



# HOUSE COMMITTEE ON THE BUDGET

Chairman John Yarmuth

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## The President's 2021 Health and Human Services Budget

The President's 2021 budget for the Department of Health and Human Services (HHS) jeopardizes the health care security of millions of Americans and their families. Instead of investing in protecting public health and improving the health care programs millions of Americans rely on, the budget calls for massive funding cuts and extreme policy changes. Overall, the budget calls for a \$9.5 billion cut to HHS's discretionary budget in 2021 and a \$1.6 trillion cut over 10 years from mandatory health care spending. This includes a more than \$900 billion cut to Medicaid, a half a trillion-dollar cut to Medicare, and more than \$200 billion in cuts to other health programs.

**Slashes more than \$900 billion from Medicaid** — As a presidential candidate, Mr. Trump promised he would not cut Medicaid. However, as President, his budget cuts the program by more than \$900 billion over ten years. This cut represents one in six dollars spent over that time period, which would result in fewer benefits and lost coverage for millions of Americans.

Most of these cuts come from pursuing the President's "vision" for health reform. While last year's [budget](#) at least suggested a legislative template for health reform (albeit a bad one that was rejected by Congress), this budget includes no specific policies and simply promises the American people that it will be "great." The President's actions on this issue tell a different story, however. The Trump Administration is in federal courts waging an anti-health care campaign to eliminate protections for pre-existing conditions and destroy every other protection and benefit of the Affordable Care Act. And at every opportunity, President Trump has tried to undermine key consumer protections through administrative actions, including broadening the availability of junk insurance plans and offering states options to cut essential health benefits.

The budget includes several destructive Medicaid "reforms," including mandatory work requirements for adults in Medicaid. There is no evidence that work requirements would improve beneficiaries' financial well-being; experience so far indicates they function mostly as a red-tape barrier to access to care. In fact, work requirements have recently been [struck down](#) in court because they fail to support the objectives of the Medicaid program. In addition, the budget would likely eliminate the Medicaid expansion, which provides health coverage to [12 million people](#), and has also been linked to higher employment and greater labor force participation according to a growing number of [studies](#). Other Medicaid proposals in the budget include additional cuts to hospitals that serve a disproportionate share of low-income patients,

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higher cost-sharing for beneficiaries, and more burdensome paperwork requirements for people enrolling in the program.

**Fails to lead on lowering prescription drug costs for Medicare beneficiaries** — The budget parrots the President’s rhetoric on lowering the cost of prescription drugs, but his vague “vision” for drug pricing reform is severely lacking on specifics. His placeholder drug pricing proposal fails to let the HHS secretary negotiate drug prices, and it would achieve just one-quarter of the savings from lowering drug prices and premiums as H.R. 3 would.

**Breaks another Trump promise by cutting Medicare** — Two days after President Trump [promised](#) not to touch Medicare, he released his budget that makes massive cuts to the program. On net, the budget’s Medicare proposals would cut \$500 billion over ten years, mostly by changing the way the government pays hospitals and other providers. The budget cuts investments in graduate medical education by \$52 billion over 10 years and cuts \$88 billion over 10 years by reducing payments to hospitals that care for low-income and uninsured patients.

**Promotes irrational public health policies** — While the budget does include some important investments in public health, their effects would be more than offset by harmful cuts in other areas. Amid a coronavirus public health emergency, the budget promises to prioritize funding for infectious diseases, yet slashes the discretionary budget for the Centers for Disease Control and Prevention by nearly 19 percent. The budget also includes \$716 million in HIV prevention and treatment, but cuts \$900 billion from the Medicaid program, which [42](#) percent of Americans with HIV rely on for health insurance coverage.

**Abandons the Human Services part of the HHS mission** — The budget again leaves low-income families out in the cold by eliminating the Low-Income Home Energy Assistance Program, a \$3.7 billion cut that forces at-risk families to choose between putting food on the table or heating their home. Other anti-poverty programs eliminated in the budget include both the Community Services Block Grant (CSBG) and the Social Services Block Grant (SSBG). Approximately 26 million adults and children would lose foster care, child protection, case management, and other services as a result of the SSBG termination – a \$17 billion cut over 10 years.

Under the guise of reform, the Administration weakens the Temporary Assistance for Needy Families (TANF) program by cutting the core program 10 percent, reducing the amount of cash assistance and other benefits states may offer. Even worse, the budget eliminates TANF’s contingency fund, a \$6 billion cut over 10 years, which provides additional help to families during an economic downturn.

## **Conclusion**

Taken together, the health and human services proposals included in this budget paint a bleak picture of President Trump's vision for the future of health care in America and the federal government's responsibility to help families struggling to get by. Democrats reject this vision and will continue working to provide vital assistance to the most vulnerable members of our society, lower health care costs, improve access to quality and affordable health care, and block the Trump Administration's war on health care.