COALITION ON HUMAN NEEDS

The Human Needs Report

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Some Progress, but FY20 Spending Will Need Another Stopgap

With government funding set to run out in less than two weeks, appropriators in Congress are in talks over the length of the next stopgap spending bill, known as a Continuing Resolution or CR. The current CR, which was passed just before the start of the new fiscal year on Oct. 1, provides funding for all government agencies through Nov. 21. Fights over spending allocations amongst the various government agencies and funding for President Trump's border wall have held up progress in getting spending bills through Congress.

Some progress was made when the Senate on Oct. 31 overwhelmingly passed (84-9) its first package of spending bills, a "minibus" consisting of four of the required 12 bills: Agriculture; Transportation – Housing and Urban Development (THUD); Commerce – Justice – Science; and Interior – Environment. The combined spending package totaled $214 billion. According to *CQ*, this is roughly $5 billion less than the House versions of these bills.

However, as Senate Republicans tried to move to the next package – which would have consisted of spending bills for the Departments of Defense, Labor, Health and Human Services, and Education, State-Foreign Operations, and Energy-Water – Senate Democrats blocked the measure from coming to the floor. Senate Democrats cited inadequate funding levels in the Labor-HHS-Education appropriations bill, which they saw as far too low because of a decision by the Senate Republican leadership to reduce Labor-HHS-Ed funding in order to add $5 billion for border wall construction and other funds for anti-immigrant enforcement in the separate Department of Homeland Security spending bill, which would lead to human needs programs being harmed. The White House has requested $8.6 billion for wall construction – though recent reports are that President Trump may be willing to accept a lower level of funding – and is insisting upon President Trump's authority to transfer funds from the Department of Defense to the wall. Democrats oppose any funding for a wall and want to bar transfers of defense funds to the wall. According to the Center on Budget and Policy Priorities, the Senate Labor-HHS-Education appropriations bill funding would be cut 1.4 percent below its inflation-adjusted 2019 level, a cut of $2.7 billion. The Department of Homeland Security bill as approved by the Senate Appropriations Committee, on the other hand, would receive an inflation-adjusted funding increase of 4.3 percent, or $2.1 billion.

In addition, Senate Democrats opposed moving forward with the package because House and Senate appropriators still haven't agreed upon the topline spending limits for each of the 12 bills, known as 302(b) allocations. The House 302(b) allocations were passed before a bipartisan budget deal was agreed to by both the House and Senate, which set overall spending levels lower than the total spending agreed to in the House.

With progress slowed, Congress will need to pass a second CR to keep the government open after Nov. 21. The most recent reports suggest that Congress might pass a CR to last through December 20, by which time negotiators will have worked out final funding details for all appropriations bills. Most Democrats and Republicans oppose a full-year CR, which would grow more likely if the next CR extends into February or March. President Trump recently did not rule out the threat of a shutdown. Members of Congress in both parties have no enthusiasm for that. The possible collision of an impeachment trial in the Senate and final work on funding bills opens up further uncertainty.

In the likely event of another CR, most government agencies and programs will see flat FY19 funding levels during this time; a few so-called 'anomalies,' or adjustments to funding levels, will likely be included for select programs. Advocates are urging Congress to include the full-year direct funding for the 2020 Census in the CR to avoid disruptions in the launch and implementation of the mandated decennial count. Prolonged flat funding in an extended CR is hard on other programs as well, including expected increased costs for subsidized housing.

The CR in place now also includes a package of health care-related funding extensions for community health centers and for the enhanced Medicaid funds for Puerto Rico and other U.S. territories through November 21. In addition, continued authority for the Temporary Assistance for Needy Families program (TANF) must be extended. The expiring extensions will also need to be included if another CR is passed. In addition, advocates are asking negotiators to include a change in the SNAP rules so that, in the event of a government shutdown, USDA would be authorized to fund SNAP for 120 days after the expiration of the funding legislation. Currently, USDA is only allowed 30 days of funding after a shutdown, which caused serious problems during the most recent 35-day lapse. Other mandatory basic needs programs have authority to continue operating longer during a funding lapse.

For more information, see the October 29 *Human Needs Report*.

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Budget Process Reform Bill Concerns Advocates

The Senate Budget Committee on November 6 passed legislation that contains changes to the budget process considered highly problematic by advocates. According to the Center on Budget and Policy Priorities, the legislation, introduced by Senate Budget Committee Chair Michael Enzi (R-WY) and Sen. Sheldon Whitehouse (D-RI), would trigger a new, automatic deficit-reduction process in the second year of a budget if the debt projection calculated by the Congressional Budget Office (CBO) is higher than that projected in the budget resolution for the final year covered by the budget resolution. This special expedited "reconciliation" process would only pertain to deficit reduction and could force harmful spending cuts that could be quickly rammed through the Senate. Using this special expedited reconciliation process instructs committees to suggest cuts and moves them quickly to the Senate floor, and allows the Senate to pass such cuts with only a simple majority (51 votes) instead of with the usual 60 votes required.

