

### **5.13.25 Budget Talking Points**

#### **AFSCME's Message: No Cuts to Medicaid and Public Services to Fund Tax Breaks for Billionaires**

#### **Urgent: Federal Budget Update**

Anti-union extremists in Congress are advancing a devastating budget plan that will gut funding for Medicaid and food assistance, all to finance tax breaks for billionaires. This week, House committees began to release portions of their budget plans, which spells disaster for working families and public services. Our jobs will be directly impacted when there's less funding to support health care, child and home care, public safety, education and more.

***Note on messaging:** When highlighting what the budget will do, stay focused on the big picture – which is tax cuts for the wealthy at the expense of middle- and working-class people. Avoid getting into the weeds on specific provisions or budget numbers and instead be specific about who will be hurt and highlight just how many people depend on these programs to thrive.*

Here's what their latest plans will do:

#### **Largest Medicaid cuts in history**

- The Energy and Commerce committee plan proposes **cutting at least \$715 billion from health programs**, according to an early analysis from the Congressional Budget Office.
- The plan is to **take away health care insurance from 13.7 million people**. More than 1 in 5 Americans depend on Medicaid for care.
- Medicaid benefits everyone by providing funding for hospitals, clinics, nursing homes and more – especially in rural and low-income communities.
- When millions of people lose health care coverage, uncompensated care costs increase and hurt our economy, in turn hurting everyone – whether you're on Medicaid or not.
- If the Medicaid cuts are passed by Congress, this will amount to the largest cut to health care for working families in history – all to fund tax breaks for billionaires.

#### **Specific provisions in the plan include:**

**Work requirements will lead to loss of coverage:** The bill imposes Medicaid work reporting requirements that do nothing to boost employment and will only block working people from accessing the care they need.

- Every attempt at implementing work reporting requirements to date has led to massive coverage losses, including among people who are working, because of needless red tape – without actually encouraging work.
- Nearly all adult Medicaid enrollees are already working. Those who don't are unable to work due to a disability, caring for a family member, or being in school.
- Their plans would also block people who fail to meet Medicaid work requirements from getting financial help to afford insurance on the Affordable Care Act marketplace.

**Health care costs for low-income families will rise:** The bill would add new cost-sharing requirements from enrollees who earn as little as \$16,000-22,000 a year. Under the bill, these individuals would be required to pay more for health care. This could force families already stretched thin to choose between health care and essentials like rent, utilities, or groceries, and ultimately deter them from getting care. Research shows that even small cost-sharing requirements of \$1 to \$5 can stop low-income workers from seeking medical care.

**Hurting working- and middle-class families by allowing the Affordable Care Act's premium subsidies to expire:** The bill would allow the ACA's enhanced premium subsidies to expire, which will result in increased health care costs for more than 20 million people in 2026. This will hurt middle-class families the most, as they will once again be priced out of health care coverage. 4.2 million people will lose their care by 2034 if the subsidies are allowed to expire.

**Limit states' ability to pay for Medicaid:** Additional provisions in the bill would limit states from being able to raise the funds needed to offset the loss of federal funding for Medicaid. States would be blocked from increasing or instituting new taxes on medical providers.

### **Massive cuts to food assistance for children and families**

- The House Agriculture Committee is seeking **to cut the Supplemental Nutrition Assistance Program (SNAP) by more than \$290 billion**, which would result in families and children going hungry.
- 1 in 8 Americans receives nutrition assistance through SNAP. Nearly 62% of SNAP households have children.
- **Their plans to cut SNAP would shift the cost of food assistance onto states.** Shifting SNAP costs onto states while at the same time gutting other federal funding states rely on would overwhelm their budgets and force steep cuts to essential public services.

- SNAP benefits are already meager, amounting to a little more than \$2 per person per meal.

### **Largest transfer of wealth to the rich in history**

- The current budget plan would be the largest transfer of wealth from the poor to the rich in a single law in U.S. history.
- The plan would give as much as \$4 trillion in tax breaks to the wealthy. It would give millionaires a \$68,000 tax cut and give households in the top 0.1 percent a \$300,000 tax cut while doing next to nothing for 33 million working-class households.

### **Specific provisions include:**

**Makes permanent most of Trump tax cut for the wealthy:** The 2017 billionaire tax plan changes would be made permanent, handing over trillions in tax breaks to the wealthiest among us. Nearly two-thirds of the benefits would go to the richest fifth of taxpayers, and more than a quarter would go to the richest 1 percent.

**Estate tax increased exemption for wealthy:** The exemption for the estate tax would increase to \$15 million per spouse and continue to increase with inflation – a windfall for wealthy heirs. The reach of this tax is already at historic lows.

**Next to nothing for working families:** While making massive tax breaks for billionaires and the wealthiest Americans permanent, this bill would rip away health care and food assistance, devastate the public services we rely on and only give working families small, mostly temporary tax benefits. These tax proposals will do nothing to offset the harm of underfunded schools, short-staffed prisons, closed hospitals and clinics, and lost jobs for public service workers.