

December 10, 2012 | Vol. XVII No. 12

High Stakes 'Washington Hold'em'. *Contact Congress TODAY to protect the safety net in 'fiscal cliff' negotiations!*

Whether you call it the 'fiscal cliff', 'fiscal slope', or 'fiscal bunny slope', it is clear that deficit reduction negotiations have consumed Washington. The efforts to replace the 'fiscal cliff' with a comprehensive deficit reduction package has been defined to date by bluffing, posturing, and finger-pointing, but Mobilizer readers need to know this is not simply a high stakes Washington poker game. **Deficit reduction of the magnitude under consideration (\$4 trillion!) could include significant reductions to health centers, affordable housing, Medicaid, and other safety net programs, impacting our work and those we serve for years to come.** Programs like Health Care for the Homeless that meet basic needs of vulnerable people should not be treated as budget numbers to be balanced or poker chips to be bargained away - real people depend on them and cuts will cause real hardship. **Call your Members of Congress TODAY and tell them to make the protection of safety net programs their priority.**

TAKE ACTION

The National HCH Council is joining thousands of other national and local advocacy organizations in making today, December 10, a coordinated day of action. **We are asking you to join in this day of action by calling your Members of Congress. Please use the Capital Switchboard, 1(877) 210-5351 to be connected to your Congressional Representative and two Senators.** Ask them to support the following principles:

- **Nondefense discretionary programs should not be cut any further.** Congressional action to date has already cut discretionary spending by \$1.5 trillion over ten years and the caps in place are already severe. See the [report](#) from the Center on Budget Policy and Priorities for more detail.
- **Medicaid and other low-income entitlements should not be cut.** Safety net programs like Medicaid have historically been shielded from deficit reduction efforts. Cuts in Medicaid will also dramatically complicate efforts to implement the Affordable Care Act. Please visit [Protect Medicaid](#) for more detail.
- **Increased revenue must make up a significant portion of any deficit reduction package.** Otherwise, the deep cuts required to reduce the deficit will shred the safety net.

The staffers you speak to are likely to point out that their bosses are not involved in these negotiations and do not know their status. This is probably true, but they have access to the party leaders who are involved. **Ask them to speak to their leadership and to support only legislation that supports these principles.** And for those Mobilizer readers who are active on twitter, please tweet these principles or retweet the Council, [@NatIHCHCouncil](#). Sample tweets [here](#).

Additional Background Information

The 'fiscal cliff' is made up of several spending cuts and tax increases that all go into effect Jan. 1, 2013. These include the automatic sequestration cuts, the expiration of the 2001/2003 tax cuts, expiration of long-term unemployment benefits, and other provisions. Sequestration would cut the health center program by \$169 million in FY13 and cut other discretionary programs like HUD affordable housing programs by even more (~8.2%). There is broad consensus that these cuts and tax increases are bad policy but there is also broad consensus that they must be avoided by developing a

more gradual deficit reduction plan, not by simply repealing or extending them. President Obama has released a plan that includes no discretionary cuts, no non-health low-income entitlement cuts, \$400 billion in health entitlements savings (primarily Medicare, Medicaid), and \$1.6 trillion in new revenue over ten years. House Speaker Boehner has made a counteroffer that cuts discretionary programs (like health centers) an additional \$300 billion, health entitlements \$600 billion, non-health entitlements (e.g. SNAP, Earned Income Tax Credit, etc.) \$300 billion, and increases revenue \$800 billion (all over ten years). A compromise between the two will fall somewhere in the middle but **cuts to Medicaid and HCH are all on the table.**

Some have suggested 'going over the fiscal cliff' as a means to add pressure and change the power dynamics. If this happens, the cuts and tax increases will go into effect but changes in actual program funding or tax collection can be delayed for weeks or months. It is widely expected that some deal to avert the 'fiscal cliff' will happen in early 2013 if we went 'over the cliff' and the cuts and tax increases could be reversed. The damage in confidence to the market could have a major impact on the economy even if the cuts and tax increases were reversed later, putting pressure on both sides to reach an agreement before the end of the year.

Contact [Dan Rabbitt](#) with any questions, for more information, or to talk about your call. Any further information about where things stand would be most helpful and he would love to talk to you!

Dan Rabbitt, Health Policy Organizer
National Health Care for the Homeless Council
drabbitt@nhchc.org | (443) 703-1337 | www.nhchc.org

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