



Capitol Comments

Federal

President Trump released his 2020 budget proposal on March 11th, and it's pretty bad news for the rural health safety net. However, the federal government has only followed the standard budget approval process twice since 2010, so this proposal is by no means set in stone.

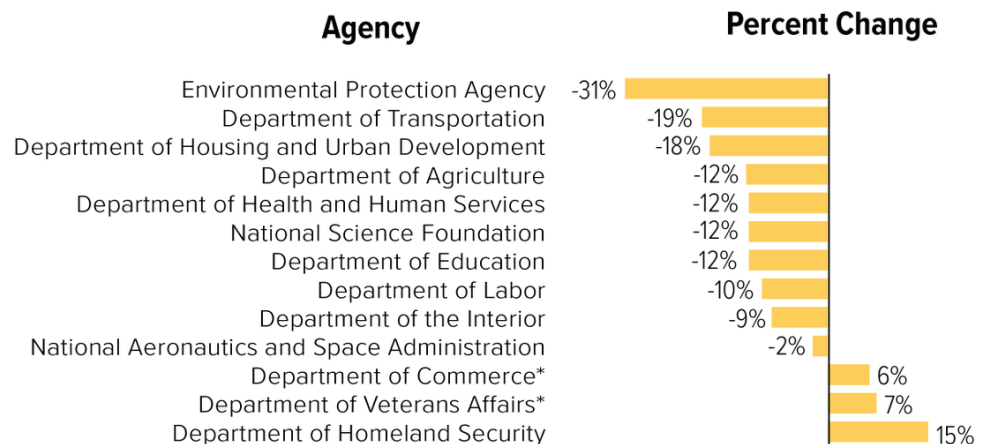
[NRHA](#) has a great blog on cuts specific to rural health and the [Washington Post](#) has a nice summary on the proposal's overall approach to health programs.

Here is a quick review of some proposed major cuts to rural and healthcare in general.
Please note, these cuts would be done over a 10-year period.

- There are cuts to funding for Rural Outreach Grants, Rural Hospital Flexibility Grants, Telehealth, the Rural Residency Program, the Rural Communities Opioids Response Program, and the Rural Health Policy Development program.
- An \$845 billion cut to Medicare, achieved through targeting wasteful spending and provider payment, and lowering prescription drug costs.
- \$1.5 trillion in cuts to Medicaid—would implement work requirements and eliminate Medicaid expansion.
- \$220 billion cut to the Supplemental Nutrition Assistance Program (SNAP)—adds mandatory work requirements.

President's 2020 Budget Would Cut Broad Set of Public Services

Proposed Discretionary Funding for Various Domestic Agencies Relative to FY 2019 Level (no inflation adjustment)



Note: In 2019 and 2020, funding levels include disasters, wildfire suppression, and HUD receipts.

*The increase for the Department of Commerce is due to funding for the 2020 decennial census. The Veterans Affairs funding increase is due in large part to rising health care costs and the implementation of the 2018 MISSION Act, which increases veterans' access to health care outside of VA facilities.

Source: CBO for 2019 funding, OMB for 2020 request

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The proposal does add \$1.2 trillion for a Market Based Health Care Grant that would create block grants for states, but it is currently unclear if this would be part of Medicaid or a new program.

The annual budget proposal is largely viewed as a formal statement of the President's priorities for the upcoming fiscal year. The next fiscal year runs October 2019 – September 2020, which is smack dab in the middle of election season. So, this proposal will definitely be up for a whole lot of debate.

And again, this is not a forgone conclusion. Congress has until June 30th to respond to the proposal with appropriation bills (laying out how spending would actually look). The President then has 10 days to reply to those appropriation bills. But this is how the budget process works in a perfect world.

Currently, we are already a month and a half late. The budget proposal was supposed to be delivered to Congress on or before the first Monday of February. This proposal made it to Congress on the second Monday of March. I think it is safe to assume there will be some continuing resolutions in our government's future.