

\$1.4 trillion in cuts to health program for the poor

# Trump budget aims to fatally cripple Medicaid

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The budget plan announced by the Trump administration on Tuesday would cut more than \$1.4 trillion over ten years from Medicaid, the main federal health insurance program for the poor and disabled, according to detailed analyses of the budget document by both conservative and liberal think tanks.

While White House officials sought to conceal this truth, the impact of the budget would be to dramatically worsen access to health care for the 74 million people now covered by the program, half of them children. The inevitable result will be greater sickness and suffering, and earlier deaths, for vast numbers of Americans.

White House Budget Director Mick Mulvaney initially claimed that the \$610 billion in cuts in Medicaid proposed in the budget overlapped extensively with the \$834 billion in Medicaid cuts already mandated by the American Health Care Act (AHCA), the Obamacare repeal legislation that was passed by the House of Representatives earlier this month and is now to be taken up by the Senate.

However, studies by the right-wing Heritage Foundation, the liberal Center on Budget and Policy Priorities and other think tanks confirm that there is actually little overlap. The White House has proposed massive additional cuts to Medicaid on top of those in the AHCA. The two numbers should be added together, bringing the total level of cuts to more than \$1.4 trillion over a ten-year period.

By 2027, the end of the period covered by the Trump budget projections, annual Medicaid spending will be reduced by 47.2 percent, nearly half.

The budget document presumes that the AHCA will be passed by the Senate and signed into law by Trump.

The AHCA effectively repeals the expansion of Medicaid that was a major component of Obamacare and led to the enrollment of 10 million more people in the program, mainly by raising the income ceiling for beneficiaries to 133 percent of the poverty line.

The AHCA converts Medicaid from an entitlement program, where every eligible person is able to enroll and receive guaranteed benefits, to a program based on block grants to the states, the value of which will be capped, forcing states to tighten eligibility, limit enrollment and cut benefits. Under the AHCA, the Medicaid caps would rise at the inflation rate of health care costs generally, a figure much lower than the inflation rate of spending for Medicaid recipients, who are generally poorer and sicker than the general population.

The Trump budget makes the caps even tighter, allowing them to rise only at the general rate of inflation for consumer prices as a whole. Since health care costs have outpaced the Consumer Price Index by a wide margin every year, this amounts to decreeing an annual cutback in the level of Medicaid coverage.

Who depends on Medicaid? About 18 percent of Medicaid spending is for elderly people confined to nursing homes, whose care is not covered by Medicare, the federal health insurance program for those 65 and over. Medicaid pays all or part of the cost for 60 percent of all US nursing home residents, more than a million people.

Another 42 percent of Medicaid spending is for the disabled: the blind, the deaf, those physically crippled and unable to work, and those suffering from serious mental illness.

The remaining 40 percent goes mainly to low-income

parents with children, although some states have extended eligibility to childless adults. More than half of all births in the United States are to mothers covered by Medicaid, with the figure rising to as high as 65 percent in a poor state like Louisiana.

In addition to the gutting of Medicaid, there are other health care-related cuts that will affect millions of working people and their children. One of the most nefarious is a reduction in spending for the Children's Health Insurance Program (CHIP). The budget proposes to reduce funding by about 20 percent over the next two years, and \$6 billion over ten years. CHIP covers the children of working people whose incomes are slightly above the level for eligibility for Medicaid, but still far too low to be able to afford coverage on the private insurance market.

The budget also cuts \$1.2 billion from the Centers for Disease Control and Prevention, the premier agency in the world for detecting and fighting epidemics like Ebola and Zika. The resulting CDC budget would be its lowest in 20 years. The cuts include a 26 percent reduction in research on birth defects and developmental disabilities, under conditions of a Zika epidemic in the US territory of Puerto Rico, and a 10 percent reduction in the CDC's office of public health preparedness and response.

In an angry tweet, former CDC Director Tom Frieden said the Trump budget request for the agency was "unsafe at any level of enactment." He added that the cuts "Would increase illness, death, risks to Americans, and health care costs."

Budget Director Mulvaney spelled out the real concerns of the Trump White House when he responded to criticism that the budget was heartless in its treatment of the poor, sick and disabled. "Compassion needs to be on both sides of that equation," he said Tuesday. "Yes, you have to have compassion for folks who are receiving the federal funds, but also you have to have compassion for the folks who are paying it."

"Compassion for the billionaires"—the new mantra of the Trump administration and of American capitalist politics as a whole!

But not even the American corporate media could sell such a political slogan. Instead, press reports have sought to muddy the waters and dispel popular outrage by dismissing the Trump budget as unlikely to be

enacted. There has been much attention to declarations by congressional Republicans that Trump's budget plan was "dead on arrival," and that the budget committees in the House and Senate would write their own budget plans without regard to the White House document.

Whatever its immediate fate, however, the Trump budget serves a definite political purpose. It lays down a marker for a phony budget "debate" in Congress, in which both Democrats and Republicans will claim to oppose Trump cuts as too drastic while they settle for a "compromise" that imposes devastating and unprecedented cuts and serves as the prelude to the destruction of Medicare and Social Security.

Republican House Speaker Paul Ryan hailed the Trump budget document as a starting point. "At least we now have common objectives," he said, adding that the "last president never proposed, let alone tried, to balance the budget."

Democratic Senate Minority Leader Charles Schumer said Republicans "dislike this budget almost as much as we do." He continued: "Democrats and Republicans will tell President Trump and his minions to stay at the other end of Pennsylvania Avenue. Let us work out a budget together that will make America a better place."

The top congressional Democrat thus held out the prospect of bipartisan collaboration with Ryan, Senate Majority Leader Mitch McConnell and other Republican reactionaries, whose main objection to the budget plan is Trump's refusal to call openly for cuts to Social Security and Medicare.

Health care, pensions, food stamps, education, housing, science, art, environmental regulations are being gutted to pay for a multitrillion-dollar tax cut for the rich and increased military spending. Programs that are essential to maintaining the rudiments of civilized life in a modern, complex society—enacted under the pressure of mass struggles of the working class—are being destroyed by two political parties of big business and a government of, by and for the financial oligarchy.



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