reject out of confusion, pride or political philosophy.

Marketing efforts have succeeded in disguising Medicaid, assisting states across the country in rebranding at least part of their public health-insurance programs. HealthChoice Illinois, for instance, is funded by Medicaid. Same goes for BadgerCare in Wisconsin, SoonerCare in Oklahoma, Apple Health in Washington state and so on.

Making things even more confusing, most states use private insurers such as Aetna or UnitedHealth to help administer their Medicaid programs. Millions of people who get health care paid for by Medicaid don't see "Medicaid" displayed prominently on their insurance cards or billing documents.

As a result, many Americans just don't realize they're on Medicaid - and that hasn't mattered much until now. But the confusion becomes a serious problem when staying insured depends on navigating new rules, paperwork and deadlines.

Folks can hardly be blamed for assuming they have private health insurance, or, conversely, believing they're uninsured. In some cases, they disparage a program they depend on for themselves, their children, grandparents, neighbors and loved ones.

A recent public radio story spotlighted a patient advocate in Kentucky who was yelled at during a health fair when she explained that a man's parents were indeed on Medicaid. "He started screaming about no one in his family was ever using Medicaid: That's for poor people. That's not for us." In fact, 1 in 3 Kentucky residents depend on Medicaid.

Under the One Big Beautiful Bill Act that President Donald Trump signed into law in July, Medicaid is set for a long-awaited tightening. The concern is not that eligibility standards are being revisited, but that the law relies heavily on new work and reporting requirements that could reduce participation through administrative complexity rather than clear policy choices.

For starters, the bill bars the use of rules approved during the Joe Biden era that would have streamlined the program by removing barriers, simplifying documentation and automatically enrolling people who already qualify for related government benefits. The Biden initiative also improved payment systems and helped ensure access to care.

Those rules are out. Instead, GOP lawmakers have added new work and reporting requirements and increased the pace of eligibility determinations. Supporters claim the additional administrative burden is worth it to reduce fraud and abuse.

We are all for better firewalls against that fraud and abuse. Recently, a federal prosecutor suggested that the total amount of recent Medicaid fraud in Minnesota could top $9 billion. That's a staggering amount, reportedly perpetrated across 14 different Medicaid services.

If lawmakers believe Medicaid is too large, they should narrow eligibility openly, not rely on bureaucratic obstacles that push eligible people out by accident.

The Congressional Budget Office estimates the new law will cut Medicaid spending by more than $900 billion over the next decade, while increasing the ranks of uninsured by at least 10 million, and potentially many more. States receiving reduced federal funding will likely cut services.

The deadline for states to impose new work requirements and boost the frequency of Medicaid redetermination kicks in as of Jan. 1, 2027.

So, as it stands, the end of next year will be a busy time for separating low-income Americans from their health insurance. And that's a problem, separate to our minds from the fraud issue.

Medicaid has expanded dramatically since the pandemic, and we firmly believe that abuse must be stamped out and costs kept under control. Spending cuts should be made in an aboveboard way, however, not by tripping up Americans with bureaucratic landmines.

Marijuana madness may soon get worse

Bloomberg News Editorial

"A holiday from the facts." That's how the antagonist of "Brave New World" describes the wonder drug soma. The phrase might equally apply to U.S. marijuana policy.

Since California first legalized medicinal cannabis in 1996, the U.S. pot industry has morphed into a $40 billion behemoth. Weed is now legal in 24 states for recreational purposes and in 40 for medical use. About 15% of Americans report partaking; close to 18 million are daily or near-daily users, on par with alcohol.

Accompanying this boom has been a proliferation of pot-adjacent products - vapes, oils, edibles, gummies, concentrates, tinctures, fizzing multicolored soft drinks infused with staggering levels of THC - that are subject to varying state-by-state regulations and essentially no federal product-safety standards. (A law passed in November aims to curtail such products but may not be enforced anytime soon.)

Amid this haphazard experiment, some inconvenient facts are emerging.

For one, evidence has been piling up that marijuana poses significant risks to public health, particularly for young people. One recent study found that heavy cannabis use might have contributed to 30% of schizophrenia cases among young men in recent years. Others have linked the drug to higher rates of depression, anxiety disorders, psychosis, cognitive impairment, poor academic performance, cardiovascular problems and more. Pregnant women are at especially high risk.

That's to say nothing of the effects that legalization has had on traffic accidents, child overdoses and quality of life.

Further complicating matters, a new paper has demonstrated what many doctors have warned about for years: There's scant evidence that marijuana has medical benefits. Some specialty products have been shown to help with certain conditions, such as AIDS-related anorexia. But claims that pot can alleviate insomnia, chronic pain and other ailments have little or no empirical support.

It's an odd time, then, for the federal government to effectively offer its imprimatur for marijuana, as the White House seems to be considering. Marijuana remains illegal under federal law, classified as a Schedule I drug, the same as heroin or LSD. This month, the administration said that it plans to loosen this classification. It should tread carefully.

