



# COMMITTEE ON THE BUDGET

Chairman John Yarmuth

March 22, 2019

## Hearing: Department of Health and Human Services 2020 Budget

On March 11, President Trump presented a 2020 budget full of broken promises instead of putting forth spending policies that protect the health and well-being of American families. The vision set forth by the budget is one of an America in decline, where corporations and the wealthy get tax cuts, and everyone else is left to pay the bill. Nowhere is this irresponsible vision clearer than the cruel budget for the Department of Health and Human Services (HHS). Instead of investing in protecting health care and improving programs millions of Americans rely on, the 2020 budget calls for a 12 percent cut to the agency's discretionary budget and cuts on net \$1.4 trillion from mandatory health care spending, including Medicaid and Medicare.

### Promises Broken

**Breaking the promise to leave Medicaid and Medicare alone** — The President's budget cuts Medicaid by \$1.5 trillion, which represents approximately one out of every four dollars spent on the program. No part of the program would be safe: the budget entirely repeals the Affordable Care Act (ACA) Medicaid expansion, and it converts funding for everyone else into a block grant or per-capita cap. Under the reductions in funding that would result from block grants or per-capita caps, states will need to eliminate or drastically reduce services for low-income children, people with disabilities, and seniors – or raise billions of dollars to cover the loss of federal resources.

The budget requires all states to implement so-called work requirements, despite a complete lack of evidence that they help people find jobs. In Arkansas, which implemented the first work requirement in the country last year, more than 16,000 people already lost their health insurance with no evidence that they found new employment. Expanding this policy nationwide would undoubtedly result in hundreds of thousands, if not millions, of Americans losing their health care coverage.

The budget also makes several changes to Medicare by shifting costs onto hospitals, post-acute care providers, and some beneficiaries, reducing federal spending by more than \$500 billion.

**Breaking the promise that “everybody's going to be taken care of”** — The budget's ACA “replacement” gives states a block grant to use at their discretion – including for costs unrelated to health care coverage. Even if they did use the grant for coverage, there is no guarantee that current protections for people with pre-existing conditions will continue and services like maternity care and mental health treatment could be eliminated. The size of the

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block grant would grow at the rate of inflation, meaning it would never keep pace with the need for care. In sum, this plan would convert guaranteed benefits for eligible individuals into underfunded block grants with little accountability for the use of funds, make it easier for future Congresses to target block grants for even deeper cuts, and leave states with the bill. This proposed “replacement” leaves millions of Americans without meaningful health insurance and is nearly identical to the 2017 Graham-Cassidy proposal rejected by Congress and the American people.

**Breaking the promise to make a difference in HIV/AIDS, childhood cancer, and opioids** — On the surface, the budget seems to invest in important public health priorities. Digging deeper, these token investments are overshadowed by much larger cuts that would do far more harm. For example, the budget includes a \$291 million investment in HIV/AIDS, but cuts the National Institute of Allergy and Infectious Diseases, which is responsible for most HIV/AIDS research at the National Institutes of Health, by \$769 million. The budget provides an additional \$50 million for pediatric cancer research, but cuts funding for the National Cancer Institute by \$897 million. The budget provides \$1.5 billion for State Opioid Response Grants, but it cuts Medicaid – the source of coverage for 4 in 10 adults with opioid addiction – by \$1.5 trillion.

## Final Step of the GOP Tax Scam

**The GOP cut taxes for the wealthy, exploded the deficit, and now asks American families to pay for it** — When Congress passed the 2017 GOP tax scam, Republicans promised it would pay for itself. But, as non-partisan experts predicted and have since confirmed, the deficit exploded. Now the Trump administration demands huge cuts to programs that millions of low-income and vulnerable Americans rely on. In addition to massive cuts to Medicare and Medicaid, the budget eliminates the Low-Income Home Energy Assistance Program, putting millions of families at risk when extreme summer or winter temperatures hit. The budget zeroes out the Social Services Block Grant, a critical program that helps states support services like foster care, child protective services, and case management for as many as 26 million children and adults. Even though the Temporary Assistance for Needy Families (TANF) block grant has been flat-funded since it began in 1996, eroding the purchasing power of this critical assistance over time, the Trump budget cuts it by 10 percent. The budget cuts an additional \$6 billion over 10 years by eliminating the TANF contingency fund, hamstringing the government’s ability to assist families most in need during a future economic downturn.

**How the GOP Gives to the Rich and Makes You Pay For It**

*In just 3 easy steps!*

- 1. Cut taxes for the rich**  
Icon: A man in a suit.  
Quote: "My tax cuts will pay for themselves. It's trickle-down economics!"
- 2. Explode the deficit**  
Icon: A bar chart with an upward arrow.  
Quote: "How could this happen? We've got to cut spending!"
- 3. Demand big cuts to:**
  - Medicare
  - Social Security
  - Education

HOUSE BUDGET COMMITTEE DEMOCRATS

With this budget, President Trump has broken his promise to the American people to put their needs first. Instead, as predicted, he is asking millions of hardworking Americans to pay the bill for his massive tax cuts for the wealthy and large corporations.