

## FACT SHEET

August 29, 2017

*The Federal #Fight4OurHealth Isn't Over...*

### President Trump and Congress Threaten Cuts to Medicaid & Medicare in Federal Budget

While headlines suggest that efforts to repeal the ACA have stalled, the federal fight for our health is far from over—as **Congress considers a federal budget to cut and cap Medicaid, Medicare, and other health programs.**

This fall, Congress will be voting on a 2017-18 federal budget that anticipates **\$1.5 trillion in cuts to Medicaid** over the next decade, jeopardizing our entire health system. Medicaid and Medicare have the biggest bullseye for cuts to pay for tax cuts for the wealthy and corporations, increase military spending and the border wall, etc. Cuts of this magnitude will put at risk **14 million Californians on Medi-Cal**—representing a third of the state, over half of all children, and two-thirds of nursing home residents—as well as the health system on which we all rely. These cuts are much deeper than those proposed in any of the Affordable Care Act repeal bills that Congress attempted to pass this year.

The House federal budget proposal would:

- **Cut Medicaid by an additional \$610 billion more than the \$750 billion proposed in in the ACA repeal bills.** The cuts would likely come from capping the amount the federal government would contribute for each person's care, undoing the federal match guarantee to California and other states that has been in place for over 50 years. The cap would not keep up with the cost of care, much less take into account an aging population, public health emergencies, or the cost of new treatments.
- Amount to a **loss of tens of billions of dollars a year to Medi-Cal and California's state budget.** The state would be forced to raise taxes, cut millions of Californians from Medi-Cal coverage, decrease the benefits offered (like dental or drug coverage), decrease provider reimbursements, or likely all of the above.
- Reduce funding to **the Children's Health Insurance Program (CHIP)**, which is up for renewal this fall. CHIP supports health care for more than 1 million California children enrolled in Medi-Cal between 100-266% of the poverty level. The President would reduce the federal share of funding in California from 88% to 65%.<sup>i</sup>
- **End Medicare's guarantee of health coverage** by converting the program to a premium support system. Overall, it would **cut Medicare by \$487 billion** between 2018 and 2027, largely by shifting more health care costs to consumers.<sup>ii</sup>

On top of the cuts to health care, the **House budget also cuts programs like Pell grants for students, food assistance and income support for the poor, and much more.** Reduced access to healthy food, adequate housing, and other supports affect the public health of all Americans.

**We must urge our California Representatives to vote against any federal budget that would cut Medicaid or Medicare.**

<sup>i</sup> California Budget and Policy Center, [How President Trump's Proposed Budget Is Bad for Californians and for the Economy](#), May 23, 2017

<sup>ii</sup> Center on Budget and Policy Priorities, [House Budget Cuts, Restructures Medicare](#), July 21, 2017