

## **ANCOR ANALYSIS OF FY 2016 HOUSE AND SENATE GOP BUDGET PROPOSALS**

House Budget Committee Chairman Tom Price's (R-GA) budget plan, [A Balanced Budget for a Stronger America](#), was released yesterday to represent the House GOP budget plan for Fiscal Year 2016. The plan aims to balance the budget over the course of eight years and cuts \$5.5 trillion in projected spending over the next decade. Rep. Price's plan proposes to restructure Medicaid by converting it to a block grant ("state flexibility funds") and cuts federal funding for it by \$913 billion over the next decade. States would have greater flexibility around eligibility requirements and benefits under the new program. The House budget plan would repeal the Affordable Care Act and Medicaid expansion.

This afternoon Senate Budget Committee Chairman Mike Enzi (R-WY) released his FY 2016 budget plan for the Senate GOP, [A Balanced Budget That Supports Economic Growth And Expands Opportunity for Hardworking Families](#). Senator Enzi's proposal proposes \$5.1 trillion in spending cuts and no new tax increases with the goal to balance the budget, and create a \$3 billion surplus, in ten years. The bulk of the savings, over \$4.4 trillion, would focus on cuts to entitlement programs (including converting Medicaid to a CHIP model) and repealing the Affordable Care Act. There is reference in the proposal to a Medicaid demo incentivizing independence and integrated employment for people with disabilities, which is a preview to Senator Grassley's demonstration proposal that ANCOR has been working on with his office.

Both the Senate and House are proceeding with markups on their budgets. ANCOR will keep its members informed of next steps in the budget process and how we are weighing in.

### **HOUSE GOP RESOURCES- What you need to know**

Chairman Price's plan: <http://budget.house.gov/fy2016/>

#### **Proposed Cuts to Medicaid**

From page 81 and 82 of the [Legislative Text](#):

*(B) For Medicaid, this budget assumes the 20 conversion of the Federal share of Medicaid spending into flexible State allotments, which States will be able to tailor to meet their unique needs. Such a reform would end the misguided one-size-fits-all approach that ties the hands of State governments and would provide States with the freedom and flexibility they have long requested in the Medicaid program. Moreover, this budget assumes the repeal of the Medicaid expansions in the President's health care law, relieving State governments of the crippling one-size-fits-all enrollment mandates, as well as the overwhelming pressure the law's Medicaid expansion puts on an already-strained system.*

Page 5 of [Summary Charts](#) shows the impact of the Medicaid block grant approach that would reduce the Medicaid program by \$913 billion over the next ten years.

Note that Rep. Price's plan does not deeply detail how the block grant would work, but that the Center on Budget and Policy Priorities released a blog with their initial analysis: <http://www.offthechartsblog.org/proposed-medicaid-block-grant-would-add-millions-to-uninsured-and-underinsured/>

### **Proposed Solutions to SSDI Insolvency**

Page 106 of the [Legislative Text](#): The plan also offers its proposal for a bipartisan approach and solution-finding to the insolvency of the Social Security Disability Insurance program. The House imposed a new rule earlier this year that would prevent the SSDI trust fund from a common practice of rebalancing between the disability and retirement programs.

## **SENATE GOP RESOURCES – What you need to know**

Chairman Enzi's Plan: <http://www.budget.senate.gov/republican/public/index.cfm/press-releases?ID=11e2b496-c2e3-46a4-979d-ee4e5cd9e580>

### **Repeal of Affordable Care Act**

Page 5 of the [Budget Proposal](#) details plans to repeal the Affordable Care Act.

### **Proposed Cuts to Medicaid**

Page 9 of the [Budget Proposal](#) summarizes the proposed changes to the Medicaid program. The Senate GOP proposal estimates saving about \$400 billion by turning Medicaid into a block grant program to the states and mirroring the model of the Children's Health Insurance Program (CHIP). Acute services for low-income seniors and the disabled would not be changed.

*The Senate budget would modernize Medicaid based on the successful model of the Children's Health Insurance Program (CHIP), which was created under a Republican majority in Congress. • Continues funding for CHIP and creates a new program based on CHIP to serve low-income, working-age, able-bodied adults, and children who are eligible for Medicaid. • Increases state flexibility in designing benefits and administering its programs, to encourage efficiency and reduce wasteful spending. • Makes no changes to the funding of acute care services for the low-income elderly and individuals with disabilities. • Provides stable and predictable funding so long-term services and supports are sustainable both for the federal government and the states.*

### **Reference to Senator Grassley's Expected Medicaid Demonstration Proposal**

Page 80 of the [Legislative Text](#) outlines a reserve fund to encouraging State Medicaid demonstration programs to promote independent living and integrated work for people with disabilities.

### **Proposed Solutions to SSDI**

The Senate budget proposal does not touch Social Security, but addresses the insolvency and recommends the following solutions on page 7 of the [Budget Proposal](#).

*Senate Budget Resolution: • Honors the special off-budget status of Social Security. • Reduces spending in other areas to fully offset Social Security's rising deficits and avoid the corresponding increase in publicly held debt. • Allows the President and congressional leaders to begin a bipartisan, bicameral discussion to protect Social Security, prevent a massive increase in publicly held debt, and avoid the across-the-board Social Security benefit cuts that will occur under current law. • Balances the budget in order to offset Social Security deficits. • Encourages the President and congressional leaders to act to protect Social Security*