

FACT SHEET

October 9, 2017

The Federal #Fight4OurHealth Isn't Over

Federal Budget Proposals Threaten Cuts to Health and Safety Net Programs

Headlines may suggest that efforts to repeal the Affordable Care Act (ACA) have stalled, but the federal fight for our health is far from over. Budgets proposed by the President, House, and Senate all include unprecedented and draconian funding cuts to essential health and human services programs **in order to give tax cuts to the wealthiest Americans and large corporations.**

On October 5th, the House of Representatives passed a 2018 Budget Resolution that includes \$1.5 trillion in cuts to Medicaid, \$487 billion in cuts to Medicare, and major cuts to other vital services. While most of the California Congressional delegation opposed the budget resolution, fourteen Congressmembers supported it—agreeing with these major cuts in principle, all to enable a major tax cut package.

PRESIDENT'S PROPOSAL	HOUSE PROPOSAL	SENATE PROPOSAL
MEDICAID		
\$1.8 trillion¹ with \$6 billion in CHIP cuts²	\$1.5 trillion³	\$1.3 trillion⁴
MEDICARE		
----	\$487 billion⁵	\$473 billion⁶

MEDICAID (MEDI-CAL): GOP budget proposals contemplate **\$1.3 trillion to \$1.8 trillion in cuts to Medicaid** over the next decade. **The proposed Medicaid cuts are even deeper than those in the ACA repeal bills that Congress attempted to pass earlier in the year,** resulting in even more low-income seniors, people with disabilities, and children and families becoming uninsured. These cuts would undo the federal funding match guarantee that all states have had for over 50 years.

- The magnitude of these cuts will put coverage for the 14 million Californians on Medi-Cal at risk. Medi-Cal covers one-third of Californians, over half of our children and two-thirds of all nursing home residents.
- The budget proposals shift massive costs to California by cutting and capping Medicaid. The state would have to raise taxes or impose draconian cuts to eligibility, benefits, and provider reimbursements to offset the loss of federal funds.
- The President's budget proposal also cuts the Children's Health Insurance Program (CHIP) by \$6 billion by capping eligibility at 250% FPL (California covers kids up to 266% FPL) and eliminating the 23 percentage point increase in the federal match under the ACA. As a result, California will receive fewer federal matching funds and will be forced to cut children's coverage under Medi-Cal.

FACT SHEET: Federal Budget Proposals

ACA: GOP budget proposals continue to threaten the ACA, including the Medi-Cal expansion as well as the premium and cost-sharing subsidies for Covered California.

- The Senate budget resolution provides flexibility for the Senate Budget committee chair to revise the instructions in order to repeal and replace the Affordable Care Act.
- Both the President's and House budget plans call for enacting the American Health Care Act (AHCA) to repeal the ACA, which would cause 23 million people to lose coverage and make coverage worse and less affordable for millions more.⁷
- These cuts would threaten coverage for the over 4 million Californians who became eligible for Medi-Cal through the ACA expansion and the 2.3 million consumers who buy in the individual market, including 1.2 million people who receive subsidies through our state exchange, Covered California.

MEDICARE: Both the House and Senate budget proposals would slash Medicare funding, ultimately **ending the Medicare guarantee** by converting it into a voucher and premium support program, which shifts costs to the consumer. This would affect **4.5 million** Californians, including seniors and non-elderly people with disabilities.

OTHER SAFETY NET PROGRAMS: The budget proposals don't just harm health care coverage, but the health of families and communities by cutting vital services. While Medicaid and Medicare are the primary targets for severe cuts, the budget also slashes other essential public programs such as school lunches, Pell grants, food assistance, income support, housing, education, job training and other services—all for huge tax breaks for the richest. Every part of the state will see impacts in public supports and services across multiple fronts.⁸ The **California Budget and Policy Center has compiled district-by-district fact sheets** on the impact of federal budget proposals slashing these services for all of California's 53 Congressional Districts: <http://calbudgetcenter.org/resources/fact-sheets-federal-impact/>

California's state budget, and the health care of millions of Californians are threatened by budget proposals put forth by the President and Congressional leaders. They seek to deeply cut the health programs we rely on to cover over 14 million Medi-Cal beneficiaries, 4.5 million seniors in Medicare, 1 million children in CHIP and other programs, and 1.2 million consumers receiving financial assistance in Covered California.

¹ Center on Budget and Policy Priorities, [Similarities Among Senate, House, and Trump Budget Plans Outweigh Their Differences](#), October 6, 2017.

² Ibid.

³ Ibid.

⁴ Ibid.

⁵ Center on Budget and Policy Priorities, [House Budget Cuts, Restructures Medicare](#), July 21, 2017.

⁶ U.S. Senate Budget Committee Minority Staff, [Republican Priorities: Tax Breaks for Billionaires, Cuts to Medicare and Medicaid](#), October 4, 2017.

⁷ Health Access California, [Fact Sheet: The House Republican Proposal \(HR 1628, AHCA\) Covers Less & Costs More](#), May 23, 2017.

⁸ California Budget and Policy Center, [What's At Stake in Current Federal Budget Proposals: Factsheets by Congressional District](#), August 2017.