

FACT SHEET

September 1, 2017

The Federal #Fight4OurHealth Isn't Over...

Administrative, Budget, and Legislative Threats to Medicaid & Medicare Loom This Fall

While headlines suggest that efforts to repeal the Affordable Care Act have stalled, the federal fight continues in varied vehicles and venues **to cut and cap Medicaid, Medicare, and other health programs.**

Administrative Threats

Administrative actions taken by President Trump's Department of Health & Human Services seek to sabotage our health system. If the basic framework and financing of the ACA remains intact, California has the will and the wherewithal to blunt the disastrous impacts.

- When the Trump Administration slashes marketing and application assistance, which depresses enrollment and leads to increased premiums, Covered California raises its own money to have a robust outreach and enrollment effort and increased its marketing budget in response.
- When the Trump Administration put forward regulations such as cutting the open enrollment period in half, California can, through legislation, maintain a 12-week sign-up period, as proposed in AB 156 (Wood).
- When the Trump Administration seeks to withhold already budgeted cost-sharing reduction subsidies, Covered California crafted a workaround to shield most consumers from the resulting premium hikes.

The Trump Administration may attempt other administrative attacks, but the bigger impact is what might happen in Congress. This fall's fight over fiscal issues—particularly the **federal budget as well as "tax reform" legislation**—poses grave danger as President Trump and Congress seek cuts to Medicaid and other health care programs in order to pay for tax cuts for the wealthy and corporations.

The Federal Budget Threat

The **federal budget** proposals by both President Trump and Congress proposed around **\$1.5 trillion cuts to Medicaid** over ten years – hundreds of billions of dollars more than what was proposed to be cut in the ACA repeal bill. These changes would force California to make massive cuts to eligibility, benefits, and provider rates in Medi-Cal. The House of Representatives' proposal that passed Budget Committee also included over **\$475 billion Medicare cuts**, replacing it with a "premium support" program.

The full House is expected to vote on an initial budget resolution that outlines these cuts in September. The current continuing resolution funding the government goes until September 30th, prompting the possibility of a government shutdown if no final budget passed for the fiscal year that starts October 1st. Congress may pass a short-term extension of the current continuing resolution for a few months. If they don't have an agreement by the end of the year, scheduled sequestration cuts will go into effect for both defense and non-defense spending.

For more on federal budget threats, see our fact sheet: [President Trump and Congress Threaten Cuts to Medicaid & Medicare in Federal Budget](#)

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Legislative Threats

Medicaid and other health care cuts could also get inserted in various legislation slated to be considered in September or later this fall:

- The 2018 budget sets the stage for **tax cut legislation**, a top priority for the President and Congress. Using the budget resolution and reconciliation process, Congress would only need 50 Senators (plus Vice President Pence) to pass tax changes. In order to pay for tax cuts for the richest among us, Congress could very well seek Medicaid cuts, harming the poorest among us.
- By the end of September, Congress will also **need to raise the debt ceiling** so the country can pay its bills and issue bonds. Far right legislators have often leveraged their vote on the debt ceiling to demand spending cuts or other health policy changes.
- Funding for the **Child Health Insurance Program (CHIP)**, as well as **community clinics** and other health programs will also run out at the end of September. While these programs traditionally have bipartisan support, some legislators might look for ways to pay for them by cutting Medicaid.
- Some congressional leaders are working on potential ways to improve the ACA, based on what comes out of the bipartisan health care hearings over the next few months. While these **changes that could help stabilize the insurance market** are positive—such as appropriating the cost-sharing reductions or reinstating reinsurance —there is the potential that such legislation would be packaged with Medicaid cuts or other rollbacks.

A final legislative threat is the **potential re-emergence of ACA repeal**, which was resurrected from political death earlier in the year, and could do so again. Despite the failure of various Senate ACA repeal bills, **still pending on the Senate floor is the House-passed American Health Care Act (AHCA)**, which would have left 23 million more Americans uninsured, cut and capped Medicaid, and undermined key patient protections. If Congress manages to find 50 votes, **an ACA repeal bill can still be taken up at any time**. One proposal, by Senators Graham and Cassidy, is seeking to attract Republican votes by explicitly redistributing funds from California and other blue states in order to lessen cuts to red states.

Californians must urge our Congressmembers to vote against any federal budget or other legislation that would cut Medicaid or Medicare, or and harm the health care system on which we all rely.