

COMMITTEE ON THE BUDGET

Chairman John Yarmuth

March 25, 2019

President Trump's Budget Hurts Veterans Through Extreme Cuts to Crucial Programs

The President's third budget relies on gimmicks, fantasy economic projections, and extreme cuts that abandon the American people, including our veterans. Even though the budget adequately funds the Department of Veterans Affairs' (VA) programs, President Trump's destructive cuts to other crucial programs – such as Medicaid and the Supplemental Nutrition Assistance Program (SNAP) – hurt the millions of veterans who rely on them to access health care and achieve economic security. Despite President Trump's promise to put veterans first, the budget reduces support for veterans most in need and puts greater pressure on VA programs.

Destructive Cuts to Health Programs Put Veterans' Health at Risk

Veterans rely on various health care systems to ensure their well-being. While <u>9</u> million veterans, or approximately half of the veteran population, receive coverage through VA, a large number are ineligible due to a variety of factors, including falling short of minimum service requirements and disability and discharge status.

Approximately 1.8 million veterans rely on Medicaid — The budget slashes Medicaid by \$1.5 trillion over 10 years, which represents approximately one out of every four dollars spent on Medicaid. Nearly 1 in 10 veterans — more than 1.8 million — are covered by Medicaid, and many of these veterans have extensive health care needs. The budget's extreme cuts to Medicaid would risk the health and security of veterans most in need, especially those who require intensive care for conditions like traumatic brain injuries and musculoskeletal disorders.

More than half of all veterans, approximately 9.4 million, rely on Medicare — The budget makes several changes to Medicare by shifting costs onto hospitals, post-acute care providers, and some beneficiaries, reducing federal spending by more than \$500 billion over 10 years. Medicare beneficiaries include more than 9.4 million veterans who rely on the program as their primary or supplementary source of insurance coverage. Approximately half of the veterans enrolled in the VA health care system are also eligible for Medicare. Furthermore, veterans who are enrolled in TRICARE For Life, a health insurance program administered by the Department of Defense, are required to enroll in Medicare Parts A and B.

Affordable Care Act (ACA) reduces veterans' uninsured rate — The budget builds on the Trump Administration's actions to sabotage the ACA by making yet another attempt to "repeal

This document has not been reviewed and approved by the Democratic Caucus of the Budget Committee and may not necessarily reflect the views of all members.

and replace" the law. These efforts threaten to reverse the ACA's success in expanding insurance coverage among veterans. During the first two years after implementing the ACA's coverage provisions, the number of uninsured nonelderly veterans fell by nearly half a million, or almost 40 percent. Approximately 340,000 veterans received coverage in 2015 through the ACA Medicaid expansion.

Extreme Cuts to SNAP and Other Benefits for Struggling Families Threaten Veterans' Economic Security

While veterans are a diverse group, many face challenges making ends meet and depend on various benefit programs that help struggling families. The federal government provides guidance for veterans transitioning to civilian employment about getting help from such programs, including SNAP, the Women, Infants and Children (WIC) program, free and reduced price school meals, and Temporary Assistance for Needy Families (TANF). Approximately 1.3 million veterans, or 7 percent of the veteran population, had incomes below the federal poverty level in 2017.

Nearly 1.4 million veterans live in households that participate in SNAP — The President's budget cuts \$327 billion over 10 years from mandatory programs that support working families, including \$220 billion from SNAP. For low-income veterans, who may be unemployed, working in low-wage jobs, or face physical and mental health challenges, these mandatory programs provide an essential support to help them meet basic needs. For example, more than 40,000 veterans experienced homelessness in 2017 and approximately 20 percent of households receiving help from the charitable food assistance network (which includes food banks, pantries, and shelters) include a veteran. For veterans struggling to make ends meet, SNAP and other programs that help low-income Americans make a crucial difference in their lives.

Cuts to TANF and child nutrition programs hurt veterans and their families — While the TANF block grant has been flat-funded since it began in 1996, eroding the purchasing power of this critical assistance over time, the budget cuts the block grant by 10 percent, resulting in \$15 billion savings over 10 years. The budget cuts an additional \$6 billion over 10 years by eliminating the TANF contingency fund, hamstringing the government's ability to assist families most in need during a future economic downturn. Furthermore, the budget cuts the National School Lunch and School Breakfast Programs by \$1.7 billion over 10 years. For low-income veterans and their families, these cuts threaten their ability to meet basic needs.