

# HEALTH CARE FOR AMERICA NOW!

## Benefit Cuts in President Trump's Budget Shift Costs to Families and State Budgets

President Trump's budget claims to address deficit increases partially caused by passage of his \$1.5 trillion tax giveaway plan from last year, but the truth is that his **2019 budget just shifts more costs to families and state budgets by making deep cuts to critical healthcare benefits and an array of services, including education, transportation, housing and nutrition.**

Cuts to the Affordable Care Act, Medicaid, Medicare and other healthcare programs carry heavy costs to families, businesses and health care providers who depend on federal funding to hire staff, provide services and keep their doors open.

Thanks to the Affordable Care Act, the number of uninsured people fell to a historical low over the last few years, but last year's efforts to repeal the law and to dismantle Medicaid are [already reversing the new trend](#). President Trump's proposed FY 2019 budget continues to target the ACA, Medicaid and Medicare for massive cuts, despite the popularity of the programs and the critical role that health care plays in economic security.

- President Trump's tax law has already repealed a key provision of the ACA (Affordable Care Act) that will leave over 13 million more people without insurance and increase premiums by \$2000.00 annually in order to corporations like Apple, Wells Fargo and Pfizer a **permanent 14% tax cut**.
- Although poll after poll shows that the public does not support ACA repeal, the President's budget blueprint re-affirms his commitment to end the ACA entirely through a proposal that resembles the Graham Cassidy repeal bill that Congress rejected last year. Over 20 million people could lose coverage under this kind of repeal proposal<sup>1</sup>.
- Repeal would also unravel critical protections that affect everyone with private insurance, including rules that stop insurance companies from discriminating against women, people with pre-existing conditions and older people and that require all insurance policies to cover Essential Health Benefits (EHB) like maternal and newborn care, prescription drugs, physical therapy and hospitalization.
- Despite promises to protect Medicare for seniors, the President's budget proposes Trump's plan includes [\\$554 billion](#) in cuts to Medicare, the federal health care program that provides insurance to [55 million Americans](#) over the age of 65 as well as people with disabilities.
- President Trump's 2019 budget also cut nearly \$1.4 trillion from Medicaid, which provides health care to over 70 million kids, seniors, people with disabilities and working families. Medicaid pays for almost half of all births<sup>2</sup> in the country and is the leading payer of nursing home and home care for seniors.<sup>3</sup>

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<sup>1</sup> To see how many people in your state have coverage through ACA marketplaces and Medicaid expansion visit:

<https://www.kff.org/interactive/interactive-maps-estimates-of-enrollment-in-aca-marketplaces-and-medicaid-expansion/>

<sup>2</sup> To see what percentage of births in your state are covered by Medicaid, look up your state here:

<https://www.kff.org/medicaid/state-indicator/births-financed-by-medicaid/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>

<sup>3</sup> To see how many people are covered by Medicaid in your state, download your state fact sheet here:

<https://www.kff.org/interactive/medicaid-state-fact-sheets/>

President Trump's budget cuts Medicaid through block grants and per-capita-caps would fundamentally end the program as we know it, preventing Medicaid from expanding in critical moments to address epidemics like Zika, the deadly opioid epidemic or the current spread of [deadly flu that is killing over four thousand people a week](#). Cuts to Medicaid would also curtail states' capacity to respond to natural disasters like last year's hurricanes, terrorist attacks like 9/11, and economic downturns that can happen at any time.

**Medicaid is the largest source of federal funding in nearly every state budget in the country.** Trump's proposal to dismantle Medicaid would drain more and more federal funding from state budgets, leaving states to make up the difference by either taking healthcare away from more people or cutting other benefits like roads or schools to fill the gap.

**But Medicaid isn't the only federal program on the chopping block in President Trump's budget.**

The budget blueprint also slashes \$213 billion or about 30% of funding for the SNAP (Supplemental Nutrition Assistance Program) or food stamps, which provides families with the ability to put meals on the table. Over 40 million American families struggle with food insecurity in our country today,<sup>4</sup> including 7 million seniors and [13 million children](#).