Experts at CBPP believe this could lead to "deep cuts in mandatory programs such as Medicare, Medicaid, health insurance subsidies, SNAP, and Supplemental Security Income (SSI) – and at a time when the economy is weak, thus making the economy still weaker." Sen. Bernie Sanders (I-VT), the Ranking Member of the Committee, said in a statement, "Though this bill has some positive aspects, at its core is the creation of a new, expansive 'budget reconciliation' process that could be used by Republicans to unilaterally cut programs like Medicare, Medicaid, and nutrition assistance—all supposedly to reduce the deficit. This new proposed process comes less than two years after Republicans on this Committee showed no hesitation in adding $2 trillion to deficit in order to pass the Trump tax cuts for the wealthiest families and the most profitable corporations in America, using the budget reconciliation process. At a time when Senate Republicans came within one vote of kicking 32 million Americans off their health care, the last thing we need is a new Senate procedure that could help speed through a repeat of that effort."

Democratic Sens. Wyden (OR), Murray (WA), and Stabenow (MI) introduced an amendment that would strip the harmful expedited reconciliation provisions from the budget reform process legislation. Seven senators voted in favor of the amendment, while 14 voted against it.

The legislation (S. 2765) also has some elements that advocates like, including tactics to end the partisan brinksmanship surrounding the debt limit and reduce the risk of a federal default. It would also replace the current annual budget resolution with a two-year budget resolution while retaining the process for annual appropriations bills to fund the government. However, advocates believe the negative aspects of the bill far outweigh the positive.

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Judge Blocks Trump Administration's Onerous Health Coverage Mandate for Immigrants

A federal judge in Portland, Oregon has blocked a Trump Administration rule requiring immigrants to prove they will have health insurance or can pay for medical care before they can get visas and enter the United States.

The ruling by U.S. District Judge Michael Simon came on Saturday, Nov. 2, just one day before the rule was to take effect. The temporary injunction issued by Simon lasts for 30 days, during which time the Trump Administration and those challenging the ruling are expected to file briefs arguing their case.

"We're very grateful that the court recognized the need to block the healthcare ban immediately," said Justice Action Center Senior Litigator Esther Sung, who argued at a hearing on Saturday on behalf of the plaintiffs. "The ban would separate families and cut two-thirds of green-card-based immigration starting tonight, were the ban not stopped."

"Countless thousands across the country can breathe a sigh of relief today because the court recognized the urgent and irreparable harm that would have been inflicted," added Jesse Bless, director of federal litigation at the American Immigration Lawyers Association.

The ban would apply to people seeking immigrant visas from abroad, not those in the U.S. already. It does not affect lawful permanent residents. It does not apply to asylum seekers, refugees, or children. The proposed rule states that immigrants would be barred from entering the U.S. unless they are to be covered by health insurance within 30 days of entering or have enough financial resources to pay for any medical costs.

The judge's ruling comes on the heels of injunctions issued in five different U.S. district courts blocking the Trump Administration from implementing its "Public Charge" proposal, which would have denied visas or green cards to immigrants if they have used certain aid programs such as SNAP, Medicaid, or housing assistance. For more information on this issue, see the October 29 *Human Needs Report*.

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Tuesday Elections Deliver Blow to Medicaid Work Requirements

Opponents of Medicaid work requirements received good news with several Election Day outcomes this past Tuesday. In Kentucky, which has been at the forefront of efforts to impose the work requirements, Democrat Andy Beshear apparently defeated incumbent Gov. Matt Bevin by about 5,000 votes. Bevin is contesting the vote, and under the Kentucky constitution, it is possible for the state legislature to step in to decide the outcome. That leaves the outcome uncertain, but Beshear is making plans to assume office.

Bevin had been a strong proponent of the work requirements, even though his own office estimated that the new rules would have caused more than 90,000 Kentucky residents to lose access to Medicaid. An analysis conducted by the Georgetown University Center on Children and Families found that nine of the top 10 rural counties nationwide with the highest percent of adults on Medicaid are in Kentucky, and enrollment of adults in these counties ranges from 45 to 50 percent. (The tenth county with a high percent of adults on Medicaid is in neighboring West Virginia.)

On Wednesday, Joan Alker, the Center's executive director, tweeted that Bevin's margin of victory in those nine Kentucky counties appeared to have diminished compared with four years ago.

Beshear, a strong proponent of both the Affordable Care Act and of Medicaid expansion, has vowed to rescind the Kentucky work requirements during his "first week" in office. The work requirements have not yet been implemented after a U.S. district court blocked them.

