



CWDA

Advancing Human Services
for the Welfare of *All* Californians

Federal Update

House Fails to Replace the ACA

April 4, 2017 | 3 Pages

TO: County Welfare Directors Association

FROM: Tom Joseph, Director, CWDA Washington, D.C. Office

DATE: April 4, 2017

RE: Federal Update

Affordable Care Act Repeal: The *American Health Care Act* (AHCA; HR 1628) was pulled from the House floor without a vote, due to the intense advocacy efforts of numerous stakeholders nationwide, including CWDA. Within Congress, conservative and moderate factions of the House Republicans were also deeply divided on provisions in the AHCA.

During the week of March 20, the House Ways and Means and Energy and Commerce Committees conducted marathon mark ups lasting over 24 hours, but all votes were along party lines. The measure moved quickly to the House Rules Committee which accepted Republican amendments to provide states with the option to require work for some Medicaid recipients, similar to requirements under the Temporary Assistance for Needy Families (TANF) program. The Rules Committee-amended version also would have given states the option of adopting a Medicaid block grant with wide latitude in administering the program.

CWDA drafted and sent a letter (attached) to the entire California congressional delegation on behalf of CSAC and a number of other California county associations opposing the bill.

The work and block grant amendments were added in an attempt to garner votes from the conservative Freedom Caucus, whose block of votes were necessary to pass the measure. The amendments, however, served to further alienate moderate GOP members from Mid-Atlantic States. Freedom Caucus members then argued for the elimination of the ten essential health benefits required to be offered in an exchange plan, but that amendment was not included. Scheduled for a vote late afternoon on Friday, March 24, the bill was

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pulled from the floor when it was a clear that there were not enough votes to pass it.

Despite some Republicans stating that a modified bill will be considered soon, there is no indication that will indeed be the case. In fact, the chairmen of the two key policy committees which conducted the mark ups through the night said they had no plans in the near term to bring the bill up again. The Ways and Means Committee in particular is now starting work on tax reform.

Trump FFY 2018 Budget: In mid-March, the Trump administration released the outlines of its Federal Fiscal Year (FFY) 2018 budget proposals. The proposals were very short on detail – not unusual for a new administration only in its first few months. A much more comprehensive proposal will be sent to Capitol Hill in mid-May.

The proposals, however, would cut deeply into domestic spending programs. The proposals for each federal department totaled two pages in length. Democrats and many Republicans stated that the level of cuts requested meant that most of the proposals would be dead on arrival. Budget proposals included:

HHS

The FFY 2018 budget for HHS would be cut by 17.9 percent – a \$15.1 billion reduction in discretionary funding. The budget does not address proposed policy changes and possible cuts to federal mandatory spending programs such as Medicaid and the Temporary Assistance for Needy Families (TANF) program, but states that the Trump budget ‘supports efficient operations for Medicare, Medicaid, and the Children’s Health Insurance Program and focuses spending on the highest priority activities necessary to effectively operate these programs.’

Programs targeted for elimination are the \$715 million Community Services Block Grant (CSBG) and the \$3.1 billion Low Income Home Energy Assistance Program. CSBG funds community-based social services organizations and LIHEAP assists low-income families in paying their utility bills. Both programs were also targeted for reductions in some Obama budgets but were consistently rejected by both Democrats and Republicans. The Trump budget asserts that the two programs have not demonstrated strong outcomes.

The budget also proposes a \$500 million increase above 2016 levels to address the opioid epidemic, and a new \$500 million block grant to states to address public health needs. There is not enough detail within the proposal to determine the fate of the nearly \$1 billion a year Prevention and Public Health Fund, but that program was slated for elimination in the GOP Affordable Care Act replacement bill supported by the President.

Finally, the budget proposes a surprising 18 percent cut to the National Institutes of Health (NIH), which supports ground breaking medical research. Republicans and Democrats have increased the NIH budget over the past few years, so a cut of nearly \$6 billion is likely to be

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rejected, potentially placing additional pressure on cuts to other HHS programs.

USDA – Nutrition Programs

The Trump FFY 2018 budget proposes a 21 percent cut to discretionary programs within USDA. Given the entitlement nature of the Supplemental Nutrition Assistance Program (SNAP), the initial budget outline does not address any changes to it. It propose \$6.2 billion to fund the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) which provides food and nutrition education for low-income pregnant mothers, infants and children. That level is \$200 million below the Senate’s target, but the difference appears to be in the assumptions made and does not signify an actual cut.

DOL – Employment & Training Programs

A cut of 21 percent is slated for Department of Labor programs which amounts to a \$2.5 billion cut in its \$9.6 billion budget. The specific cuts are unknown, however, with the exception of a proposal to eliminate the \$434 million Senior Community Service Employment Program. The Trump administration argues that it only places half of the participants into unsubsidized employment.

The Workforce Innovation and Opportunity Act and Job Corps are likely to be cut, but details are lacking on how deep they would be. The budget document states that it “Decreases Federal support for job training and employment service formula grants, shifting more responsibility for funding these services to States, localities, and employers.” Additionally, Job Corps would be improved by closing underperforming centers.

House Hearing on SNAP: Although the farm bill will not be reauthorized until next year, the House Agriculture Committee is continuing its hearings on the performance of the Supplemental Nutrition Assistance Program (SNAP). At the March 28 hearing, the American Public Human Services Association (APHSA) called on Congress to give states more flexibility to test “innovative approaches” for delivering services like SNAP and provide USDA with a time limit for responding to state waiver or demonstration requests. APHSA included in its list of possible pilot programs initiatives to test alternative benefit levels and prohibiting the use of SNAP benefits to purchase sugar-sweetened beverages.