

Health Care for the Homeless Mobilizer

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The left hand giveth. The right hand taketh away.

Despite proposed increases for Consolidated Health Centers, the Administration's FY06 Budget Contains a Recipe for Homelessness

*"A nation that continues year after year to spend more money on military defense
than on programs of social uplift is approaching spiritual death."*

-Rev. Martin Luther King, Jr.

This week, the Administration submitted to Congress its \$2.57 trillion budget for FY2006. While the proposal would continue the President's long-standing support of Consolidated Health Centers, portions of most other discretionary spending categories would be sacrificed to feed deficit reduction efforts, continued tax cuts that disproportionately benefit the wealthy, and the seemingly insatiable appetite of the Department of Defense. Any amelioration of homelessness through expanded Health Care for the Homeless projects, other Health Centers and initiatives to assist the "chronically homeless" would only be trumped by massive cuts to Medicaid, housing grants and community services. The Administration's proposal would aggravate the structural problems that again this year increased the number of us without health insurance, the number of us living below the federal poverty level, and the gap between the rich and poor.

Proposed Increase for Health Centers, McKinney-Vento

In fulfillment of the President's pledge to expand the Consolidated Health Center program, the budget proposes \$2.038 billion (consistent with the National Council's recommendation) – an increase of \$304 million over current funding levels, and a \$26 million increase for Health Care for the Homeless. Increased funding is also proposed for McKinney-Vento homelessness assistance programs – up from \$1.257 billion to a proposed \$1.4 billion in FY2006. These modest proposed increases are necessary, would enhance access to health care and supportive services for vulnerable populations, and should be adopted by the Congress.

HUD and Medicaid to face overt or covert spending reductions

The Administration's proposed cuts to the Department of Housing and Urban Development and its stated intent to eviscerate Medicaid by \$45 billion over ten years would dramatically eclipse the modest increases in Health Center and Mc Kinney-Vento funding. The HUD budget alone would suffer an overall cut of 11.5%. Although the President's proposal boosts Homeless Assistance Grants, important housing aid programs would face *reductions* – including those for the disabled, for Native Americans, and for people with HIV/AIDS. Hardest hit are Community

Development Block Grants, currently a \$4.7 billion dollar program providing a multitude of services, including homeless shelter maintenance, child care subsidies for the poor, and rehabilitation of dilapidated buildings. Under the new proposed budget, CDBG is consolidated with 17 other programs from five departments into one new program under the Department of Commerce. Furthermore, the consolidation reduces the total funding of the 18 programs by 33% to \$3.7 billion, far short of what CDBG alone received as an individual entity of HUD.

Medicaid spending has grown rapidly over the last five years, driving many states into financial crisis and moving the Federal government to minimize its bulky share of the costs. The looming threats to Medicaid are further evident as the Administration uses rhetoric of “flexibility” and “sustainability” to promote program reductions. According to the President’s FY06 budget proposal, savings of \$45 billion over ten years would be achieved in part by making it easier for states to reduce the benefits offered to “optional” populations – including approximately six million low-income working adults, five million children, three million seniors, and two million people with severe chronic disabilities. The proposal lacks specificity on this topic, but it is likely that the Administration would impose a partial cap on the coverage of these “optional” beneficiaries. This approach to Medicaid reform simply ignores the more general emergency of uninsurance, underinsurance, and skyrocketing health care costs.

Military spending, tax cuts figure prominently in FY06 budget proposal

Once again consuming more than half of discretionary spending, the Defense Department would receive a 5% increase (41% since 2001) to \$419.3 billion, not including supplements for the wars in Iraq and Afghanistan. The Department of Homeland Security is also boosted by 7% to \$34.2 billion. Consistent increases for the rest of the decade are certain for these two departments, while important housing and human service programs are slashed to pay the ever-rising bill – a clear illustration of the relationship between military spending and homelessness. Similarly problematic is the Administration’s imprudent pursuit of gargantuan tax cuts, which threatens funding for crucial domestic programs and renders nearly impossible the task of balancing the budget. New cuts alone will cost \$1.4 trillion from 2006 to 2015. Taking into consideration the tax cuts enacted since 2001, the total cost over that same time period rises to \$2.45 trillion – more than enough to replace Medicaid with a comprehensive system of health care for all, to pursue higher wage guarantees, and to restore an ever-deteriorating national supply of affordable housing. As the richest nation in the world and as the “compassionate society” described in the language of the President’s proposed budget, we *can* do better for the millions affected by the aforementioned cuts. We *must* do better.

ACTION:

- **Contact your members of Congress** to *support* the Administration’s proposal for the Consolidated Health Center Account. Tell them about your experience working with uninsured people and about the importance of access to health services. Call the Capitol switchboard at 202/224-3121. Find out who represents you at www.house.gov or www.senate.gov. Lists of the Members of the House and Senate Budget Committees are available on these sites.

- **Contact your members of Congress to *oppose*** the damage done in the President's budget to Medicaid and housing assistance. There are already serious doubts on both sides of the aisle about cutting vital social programs, and a reiteration of these doubts from constituents may have a strong influence.
- **Learn more about our national priorities** from the Center on Budget and Policy Priorities (<http://www.cbpp.org>) and the National Priorities Project (<http://www.nationalpriorities.org>).

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