Other good news for opponents of work requirements came from Virginia, where Democrats will control all branches of government for the first time since 1993. When Virginia Gov. Ralph Northam succeeded in pushing Medicaid expansion through the Virginia House of Delegates and state Senate in 2018, it came with a price: to go along with the expansion, Republicans, who narrowly controlled both legislative chambers, insisted on attaching a scaled-back version of the work requirements to the legislation. Now, Democrat legislators say, they plan to repeal the requirements altogether.

Meanwhile, in D.C., health care advocates continue to work on health care legislation in three very different but important areas.

First, advocates are waging a *No Surprises: People Against Unfair Medical Bills* campaign. The campaign, which reports that one out of every five emergency room visits results in an out-of-network medical bill that in some cases can run into the thousands or tens of thousands of dollars, seeks to pass legislation to rein in this abusive and extremely harmful practice. The campaign is backed by a number of CHN member groups and allies, including Families USA, AFSCME, Americans for Financial Reform, Health Care for America Now!, National Partnership for Women & Families, Public Citizen, and Voices for Progress.

The campaign is circulating an organizational sign-on letter with a deadline of Monday, Nov. 11. The letter asks congressional leadership to include legislation addressing surprise billing in any end-of-the-year spending package.

Second, advocates are urging Congress to approve a package of health care-related funding extensions that currently are set to expire on Nov. 21, along with funding for the rest of the federal government.

The extensions cover such areas as Medicaid funding for Puerto Rico and other U.S. territories, a juvenile diabetes program, and community health centers.

Third, advocates continue to push for legislation to lower the cost of prescription drugs. H.R. 3, which has cleared three different House committees, could come to the House floor for a vote as early as this month. However, its fate in the Senate is uncertain. Senators are pursuing their own legislation, which is being sponsored by Sen. Ron Wyden (D-OR) and Sen. Chuck Grassley (R-IA). That legislation passed the Senate Finance Committee with support from both Republicans and Democrats; the White House this week indicated its support for the Senate approach.

The key difference between the House and Senate versions? The House bill, backed by Speaker Nancy Pelosi, would allow Medicare to negotiate prescription drug prices. It would levy steep taxes on drug manufacturers who refuse to accept a Medicare price keyed to what's paid in other economically advanced countries. President Trump has at times supported Medicare negotiations, but the House bill goes farther than the White House now prefers, offering support for the Senate bill and opposing the House version for its lack of Republican support.

The Senate bill, while not granting Medicare negotiating power, does have some selling points for health care advocates. It would, for the first time, limit what seniors have to pay out of their own pockets for prescription drugs. It also would require drug companies to pay rebates to Medicare if they hike prices beyond the inflation rate.

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Advocates Call on Senators to Improve Low-Income Tax Credits in Final Spending Package

Advocates took to the phones on Nov. 6 as part of a national call-in day to tell their senators that any tax package that moves through Congress must include provisions to help low-income families. As reported in the October 29 *Human Needs Report*, members of Congress are expected to try to add a package of tax cut provisions onto end-of-year spending legislation. Congress routinely passes legislation to continue expired or soon-to-expire tax provisions (largely benefiting businesses, and known as "tax extenders"), often attached to must-pass spending legislation.

The 2017 Tax Cuts and Jobs Act (TCJA) overwhelmingly benefited corporations and wealthy individuals. It largely left out, however, improvements to the Earned Income Tax Credit (EITC) and expanded the Child Tax Credit (CTC), but mostly for the benefit of families with higher incomes. Despite bipartisan support for improving these effective tax credits for low-income working families, the TCJA failed to target assistance to those with the lowest incomes.

Since the enactment of the TCJA, several industries have been urging Congress to pass "technical corrections" for some of the business provisions in the TCJA. These "corrections" will add more tax breaks, worth billions, for certain businesses. Advocates reached out to members of Congress on Nov. 6

via the national call-in day and social media to ensure that any tax package that passes this year include improvements to the EITC and CTC as well. According to the Center on Budget and Policy Priorities (CBPP), the EITC and CTC lifted 10.6 million people out of poverty in 2018 and made 17.5 million others less poor, taking into account both federal and state versions of the credits. This includes 11.9 million children, 5.5 million of whom were lifted out of poverty and another 6.4 million of whom were made less poor.

Several bills to expand the EITC and CTC have been introduced in Congress this year, including the Economic Mobility Act of 2019 (H.R. 3300), the American Family Act (H.R. 1560/S. 690), and the Working Families Tax Relief Act (H.R. 3157/S. 1138). CBPP recently released a collection of fact sheets for all 50 states and the District of Columbia on the impact of the Working Families Tax Relief Act. The fact sheets have details of the number of people who would benefit broken down by race, occupation, and congressional district. The National Women's Law Center also produced a fact sheet on how the Working Families Tax Relief Act would help women and families.

For more information, see the October 29 *Human Needs Report*.

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