



# WASHINGTON UPDATE

FEBRUARY 2017

## **FY2017 & FY2018 Funding**

On December 9, 2016, the Senate joined the House in passing a second short-term funding bill, a Continuing Resolution (CR), which ensures that federal programs will be funded at current levels through April 28, 2017. We are not yet sure what follows this CR and what funding levels will be through September 30. There are discussions that another CR will be implemented to cover the rest of the fiscal year. An appropriations bill with increases for aging programs is always preferred, but a CR would at least avert some proposed cuts to programs such as the Senior Community Services Employment Program (SCSEP) and the proposed elimination of the State Health Insurance Assistance Programs (SHIPs).

We also do not yet know what levels will be for fiscal year 2018, which begins on October 1, 2017. President Trump's proposed budget for FY 2018 will likely be released next month, which will begin the FY 2018 process.

## Affordable Care Act "Repeal and Replace" Status

On January 12, the Senate passed the fiscal year 2017 budget 51-48, which contains provisions for making significant changes to the Affordable Care Act. The House passed the budget on January 13 by a vote of 227-198. This "unlocks" reconciliation, which is a procedural tool that means that related legislation in the Senate only needs a majority vote (51 votes), not a filibuster-proof vote (at least 60 votes), to pass. This would allow Republicans to repeal the Affordable Care Act on a party-line vote. Republicans will likely be unable to replace the ACA under reconciliation, however, meaning that they will need 60 votes to pass a replacement bill.

On January 20, the President signed an executive order which gives federal agencies large authority to change, waive or delay provisions of the ACA deemed overly expensive to insurance companies, drug manufacturers, doctors, patients and/or states.

## Proposed Changes to Medicaid and Medicare

The Administration and Congress are proposing converting Medicaid into a block grant system, offering states set amounts from the federal government for Medicaid administration and benefits, or per capita caps, a specific amount per beneficiary, which would cap federal matching dollars. Per the Medicaid and CHIP Payment Access Commission (MACPAC), block grants would result in a decrease in federal spending of \$639.7 billion between FY 2014 and FY 2023, which could grow to \$1.3 trillion if Medicaid expansion under the ACA is reversed.

Though President Trump has not expressed support for changing Medicare, Speaker Ryan and other House Republicans are interested in reforms to Medicare including "premium support," which would give beneficiaries a set amount each month to buy their own health insurance from private insurers, much like the subsidies for ACA insurance exchanges. Medicare also might change as a result of repealing the ACA, which could revoke many popular provisions such as free preventive care and closing the donut hole in Part D, as well as potentially reversing years of added solvency to the Medicare Trust Fund.

## Nominations and Agencies

After President Trump's inauguration, most Republicans hoped to have his nominees for key positions confirmed as soon as possible. The confirmation process for nominees such as Rep. Tom Price (R-GA) for Secretary of Health and Human Services (HHS) and Andrew Puzder for Secretary of Labor has slowed; Dr. Ben Carson has been confirmed for Housing and Urban Development (HUD) Secretary, and Elaine Chao has been confirmed for Transportation Secretary.

The nominee for the Centers for Medicare and Medicaid Services (CMS), Seema Verma, has not yet had a hearing scheduled. Dr. Patrick Conway is acting in the role of CMS Administrator until a successor has been confirmed.

No appointee for ACL Administrator or nominee for Assistant Secretary for Aging has yet been named. (The position of ACL Administrator is appointed; the position of Assistant Secretary for Aging must be confirmed by the Senate.) Edwin Walker is acting in the role of both Administrator and Assistant Secretary.

President Trump will give his 2017 State of the Union address on February 28.

## The New Congress

The 115th Congress was sworn in on January 3. This Congress will see some important committee and overall leadership changes. After Sen. Harry Reid's retirement, Sen. Chuck Schumer (D-NY) is assuming the position of Senate Minority Leader. Sens. Patty Murray and Bernie Sanders will also assume leadership posts.

There will be new ranking members for several Senate committees: Sen. Patrick Leahy (D-VT) will be the ranking member for Appropriations, Sen. Bob Casey (D-PA) will be the ranking member for Aging, and Sen. Dianne Feinstein (D-CA) will be the ranking member for Judiciary.

Sen. Sherrod Brown (D-OH) will serve on the Agriculture, Veterans Affairs, and Finance Committees and be the ranking member of the Banking, Housing and Urban Affairs Committee. Sen. Rob Portman (R-OH) will serve on the Finance, Energy and Natural Resources, and Foreign Relations Committees and be the chairman of the Homeland Security and Government Affairs Permanent Subcommittee on Investigations.

In the House, Rep. Rodney Frelinghuysen (R-NJ) will serve as the chair of the Appropriations Committee, and Rep. Virginia Foxx (R-NC) will serve as chair of the Education and the Workforce Committee. Rep. Pat Tiberi (R-OH) will continue to serve as chair of the Ways and Means Health Subcommittee.

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## Contact Us

We welcome your feedback!  
Please share questions,  
suggestions or concerns.

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