

ADVOCATES STAND TOGETHER TO DEFEND MEDICAID: KEY TAKEAWAYS FROM THE E&C MARKUP

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Over 26 hours through the night of May 13 and 14, the House Committee on Energy and Commerce (E&C) held their marathon markup of the GOP budget reconciliation bill, including taking critical votes on proposed health care amendments. Ultimately, the Committee advanced a budget reconciliation bill that if enacted would take a chainsaw to Medicaid and the Affordable Care Act (ACA), with more than 13 million Americans losing coverage and care, and millions more seeing their monthly and out-of-pocket costs increase. It would cut Medicaid by \$715 billion, the biggest cut to the program EVER, and would be devastating for the health care system on which we all rely.

For an in-depth look at what is in this budget reconciliation bill, please check out **Families USA's summary here**.

The bill was released late in the evening on Sunday, May 12 — a Mother's Day Massacre of Medicaid — with the hearing starting just less than 40 hours later. The markup itself lasted more than 24 hours, with much of the debate on Medicaid cuts happening overnight, from 1 a.m. on, as the committee leadership hoped they could get away with severe cuts by hiding them from the public under the cover of night. Families USA and our key partners were there all night, keeping watch as lawmakers debated provisions of the bill, offered amendments, shared testimony and stories from the people who will feel the impact of these massive cuts to our health care.

Advocates in Action

Health advocates made their presence known as soon as the markup started, with patient and disability rights advocates shouting, "Hands Off Medicaid!" and "No Cuts to Medicaid!"

Families USA Executive Director Anthony Wright was at the Capitol all night with these fellow advocates to keep the drumbeat going on the fight for health care. Here's his statement after the final votes were cast:

"Just days after they released this disastrous bill, House Republicans on the Energy and Commerce Committee voted to approve \$715 billion in cuts to Medicaid — the biggest cut to the program ever. The committee debated this bill overnight Tuesday, while the American people were asleep. They were hoping the millions of Americans who have been clogging phone lines and storming townhalls wouldn't notice as they voted to rip away health care coverage and increase the cost of care for millions of people, and cut the health care system we all rely on."

“If this bill was actually about waste and fraud, Republicans and Democrats could debate it in the light of day, and they’d be having meaningful conversations about the kind of policies that could actually bring health care costs down for everyone — things like reforms to rein in corporate abuses in Medicare Advantage, pharmaceutical corporation gaming of patent laws, and large hospital systems taking advantage of their monopolies and charging unconscionable prices for routine care.

“But we all know this partisan bill is nothing more than an attack on the health care system on which we all rely, in order to fund tax breaks for billionaires and big corporations. More uninsured individuals and cuts to state funding means hospitals, clinics, nursing homes and other providers will face devastating cuts, threatening the ability of many, from maternity wards to rural hospitals, to keep their doors open, impacting not just those who rely on Medicaid for their health care, but everyone. Even the targeted attacks on specific communities whether against blue states or immigrants or gender affirming care or family planning health care providers end up harming the health care of many more. This impacts all of us.

“Many Republicans on that Committee said they wouldn’t touch Medicaid, that the word Medicaid was not even in the bill. We can see that these were just empty promises, but we hope that other Republicans in the House and Senate come to their senses. The bill just doesn’t cut Medicaid, it guts Medicaid, and everyday Americans must call on Congress to oppose these draconian cuts that will rip health care from millions of Americans and raise costs for millions more. We must defeat this effort, and get back to the affordability agenda that voters wanted when voting last year.”

Rebutting the Gaslighting with Facts

Throughout the hearing, members of Congress seeking to not just cut our health care, but gut Medicaid, made false claims about the budget bill and the Medicaid program. Several members were spooked by the crowds, advocates and protestors but then told them they were being “duped” and “lied to” and that in fact, their care and coverage was not at risk under the bill.

Here are the facts:

Yes, millions of Americans eligible for Medicaid will lose coverage and care.

Much of the debate was over the Congressional Budget Office (CBO) score, which detailed that at least 8.6 million would fall off of coverage as a result of the Medicaid cuts alone, and along with actions (and lack of action) regarding changes to the ACA, the country would see at least 13.7 million more uninsured. While that’s a staggering impact — more than a baseball stadium of people in every Congressional district — Republican representatives tried to dismiss this number, and its impact on the health system. One said it was ‘just’ 8 million out of 70 million with Medicaid coverage, and others continued to make the false claim that the people who will be kicked off are ineligible.

Two examples they used often for ineligible people were those enrolled in Medicaid in two different states, and undocumented immigrants. Rep. DeGette (CO-01) made the point that the CBO estimate from provisions to remove these populations was relatively modest — \$10 billion and \$17 billion respectively, and she asked directly, “So where does the rest of the \$715 billion in cuts come from?” pointing out that the scale of such a cut will have a big impact on the remaining eligible group.

No, Medicaid is not providing comprehensive coverage for undocumented immigrants.

Just to be clear, undocumented immigrants are not eligible to enroll in federally funded coverage including Medicaid, CHIP, or Medicare or to purchase coverage through the ACA Marketplaces. Such verification and checking of immigration status is already law.

Some figures may include applicants who are citizens but waiting for a verification, and one of the provisions makes it harder for those to get care while they wait, even if they have attested under penalty of perjury.

The other confusion is what some states do with their own dollars to ensure healthier communities and better fund their hospitals, clinics and health systems. Some states use their own funds to provide coverage or coverage-like primary and preventive care services to residents who would otherwise be uninsured, including legal and undocumented immigrant groups. Federal Medicaid dollars are not utilized for comprehensive coverage but actually end up providing savings for unnecessary and excessive use of emergency rooms and other expensive health care services.

