

THE REPUBLICAN BUDGET: HEALTH CARE

After running up the largest deficit in our nation's history, Congressional Republicans are attempting to appear fiscally responsible by cutting \$6.3 billion in domestic discretionary spending below last year as part of their \$2.6 trillion budget resolution. These cuts are not large enough to have any meaningful effect on the projected \$390 billion budget deficit, but they will cause great harm to millions of Americans. This fact sheet summarizes the effect of the Republican budget cuts on appropriated health care programs.

45 MILLION AMERICANS UNINSURED, YET REPUBLICANS CUT HEALTH CARE. There are 45 million Americans without health insurance – 5 million more than in 2000. A recent study found that roughly half of people declaring bankruptcy cited illness and high medical bills as the main reasons. Yet the Republican budget cuts or eliminates \$1.2 billion from health programs, many of which help shore up the health care safety net and fill in some of the gaps, and leaves several others flat funded with no increase to cover rising health care costs (sometimes for the third or fourth year in a row).

RURAL HEALTH CARE. Rural Americans are less likely to have employer-provided health care coverage or prescription drug coverage, and the rural poor are less likely to be covered by Medicaid benefits than their urban counterparts. Several Federal programs help keep rural hospitals operating, assist in states in developing rural health networks, support rural clinics, and help deal with the special problems of emergency medical services in rural areas. Yet the Republican budget cuts programs that address the special health care needs of rural areas by almost \$75 million or 70 percent.

HEALTH PROVIDER SHORTAGES. There is a significant shortage of health care providers, particularly in rural and underserved areas. There are several Federal programs aimed at increasing the number of students in medical, dental and other health professions schools, and encouraging students to choose primary care. Yet the Republican budget would virtually eliminate health professions training programs including those that help bring doctors and nurses to rural and underserved areas, cutting overall funding from \$300 million in FY 2005 to \$11 million in FY 2006.

MATERNAL AND INFANT HEALTH CARE. Every year nearly one million American women deliver babies without receiving adequate medical attention and babies born to mothers who received no prenatal care are three times more likely to be born at low birth weight, and five times more likely to die, than those whose mothers received prenatal care. The Maternal and Child Health Block Grant helps states provide prenatal care, preventive health services and treatment for children lacking other sources of care. Yet the Republican budget provides \$723 million for the Maternal and Child Health Block grant, which would be the fourth year in a row that this block grant is either frozen or cut. During those four years, it will have lost about 17 percent of its per capita purchasing power.

NURSING SHORTAGE. Nurses form the backbone of America's health care system, but a survey of hospital executives reported that 72 percent of hospitals were experiencing a nurse shortage in 2004. The Department of HHS has several programs to help expand the supply of nurses, yet their funding in 2004 was sufficient to accept only 19 percent of applications for loan repayment arrangements and less than 2 percent of applications for nursing scholarships. Yet, the Republican essentially flat funds these program at \$150 million, providing no new investment to help reduce the nursing shortage.

MENTAL HEALTH. According the National Institute for Mental Health, one in five adults – more than 44 million Americans – suffer from a diagnosable mental disorder in a given year. Four of the 10 leading causes of disability are mental disorders—major depression, bipolar disorder, schizophrenia, and obsessive-compulsive disorder. Yet the Republican budget cuts mental health funding by about 7 percent or more than \$64 million dollars.

NATIONAL INSTITUTES OF HEALTH. In 2003, Congress finally achieved its five-year goal of doubling America's investment in the lifesaving research supported by the National Institutes of Health. Unfortunately, Congressional Republicans have abruptly slammed on the brakes and recent budgets have caused NIH programs to begin shrinking. Yet the Republican budget would allow just a 0.5 percent increase for NIH – the smallest increase in 36 years and 2.6 percent short of what would be needed just to keep up with inflation in research costs. Under their budget, there would be 505 fewer peer-reviewed research project grants in FY 2006 than two years earlier. Only about 21 percent of research grant applications would receive funding, down sharply from the 32 percent "success rate" in FY 2001.

PUBLIC HEALTH AND DISEASE CONTROL. State and local health departments are on the front lines in protecting the public against outbreaks of infectious diseases like SARS or pandemic influenza, as well as against possible bio-terrorist attacks. The Preventive Health and Health Services Block Grant provides a basic, flexible source of funding for state and local health departments to respond to disease outbreaks, immunize children, and improve care for people with chronic diseases like diabetes and asthma. Yet the Republican budget would eliminate the Preventive Health and Health Services Block Grant, which totaled \$131 million this year, and cut public health preparedness grants by \$130 million.