

Trump's budget proposal to slash \$800B from Medicaid; AHCA's potential impact on Medicare

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President Donald Trump's first budget proposal, set to be released tomorrow, will include sweeping cuts to Medicaid.

Trump's budget will include more than \$800 billion in cuts to the program, as was outlined by congressional Republicans in the American Health Care Act, The Washington Post **reports**. This could put the administration in conflict with Republican senators, who are expected to **moderate the bill** in their own version, especially as it pertains to **Medicaid**.

The budget proposal will be Trump's first comprehensive budget plan; the administration released a streamlined version in March that only accounted for part of federal spending. That included **major cuts** to the Department of Health and Human Services that would **significantly impact** medical research and other healthcare programs. Trump's March proposal was **widely panned** by healthcare industry groups.

The AHCA **faces an** uphill battle to pass in its current form and is **opposed by** every major healthcare industry group, particularly because of its **far-reaching cuts** to Medicaid. The bill passed the House of Representatives by a narrow 217-213 margin before the Congressional Budget Office could score it, but CBO **estimates** on previous versions of the bill suggest that 24 million could lose insurance coverage by 2026.

The CBO's updated score **is expected** this week.

The response to Trump's budget cuts has been, perhaps unsurprisingly, mixed along partisan lines, according to The Post. Michael Tanner, welfare expert at the libertarian Cato Institute, said taking another look at government entitlements is a worthwhile effort, as the feds may not see "the type of gains" they seek under such programs, while Sen. Chuck Schumer, D-N.Y., said the proposal shows Trump's "true colors" as someone who's an ally of the wealthiest Americans.

The impact on Medicare

While much of the talk surrounding the AHCA and Trump's financial proposals has centered on cuts and changes to Medicaid, the bill's provisions could also be felt in Medicare, according to an **analysis** from the Commonwealth Fund penned by Cindy Mann, a healthcare attorney at Manatt, Phelps & Phillips, LLP, and Allison Orris, counsel at Manatt Health. The bill doesn't include specific changes to that program but would profoundly impact people who are dual eligible, receiving benefits from both Medicare and Medicaid.

“The AHCA may on paper leave Medicare alone, but millions of Medicare beneficiaries and their families—and indeed the Medicare program itself—would feel its impact,” according to the Commonwealth Fund.

About 11 million Medicare beneficiaries are also eligible for Medicaid assistance, according to the report. Almost three-quarters (72%) of these dual-eligible people are at high risk under the per capita caps on Medicaid spending that the AHCA puts forward.

That program would put pressure on state budgets, and while they could use some of the extra funds for the elderly toward Medicaid coverage for other populations, like women and children, that’s not a sustainable response, as the American population is aging.

This would likely put constraints on care for some of the poorest and sickest Americans, according to the report. Medicare and Medicaid are very closely connected, so constraints on Medicaid will be felt and borne in Medicare instead.