

Issue Brief

FEDERAL ISSUE BRIEF • MARCH 19, 2015

KEY POINTS

The Senate budget resolution includes, but is not limited to, the following.

- balances the budget in 10 years by limiting spending growth
- reinforces discretionary spending caps
- confronts unfunded mandates
- limits abuses of the appropriations process
- extends Medicare trust fund solvency

Senate Budget Committee Releases FY 2016 Budget Resolution

The Senate Budget Committee has released its fiscal year 2016 budget resolution. “The Senate budget resolution balances the budget in 10 years by limiting spending growth, reaches a \$3 billion surplus in the 10th year, and achieves \$4.4 trillion more in deficit reduction than President Obama’s budget request.”

The resolution:

- “Balances the budget in 10 years by limiting spending growth.”
- “Protects hardworking American taxpayers with budget process reforms that reduce wasteful spending.”
- “Reinforces discretionary spending caps.”
- “Limits abuses of the appropriations process.”
- “Confronts unfunded mandates.”
- “Expedites legislation that addresses the nation’s spending problem.”
- “Responds to public concerns over the lack of government transparency with new rules that promote responsible accounting and curb budget gimmicks.”

A copy of the document is at: <http://www.budget.senate.gov/republican/public/index.cfm/press-releases?ID=11e2b496-c2e3-46a4-979d-ee4e5cd9e580>.

COMMENT

Just as with the recent House Budget Reconciliation proposal, the Senate proposal needs much input from the various Senate committees with jurisdiction over the key areas targeted for change. The bottom-line is that it still has a long way to go for any final Congressional budgetary actions.

SENATE BUDGET RESOLUTION:

Provides Repeal and Replacement of Obamacare

Repeals the Patient Protection and Affordable Care Act and the health care-related provisions of the Health Care and Education Reconciliation Act of 2010.

The Senate Republican budget includes “reconciliation instructions for health care, but the actual contours of that legislation are unknowable at this time. By adopting this new budget, Republicans can repeal the President’s health law and the committees of jurisdiction can continue to work on plans to replace it. The budget instructs the Finance Committee and the Committee on Health, Education, Labor and Pensions to report, by July 31, 2015, changes in laws within their jurisdictions to reduce the deficit by \$1 billion over the 10-year period of fiscal years 2016 through 2025.”

4712 Country Club Drive
Jefferson City, MO 65109

P.O. Box 60
Jefferson City, MO 65102

573/893-3700
www.mhanef.com



continued

Extends Medicare Trust Fund Solvency

Regarding the Medicare Trust Funds solvency, the budget simply states that it:

- protects the Medicare trust fund from insolvency
- ends the President’s raid on the trust fund
- supports the total amount of Medicare savings in the President’s budget as a target, but does not endorse the President’s specific policy proposals
- extends the life of the trust fund by at least an additional five years
- repeals the Independent Payment Advisory Board

COMMENT

There is no detail beyond the above cites.

Improves Medicaid Based on CHIP Model

The Senate budget would modernize Medicaid based on the successful model of the Children’s Health Insurance Program, 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.

Deficit-Neutral Reserve Fund for Other Health Reforms

“The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to —

1. the requirement to individually purchase, or jointly provide, health insurance;
2. increasing payments under, or permanently reforming or replacing, Medicare payments for providers;
3. extending expiring health care provisions;
4. the health care needs of first responders to domestic acts of terror;
5. improvements in medical research, innovation and safety; or
6. strengthening program integrity initiatives to reduce fraud, waste, and abuse in Federal health care programs;

by the amounts provided in such legislation for that purpose, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2016 through 2020 or the period of the total of fiscal years 2016 through 2025.”

Spending-Neutral Reserve Fund to Protect Payments to Rural Hospitals and Create Sustainable Access for Rural Communities

“The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels

in this resolution for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to protecting payments to rural hospitals and creating sustainable access for rural communities, without raising new revenue, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2016 through 2020 or the period of the total of fiscal years 2016 through 2025.”

FINAL COMMENT

It seems that each party accuses the other in lacking both clarity and transparency when it comes to budgets and government oversight. This document, as well as the House’s budget document, do not present clear, concise and understandable potential changes affecting Medicare, Medicaid and health care in general. Though true, it is still early in the budget process, but more information, rather than less, would be helpful, or information that reflects subjectivity and reality. Requiring the repeal of the ACA is a simple statement. Replacing it with reform is the difficult aspect. If Congress were to repeal the ACA, there would most likely be a veto from the White House; therefore, one must question the whole issue of repeal at this juncture.

*Analysis provided for MHA
by Larry Goldberg,
Goldberg Consulting*