

HCH opportunities ahead, but sequester cuts remain.

Stay vigilant and communicate the impact of the cuts!



In the two weeks leading up to passage of the Continuing Resolution (CR) funding the federal government through September 30, participants in the National HCH Conference and NACHC's Policy and Issues Forum called on Members of Congress to fully fund the Health Center program. **Congratulations and thanks are due to the many advocates who successfully pressed our cause.** Health centers received \$1.6 billion in discretionary funding (the same level as last year) plus \$1.5 billion in funds allocated through the Affordable Care Act (ACA) for FY13 (a \$300 million increase over last year). The total funding of \$3.1 billion will allow health centers to absorb about \$120 million in sequestration cuts and still have about \$180 million for base grant adjustments and expansion grants. The CR includes:

- Language providing for a 1.7% health center base grant increase.
- Instructions to use all FY13 ACA funds for health center expansion. Expect HRSA to fund numerous New Access Point applications in the current round, and to issue additional funding opportunities soon.
- Adjustments to certain HUD programs mitigating losses in Housing Choice Vouchers and other subsidized properties.

A chart detailing these budget provisions is available [here](#). Note that the Health Center improvements are *only* possible because of the ACA funding, which lasts only two more years, and that sequestration was applied to the regular Health Center appropriation and to numerous other programs that provide essential services. Increases in homelessness and increased demand for HCH services are the likely result of this CR.

While the health center and Housing Choice provisions soften what could otherwise have been a harder impact, **the bill did not reverse the automatic budget cuts of the sequester.** The impact of these cuts will build slowly over weeks and months, and efforts to restore the funding will require documented examples of the disruptions the reductions are causing. *Mobilizer* readers, **please communicate to lawmakers, local media, and the Council how these cuts impact your work so we can get this funding restored.**

TAKE ACTION

We must fight the perception being promoted in Washington that the sequester will not impact people in local communities. **Note any housing vouchers lost, waitlists lengthened, vacancies maintained, and other examples of housing and/or services being curtailed.**

- Document the impact on your project's operations: reduced PATH/SAMHSA block grants, Ryan White, or other funding.
- Talk with your colleagues at other agencies.
- Talk with consumers of your project about what they are seeing as a result of budget cuts.
- Collect stories in the local paper about impacts of budget cuts.

As examples of disruption accumulate, relay this information.

- **Share this information with your elected officials.**
 - If you have spoken with staff during Hill Visits, phone calls or in other venues, follow up to email them local stories, documents, or other examples of the impact of sequestration.
 - Call your members of Congress through **the Capitol Switchboard: 1-877-**

210-5351 (toll free). Leave information with the receptionists - it can be quite brief! Emphasize that the domestic cuts caused by sequestration must be reversed.

- Schedule a meeting while your representatives are on recess-**they are home until April 9.** You can look up your elected officials and their local offices at www.house.gov and www.senate.gov.
- Draft a letter to the editor for your local paper. Contact [Dan Rabbitt](#) if you'd like assistance.
- Forward information about impacts to [Dan Rabbitt](#) at the Council.

Now that sequestration is the law of the land, it will take a significant push to restore the lost funding. This is not impossible, **but the HCH community must stay engaged.**

Background

The Consolidated and Further Continuing Appropriations Act (the Act, or the CR) will keep the government funded through September 30, 2013 (the end of federal FY13). The Act included five full appropriations bills including detailed provisions on spending authority. Neither HUD nor HHS were included in these bills, and so they will be funded at FY12 levels (except for specific provisions known as anomalies that specify other instructions). The instructions regarding health centers and housing programs outlined above are examples of such anomalies.

The sequester was not addressed by the Act, so the budget authority of each non-exempt program will be cut by 5% over the full year or ~9% for the remaining seven months of the fiscal year. The sequester was designed to restrict agencies' flexibility to allocate the cuts, so the reduction will be allocated evenly across all nondefense discretionary programs unless otherwise specified. This includes SAMHSA, Ryan White, HUD, and several other social service programs. Veterans services, Medicaid, SNAP, low-income tax credits, SSI, and TANF are among the exempt programs.

Next steps: the sequester may be reversed either through ongoing deficit reduction talks or through the FY14 budget process. The ongoing deficit reduction discussions continue to revolve around disagreements over entitlement spending and increased tax revenues. If some package of reductions in entitlement spending (social security, Medicare, Medicaid, and others) and increases in revenue (closing tax loopholes, limiting tax deductions, etc.) is agreed upon, it is possible to reverse the sequester through that process. The FY14 budget process could also reverse the sequester cuts, but only starting Oct. 1, 2013. The Senate-passed budget includes provisions to restore some of the reductions of the sequester but the House-passed budget does not (and actually cuts further). The negotiations between the Senate and House are ongoing, and the President's budget will be released on April 8, 2013. Stay tuned for more budget details to come.

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