

Summary of President Trump's Proposed Fiscal Year 2018 Budget Plan

On May 23, 2017, the Trump Administration released its proposed federal fiscal year (FFY) 2018 budget plan which relies on draconian cuts to the safety-net to increase spending for the military, border security, tax reform and infrastructure.

- **Medicaid.** The Medicaid program continues to be a Trump Administration priority target for drastic reductions. The proposed budget assumes the adoption of the American Health Care Act (AHCA), passed by the House of Representatives on May 4, 2017. The budget plan estimates that AHCA will reduce federal spending by \$250 million over 10 years. Consistent with AHCA, the budget proposes states have the option to choose between a Medicaid per capita cap or block grant funding model beginning in 2020. The Trump Administration per capita cap/block grant proposal identifies \$610 billion in reduced federal spending over 10 years.
- **Children's Health Insurance Program (CHIP).** The budget proposes to reauthorize CHIP funding for two years through 2019. However, the budget returns the federal CHIP match to pre-Affordable Care Act (ACA) levels, a decrease from 88 percent to 65 percent, or \$5.8 billion. The budget also eliminates the ACA state maintenance of effort (MOE) requirement for CHIP after FFY 2017. The MOE requires states to maintain pre-ACA Medicaid and CHIP eligibility levels for children until 2019. Pre-ACA, California covered most children in Medi-Cal (California's Medicaid and CHIP funded program) up to 250 percent of the federal poverty level (FPL), which California must maintain until 2019 under the existing MOE. Medi-Cal currently covers most children up to 261 percent FPL. The Trump budget proposal limits CHIP federal funding to the coverage of children at 250 percent FPL or lower.
- **Health Centers.** The FFY 2018 budget contains \$3.6 billion in new funding for community health centers for both FFY 2018 and 2019.
- **Maternal and Child Health.** The 2018 budget plan includes a slight increase in funding for the Maternal and Child Health Block Grant (\$30 million) and the Healthy Start Program (\$10 million). The budget also provides \$400 million in new funding in FFY 2018 and 2019 for state grants to conduct home visits for at-risk pregnant women, mothers and their families.
- **Mental Health and Substance Use Disorder Programs.**
 - **Community Mental Health Services (CMHS) Block Grant.** The Trump budget plan reduces the CMHS Block Grant program by \$116 million. This program focuses on addressing the needs of adults living with serious mental illness and children experiencing serious emotional disturbances.
 - **Primary and Behavioral Healthcare Integration Program.** The proposed FFY 2018 budget eliminates the \$52 million used to fund the Primary and Behavioral Healthcare Integration Program.
 - **Prevention of Substance Abuse.** The budget proposal reduces funding (\$73 million) that support federal drug-free workplace efforts, fight underage drinking and support grants to expand the provision of opioid overdose reversing drugs. The budget also reduced substance abuse and mental health programs targeting minority groups.
 - **Assertive Community Treatment (ACT).** The budget includes \$5 million in new funding for ACT, a program addressing the cycling of patients with mental illness through emergency and inpatient settings.
 - **Behavioral Health Workforce Education and Training.** No funding is provided for the Behavioral Health Workforce Education and Training program, which represents a reduction of \$50 million.

- **Health Workforce.**
 - **Health Professions and Nursing Training Programs.** The proposed budget eliminates funding (\$403 million) for 14 health professions and nurse training programs, including programs that provide diversity training, mental and behavioral health training, and oral health training.
 - **National Health Service Corps (NHSC).** The budget plan includes \$310 million in new federal funding for the NHSC for both FFY 2018 and 2019. The NHSC provides scholarships and loan repayment to health care professionals working in health professional shortage areas.
 - **Graduate Medical Education.** The budget plan includes \$295 million in discretionary funding for the Children’s Hospital Graduate Medical Education Program and \$60 million in new funding for the Teaching Health Center Graduate Medical Education Program.

- **National Institutes of Health (NIH).** The budget plan reduces NIH funding by approximately \$5.8 billion and transitions the Agency for Healthcare Research and Quality (AHRQ) from being a separate department to an institute under the NIH. The budget plan consolidates the research activities conducted by the AHRQ into the NIH, but reduces the funding for these activities by 18 percent. The NIH is funded to conduct research on diseases that affect human health.

- **Medical Liability Reform.** The Trump budget proposes nationwide medical liability reforms that seek to reduce medical malpractice costs.

- **Other Safety-Net Programs.**
 - ✓ **Temporary Assistance for Needy Families (TANF).** The budget proposes a 10 percent reduction (\$15.6 billion over 10 years) to the TANF block grant, funds that are typically transferred to the Social Services Block Grant (SSBG). The budget also seeks to cut \$6 billion in federal spending by eliminating the TANF Contingency Fund. The TANF Contingency Fund provides states with additional TANF resources during periods of economic distress.
 - ✓ **Social Services Block Grant (SSBG).** The budget plan eliminates funding for the SSBG (\$16.4 billion). SSBG provides funds to states for social services that support the needs of children and adults. These services include: 1) preventing, reducing, or eliminating dependency, 2) achieving or maintaining self-sufficiency, 3) preventing neglect, abuse, or exploitation of children and adults, 4) preventing or reducing inappropriate institutional care, and 5) securing admission or referral for institutional care when other forms of care are not appropriate.
 - ✓ **Supplemental Nutrition Assistance Program (SNAP)** (formerly Food Stamps). The budget includes SNAP reforms that tighten eligibility, impose work requirements and require a state match for the program.
 - ✓ **Paid Parental Leave.** The budget proposes a six-week paid family leave for new parents and includes \$19 billion to fund this initiative.

Insure the Uninsured Project (ITUP) is a nonprofit, 501(c)(3) organization, founded in 1996, based in Sacramento, California. ITUP’s mission is to advance creative and workable policy solutions that expand health care access and improve the health of Californians. ITUP conducts policy-focused research and convenes broad-based stakeholders on health policy topics, acting as an honest broker among diverse health care leaders in the state. To assist with implementation of health reform in California, ITUP hosts an annual statewide conference.

For more information on this report, contact ITUP Executive Director, Deborah Kelch, at 916-226-3899.

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