Reclassifying the drug surely makes sense in itself. A Schedule I listing means that proprietors of state-legal weed shops must contend with severe tax penalties, limited banking services, high insurance costs, weak legal protections and numerous supply-chain restrictions. This has only empowered black-market competitors with cheaper products and laxer standards.

Worse, Schedule I imposes a host of legal and procedural constraints that have left federal agencies and universities reluctant to fund serious marijuana research. It's easier to study meth or cocaine.

At the same time, the administration must be clear that it isn't endorsing or legalizing the drug. Instead, the goal should be funding high-quality trials; evaluating state-legal products; creating product safety standards for potency, additives and so on; establishing reliable impairment metrics and toxicology standards; and otherwise creating a robust body of research. Good policy requires sound data.

That effort should be paired with a public-information campaign that establishes the essential facts about marijuana use, warns about known risks - especially to developing brains - and counters industry hype about the supposed benefits of the drug. It's long past time to impose some order on America's reefer free-for-all.

PEDRO PARDO AFP via Getty Images/TNS

A man holds a Chinese flag in front of the Forbidden City in Beijing during the National Day Golden Week holiday on Oct. 6. During the week, a large number of Chinese people go traveling around the country.

A major takeaway from 2025: Never, ever underestimate China

BY SHULI REN
Bloomberg Opinion

From U.S. President Donald Trump's trade war to AI developments, 2025 has been full of dramatic twists and turns. One of the most consequential takeaways is to never, ever underestimate China.

At the onset of the year, the world's second-largest economy was left for dead. Economists were predicting lost decades akin to what Japan experienced in the 1990s, and its dominance of manufacturing was being challenged by Trump's second term and the drive by exporters to diversify their supply chains and move operations abroad. Global investors had largely fled, seeing that the country's 3D problems - deflation, debt and demographics - were structural and insurmountable.

By year-end, the perception couldn't be any more different. President Xi Jinping was the only foreign leader who stood up to Trump's bullying tactics on trade and forced him to back down by weaponizing Beijing's control of rare earth materials. It has kept its status as the world's most vibrant factory, so much so that some are lamenting that Europe, for one, has nothing to sell to China. As for global money flows, foreigners are returning as an AI boom has lifted the Hong Kong bourse to a four-year high.

How did China manage to shake off its malaise and dazzle the world with DeepSeek moments in tech, biotech and even defense? Were the seeds of success always there and elites in the West simply chose not to see them? It's a bit of both.

First, Xi's focus on higher education is finally paying off. These days, roughly 40% of high-school graduates go to university, versus 10% in 2000. Engineering is by far the most popular major for post-graduate studies. As a result, the nation's talent pool has greatly expanded: Between 2000 and 2020, the number of engineers ballooned from 5.2 million to 17.7 million; in 2022, 47% of the world's top 20th percentile AI researchers finished their undergraduate studies in China, well above the 18% share from the U.S.

What this means is that by the law of large numbers, innovative breakthroughs are bound to happen, and that China still has the cost advantage in advanced manufacturing. Those under the age of 30 account for 44% of the total engineering pool, versus 20% in the U.S.; compensation for researchers is only about one-eighth that of their American counterparts. Therefore, even if the likes of Apple Inc. want to quit China, they can't.

Second, China is pragmatic, and the AI arms race offers a good illustration. Whereas the U.S. is seeking the holy grail - or artificial general intelligence, in this case - Xi is pushing the industry to be "strongly oriented toward applications," locking in any advantages that AI might bring to sharpen the nation's edge in manufacturing. Across the country, industrial robots operate in so-called dark factories," where automation is so efficient that work happens with the lights dimmed. Companies are also using AI to speed up logistics and product-design cycles.

By now, productivity gains from AI and automation are for all to see: The trade surplus hit a record $1 trillion this year, beating out rival exporting powerhouses like Germany and Japan, with the fastest growth coming from advanced manufacturing, such as cars, integrated circuits and ships.

Third, deflation cuts both ways. Investors dislike it because companies have no pricing power. On the flip side, it's pretty much guaranteed that local brands capable of charging premium prices at home have hit consumers' soft spot, giving them a fighting chance in global trade as well. The prime example is Guangzhou-based Pop Mart International Group Ltd. The company's gross profit margin of 70% is more than twice what a generic toymaker can make, thanks to the wickedly cute and viral Labubu.

The nagging question is how thought leaders in the West got the world's second-largest economy so wrong. Of course, Beijing doesn't make it easy - the country didn't open up from pandemic-related lockdowns until the end of 2022. But some of it, I suspect, is elites' aversion to visiting an autocracy whose political values are different from their core beliefs. Making money off China isn't as easy as a decade ago, and some worry that, once there, they might get an exit ban.

But one thing is for sure: It would be a huge mistake writing off China, the only other economic superpower that matters.

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