The budget bill would actually punish the health systems in these states that choose to use their own dollars to provide coverage to state residents by withholding federal dollars for millions of other people who qualify for Medicaid. Like other parts of the bill, an attack on immigrants ends up hurting many more people, in this case, the citizens of the states in question and its hospitals, clinics and providers.

Yes, work reporting requirements do cause eligible people to lose coverage, cost taxpayers millions, and do not strengthen Medicaid or boost employment.

The GOP budget bill would impose burdensome bureaucracy to enroll in Medicaid coverage, from having to reapply twice a year, to work reporting requirements that also act as a job loss penalty. So, if you lose your job, you also lose your health coverage, but you also risk losing coverage with work. More than 92% of adults on Medicaid are working, acting as a caregiver, attending school, or can't work due to an illness or disability.

While Republicans say this will 'weed out' ineligible people and those who refuse to work, the evidence from the states that have tried it is that the red tape results in millions of eligible people losing Medicaid coverage. In the committee debate, both Republican and Democratic members acknowledged the sordid history of the states that have tried it:

- In Arkansas, after just seven months of work reporting requirements, 18,000 people lost coverage — 25% of the eligible population — and it cost taxpayers more than \$24 million.
- During the first year of Georgia's work reporting requirement, the cost of implementation was five times higher than the total dollars used to provide critical health services to Medicaid participants across the state during that same year — roughly \$13,360 per person.

Read Families USA's fact sheet on work reporting requirements here.

Key Amendments Rejected

Democratic members of the Committee offered hundreds of amendments intended to highlight and mitigate the harmful provisions in the legislation. All of these amendments failed in party-line votes. Along with dozens focused on protecting Medicaid, some notable other amendments included:

Combating Corporate Waste, Fraud and Abuse

During the debates, Rep. Ocasio-Cortez (NY-14) brought forth an amendment called the No UPCODE Act, to address big corporations' abuses of taxpayer dollars within Medicare Advantage, where for-profit insurance

companies are gaming the system and pocketing up to \$140 billion from taxpayers each year. As she stated, “Medicare Advantage is a middleman that denies people care then upcodes them to make them look sicker and then pocket all of that public money in their own profit.” Republicans proceeded to reject this amendment.

Protecting Reproductive Health Care and Defending Planned Parenthood

Rep. Fletcher (TX-07) offered an amendment to strike a measure in the bill that would create a 10-year ban on payments to any nonprofit organization that is an essential community provider primarily engaged in family planning services, reproductive health and related medical care. As Rep. Fletcher said, “I guess you can’t just say ‘we want to defund Planned Parenthood’ under the rules, but make no mistake, that is what this provision says.”

Planned Parenthood is our nation’s largest provider of reproductive health care like cancer screenings and sexually transmitted infection (STI) tests. While several moderate Republicans, Rep. Miller-Meeks (IA-01) and Rep. Gabe Evans (CO-08), skipped this amendment vote the provision remains in the bill.

Extend Health Care Tax Credits (House Ways and Means Committee)

Rep. Steven Horsford (NV-04) offered an amendment in the Ways and Means Committee markup which would have extended enhanced Premium Tax Credits that millions of families rely on to lower their monthly premium costs. These tax credits expire at the end of the year without Congressional action.

As highlighted by Rep. Horsford, “nearly 20 million have gained access to affordable health coverage through premium tax credit. These tax credits haven’t just helped people afford care, they drove record breaking marketplace enrollment and brought uninsured rate to historic low.”

The amendment failed to be adopted, on a party line vote with Republican Rep. Brian Fitzpatrick (PA-01) skipping.

What’s Next

As of today, all House subject committees have passed their provisions of the GOP budget reconciliation bill out of their respective committees. Next up, the House Budget Committee must combine these into a single package; that markup is **scheduled** for this Friday, May 16.

Next week: House floor vote

If the House leadership meets its aggressive timeline, we expect the House Rules Committee to meet the afternoon of Monday, May 19, where there will be another opportunity for members to amend the reconciliation package before it goes to the House floor. With some issues outstanding, including the issue of the severity of the Medicaid and SNAP cuts, the state and local tax (SALT) deduction, and others, we do expect some amendments.

Once the Rules Committee sets up the floor vote, the bill will move to the full House of Representatives. The current margin in the House is 220–213, allowing the Speaker just a few GOP defections — assuming all House Democrats oppose the bill, as expected.

Stay tuned for more opportunities to push back against these devastating cuts to our health care and join us by taking part in additional **Defend Medicaid Days of Action** in the days ahead. Families USA is working to collect, create and post resources on **<https://familiesusa.org/defending-medicaid/>**

Highlights from Outside the Hearing: Talking with MOCs and Advocates

Over the course of the evening, Representatives **Kelly (IL-02)**, **Barragan (CA-44)**, and **Ruiz (CA-25)** made time to speak with Families USA’s Executive Director Anthony Wright about what’s at stake for Medicaid cuts as House Republicans work to cut \$715 billion out of the program. The costs are more than financial as 13.7 million people

will have their health coverage terminated, cost-sharing will increase, and access to key services curtailed as payments to providers will be cut and uncompensated care spikes. No matter what health insurance you have, these cuts will impact the health care system so much that the ripple effects will be far-reaching, into every single community.

Families USA spoke with advocate Rachel Ghosh from **Children's Rights** on the importance of Medicaid for children, underscoring that not enough Americans realize that Medicaid is a large source of children's health coverage. In fact, of the nearly 80 million Americans receiving coverage through Medicaid, nearly 37 million or nearly half, are children. Another advocate conversation with Naomi Gaspard from **The AIDS Institute** encouraged people to "flood the lines, just call, call, call." No matter what state advocates were in, they made their voices heard with tens of thousands of calls to the hotline — representatives and staffers were overwhelmed, and that's a good thing.