

# Health Care for the Homeless Mobilizer

The National Health Care for the Homeless Council

P.O. Box 60427

Nashville, TN 37206-0427

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E-mail: [council@nhchc.org](mailto:council@nhchc.org)

Website: [www.nhchc.org](http://www.nhchc.org)

Telephone 615/226-2292

Fax 615/226-1656

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## Action Needed Now to Improve the FY 2007 Budget

Earlier this month, President Bush submitted to Congress a \$2.77 trillion budget request for FY 2007. Contrary to accompanying remarks proclaiming “clear priorities that meet the most pressing needs of the American people while addressing the long-term challenges that lie ahead,” this budget proposal would exacerbate many of the social problems it purports to address, including homelessness. The National Health Care for the Homeless Council calls upon *Mobilizer* readers to urge Congress to improve upon the Administration’s FY07 budget request.

### HUD budget hovers at half of 1980 level

Again this year, the proposed budget for the Department of Housing and Urban Development (\$33.65 billion, nearly a 2% reduction from the current year’s appropriation) does not contain the new investments necessary to increase affordable housing and reduce homelessness. While Homeless Assistance Grants would grow by 15.7% to \$1.536 billion (still shy of the National Council’s \$1.8 billion recommendation), proposed cuts to affordable housing programs far outpace and undermine this slight gain. The Community Development Fund – which provides for vocational training, rehabilitation of affordable housing, small business development, and other activities – would be slashed by 27.4% in the coming year alone (nearly 40% since FY 2004). Housing for the elderly and people with disabilities (sections 202 and 811) would face significant cuts for the third consecutive year (this year’s reductions: 25.8% and 49.7%, respectively). The Public Housing Capital Fund is reduced by 10.7% to \$2.178 billion. Though the budget does include small increases for tenant-based and project-based rental assistance, analysts expect local shortfalls and reduced voucher assistance due to outdated Section 8 funding formulas.

### Health Center expansion sputters forward

Continuing the President’s health center growth initiative, the Administration proposes \$1.963 billion for the Consolidated Health Centers account, a \$181 million increase over spending in FY 2006. Health Care for the Homeless – which receives 8.7% of the account – would be allocated a total of \$170.8 million. Again this year, the budget request does not seek necessary base grant adjustments for existing health centers despite rising operational costs and continued increases in the number of the uninsured. Nonetheless, the proposed 10.2% boost in funding would expand access to care for tens of thousands of people experiencing homelessness and warrants support.

### Medicaid attacked from all sides

Past assaults on Medicaid and its beneficiaries were punctuated last week by \$14 billion in *newly-proposed* cuts over the next five years. Achieved partially by increasing out-of-pocket expenses for enrollees, the new proposal came less than a week after the final passage of drastic

Medicaid reductions in the FY 2006 “budget reconciliation” bill (\$27 billion over ten years). The reconciliation legislation also institutes a requirement that all Medicaid applicants produce a birth certificate or passport as proof of citizenship. For people experiencing homelessness, mental illness, or an emergency such as a hurricane, this presents a serious barrier to enrollment and to necessary services. These reconciliation provisions and the new budget proposals for Medicaid (as well as \$36 billion Medicare cuts over the next five years) will move the United States even further from the realization of the human right to health care. Until comprehensive health care reform is pursued in earnest, the Council recommends that Medicaid be expanded to cover the poor and people experiencing homelessness.

### No millionaire left behind

Under a banner of “fiscal responsibility”, the Administration’s budget proposal recklessly scales back health coverage for the poor even as it continues to advance top-heavy tax cuts. Two tax policy changes that took effect on January 1 are estimated by the Joint Committee on Taxation to cost \$27 billion over five years, offsetting the net savings achieved at the expense of Medicaid beneficiaries. Families earning more than \$200,000 per year will reap 97% of the benefits of these cuts, while a negligible 0.1% will go to the 85% of households earning less than \$100,000 per year. In a time of record deficits and increasing human need we must question the wisdom of tax policies that increase the growing gap between the rich and the desperately poor.

### The Pentagon prospers

Discretionary spending in the Administration’s budget would grow by 3.2% in FY 2007 even as the budget deficit exceeds \$400 billion this year. Most of this growth is attributed to a \$28.5 billion (6.9%) increase in funding for the Department of Defense. The Administration recommends \$439.3 billion in Pentagon spending and \$33.1 billion for homeland security (3.3% increase), together consuming 54% of all discretionary spending (not including \$50 billion in supplemental war funding). Experts estimate that *up to 15% of defense spending could safely be reallocated to address domestic priorities*. Three million Americans experiencing homelessness, 45.8 million uninsured, and 37 million in poverty could benefit from such a reallocation.

## ACTION

**Now is only the beginning of the FY 2007 budget process!** The House and Senate Budget Committees soon will act on the Administration’s blueprint. The National Council encourages *Mobilizer* readers to use your influence now and throughout the budgeting process to advance priorities capable of ending poverty and homelessness.

- **Call or write to your Members of Congress today** to respond to the budget request and call for a realignment of priorities in Washington. Call 202/224-3121, or find contact info at [www.house.gov](http://www.house.gov) and [www.senate.gov](http://www.senate.gov). Focus on the Budget Committees.
- Endorse the organizational sign-on letter of the Coalition for Human Needs at [www.chn.org](http://www.chn.org)
- **Consult our 2005 Policy Statements at [www.nhchc.org](http://www.nhchc.org) for more background information** on the Council’s budget recommendations *and* the policies that would make homelessness increasingly rare and brief – affordable housing, universal health insurance, and adequate incomes. For additional questions or assistance, please contact the Council’s Health Policy Specialist at [djohnson@hchmd.org](mailto:djohnson@hchmd.org).

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