



CWDA

Advancing Human Services
for the Welfare of All Californians

Federal Update 115th Congress Convenes

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TO: County Welfare Directors Association

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

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RE: Congress Convenes

The new Congress convened on January 3 and began immediately the process to repeal the Affordable Care Act (ACA). That effort will likely crowd out any other health and human services legislative activity in the near term, given that the committees with ACA jurisdiction are the same ones responsible for overseeing most human services programs, including the Temporary Assistance for Needy Families (TANF) program and IV-E foster care.

Affordable Care Act (ACA) Repeal: This week, the Senate is debating their budget resolution (S. Con. Res. 3) which contains reconciliation instructions to the committees to repeal the tax and spending provisions of the ACA. Those provisions would include ending the Medicaid expansion and accompanying enhanced federal match, all subsidies to help for families pay for premiums, and no penalties for individuals or small businesses who choose not to purchase insurance. The date when the provisions would no longer exist remains uncertain, but in any event it would be two to three years from now. Policies not directly related to federal spending would remain, such as no insurance exclusions for pre-existing conditions and maintaining insurance coverage for families with young adults up to age 26.

The reconciliation instructions as currently drafted sets a date of January 27, 2017 when the four congressional committees (House Ways & Means and Energy & Commerce Committees and Senate Finance and Health, Education, Labor & Pensions Committees) would have to craft a bill repealing the ACA. The bill would then be debated on the House and Senate floors with the aim of sending a final repeal measure to President Trump by February 20, 2017. There is no legal force to those deadlines however.

As the last week has unfolded, a handful of Senate Republicans, have, for various reasons,

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expressed concerns about a bill repealing the ACA which does not simultaneously replace the current law. Some of them point to a possible 'death spiral' of the current system well before the ACA is phased out. Given the tremendous market uncertainty without a replacement and the time it will take to not only dismantle the current system and build a new one, insurance companies may decide to no longer offer ACA insurance products in the short term and hospitals and other health providers are also very concerned about the potential loss of billions of dollars they have received under the ACA.

Five moderate Republican Senators have offered an amendment to the budget resolution to delay to March 3, 2017 the target date for completing a repeal measure. They have stated that it is their hope their caucus would have details by then on the replacement bill's components – details that have been elusive for months if not years. The vote on the amendment to delay the completion date deadline for repeal will occur before the end of the week.

The Senate needs 51 votes to adopt the budget resolution and a future reconciliation repeal bill. If there was only 50 votes for passage, Vice-President Pence would break the tie. Republicans hold 52 seats, giving them a very small margin for defections in their ranks.

After the Senate acts, the House will consider the budget resolution, where it is expected to pass along party lines, but not without some Republican trepidation. House Speaker Paul Ryan (R-WI) today announced that some replacement provisions should be included in the repeal bill. He did not offer specifics, but is clearly hearing from some of his rank and file members on the danger of repealing the ACA without a simultaneous replacement.

While there are four committees responsible for dismantling the ACA, the House Energy and Commerce and Senate Finance Committees have jurisdiction over Medicaid, so counties and low-income advocates will focus on those deliberations in particular.

Next Steps on ACA

Stakeholders: CWDA is working closely with the County Supervisors Association of California (CSAC), the county public and behavioral health affiliates, the California Association of Public Hospitals and the County Medical Services Program staff to share information and develop strategies and messaging to respond to repeal efforts. CWDA is also working with CSAC and other county stakeholders to draft a policy resolution for the February legislative conference of the National Association of Counties. In that effort, CWDA has reached out to the county association in New York State, since their members project a direct loss of nearly \$600 million annually if the ACA is repealed without an equivalent source of support for currently eligible individuals. CWDA will reach out to other affected states as well.

Californians on ACA Committees: Members of the key congressional committees were announced late last week. For the House Energy & Commerce Committee, one California

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Republican was appointed: Mimi Walters (Orange). California Democrats returning to the Committee include: Anna Eshoo (San Mateo, Santa Clara); Doris Matsui (Sacramento); Jerry McNerney (San Joaquin, Contra Costa, Sacramento); and Tony Cardenas (Los Angeles). Newly appointed Democrats are Raul Ruiz (D-Riverside) and Scott Peters (D-San Diego).

The House Ways & Means Committee has jurisdiction over Medicare and taxes related to the ACA. Only one California Republican serves on it - -Devin Nunes (Tulare, Fresno). Democrats are: Mike Thompson (Contra Costa, Lake, Napa, Solano, Sonoma); and Linda Sanchez (Los Angeles).

On the Senate side, neither Senators Feinstein nor Harris serve on the Senate Finance or Health, Education, Labor & Pensions Committees.

Other HHS Updates

Confirmation Hearing for HHS Secretary Designate Price: The Senate Health, Education, Labor & Pensions Committee has scheduled a confirmation hearing for Representative Tom Price (R-GA) on January 18, 2017. The Senate Finance Committee, which is the committee to vote on the nomination, has not slated its hearing. As the House Budget Committee Chair, Secretary Designate Price introduced a bill last year to repeal the ACA. He also supports block granting Medicaid.

Family First Prevention Services Act (FFPSA): Last week, Rep. Vern Buchanan (R-FL) and Ways & Means Ranking member Sander Levin (D-MI) introduced the original, un-amended version of the FFPSA (HR 253).

While committee staff have indicated that it was a placeholder for possible future action later in the year, CWDA joined Los Angeles County on a call today with staff to House Majority Leader Kevin McCarthy (Kern, Tulare, Los Angeles) to brief him on the concerns of California's counties and to urge Majority Leader McCarthy to ensure that, if the bill was considered this year, that the legislative process be more transparent and allow for debate on amendments to ensure that California's issues were addressed.

A Senate companion has not yet been introduced. CWDA staff met with the Senate Finance Democratic staff before the holidays on a different matter and took the opportunity to reiterate CWDA's interest in improving any future measure. CWDA is also working with California child advocacy organizations to craft a strategy for any consideration of the federal bill this year.

Ways & Means Human Resources Subcommittee Members Announced: Last Friday, the House Ways & Means Committee named the members of the subcommittee with jurisdiction over TANF, IV-E the Social Services Block Grant and other programs serving at-risk families. The Human Resources Subcommittee will be chaired by Rep. Adrian Smith (R-NE). With the exception New York Republican Tom Reed, none of the members on the

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majority side are from county-administered states. Democratic members remain the same, with Rep. Lloyd Doggett (TX) serving as ranking member. No Californian serves on the subcommittee.

This federal budget update was created by CWDA Staff. Direct questions to the contact at right.

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