The struggle is often tied to under employment, stagnant wages and the rising cost of food. Between 2012 and 2016, [the cost of food increased by 6.1%](#) according to the Consumer Price Index while [wages rose by less than 3%](#) over the same period. Only prices for medical care and housing have risen faster than food prices.

- Nearly 70% of SNAP participants are families with children; nearly a third are households with seniors or people with disabilities.
- After unemployment insurance, SNAP is most responsive federal program providing additional assistance during economic downturns like the recent recession: 92 percent of SNAP benefits go to households with incomes at or below the poverty line, and 56 percent go to households at or below half of the poverty line (about \$10,390 for a family of three in 2018).
- SNAP kept 8.4 million people out of poverty in 2015, including 3.8 million children. SNAP lifted 2 million children above half of the poverty line in 2015, according to this same analysis — more than any other program.<sup>5</sup>
- Hunger and food insecurity among older people is increasing and projected to continue growing. In 2016, SNAP served over 4.7 million families with at least one person aged 60 or older every month. Trump's budget cuts both SNAP and the Meals on Wheels program that feeds over 2 million aged Americans.

Although President Trump often talks about the struggles of working families, his budget cuts the very programs that struggling families depend on to get by in the hardest times. **In addition to cutting health care and nutrition assistance, Trump's budget also cuts housing assistance for low-income people by over \$7 billion next year even though rent across the country is historically high** and unaffordable for most low wage working people, seniors and many people with disabilities.

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<sup>4</sup> <http://www.feedingamerica.org/research/map-the-meal-gap/2015/2015-mapthemealgap-exec-summary.pdf>

<sup>5</sup> More basic information about SNAP is here: <https://www.cbpp.org/research/policy-basics-the-supplemental-nutrition-assistance-program-snap>

- The cost of rent in the United States has risen by 18% over five years, making housing harder to afford for many. A recent Harvard study noted that over 20 million Americans pay [half their income for rent](#). In states like Texas, Illinois, California, New Jersey, Virginia, Florida, and Georgia, a minimum wage worker would have to [work two full time jobs to afford a one bedroom apartment](#).
- The proposals in Trump's budget increases the amount that low income people under 62 years of age would pay for rent from 30% to 35% of total income. Rents would triple for the poorest families resulting in more evictions and more homeless families.
- The budget also ends the Low Income Home Energy Assistance Program (LIHEAP), which helps households making under 150% of poverty (\$30,000 annually for a family of three) pay for heat and utilities, a critical resource during periods of intense cold like this winter's "polar vortex" and stifling heat.

**The Trump budget also includes over \$3.6 billion in cuts in public education** including Title II—used in part to recruit and retain teachers and support principals—and the 21st Century Learning Centers block grants, which pay for enrichment programs after school that are particularly important for low income children and working parents who lack affordable child care.

- As the nation recovers from yet another deadly school shooting that resulted in 17 deaths and nearly as many injuries, the Trump budget called for a 36% cuts in the Education Department's funding for school safety programs including the complete elimination of the Project School Emergency Response to Violence (Project SERV) and Project Prevent Grant programs.
- The budget also ends loan forgiveness for students who graduate and go into public services, Stafford loans that help young people go to college, and redirects over a billion tax-payer dollars away from the public education system and into private schools.

**President Trump's budget plan takes our country in the wrong direction.** Instead of cuts to health care, the President should keep his promise by protecting Medicaid and Medicare and lowering prescription drug prices.

Instead of cutting food stamps, housing, and education, he should raise the federal minimum wage, which remains at \$7.25 an hour even though the cost of living continues to escalate and he should create more opportunities for more young people to attend college and increase their potential for increased earnings.

Finally, instead of the \$550 billion more in tax breaks for the rich he includes in this budget—including ending the estate tax for wealthy people who inherit estates included in the proposed budget, the President should make the 1% and corporations pay their fair share of taxes—just like the rest of us--to support investment in our country.