Hill Day

Sept. 17-18, 2019
Washington, DC

Our voices are louder together

#HillDay19
#Goals

• By the end of this session you will understand:
  – The federal budget, the debt and deficit, and why it matters
  – The Budget Control Act, subsequent bipartisan budget deals, and spending caps
  – The different types of federal spending
  – Health funding in the context of the broader federal budget
Deficit vs. Debt

• Deficit is difference between receipts & outlays
  – Receipts include money the government brings in from taxes, fees, and other income
  – Outlays include all spending on entitlements, discretionary programs, and interest payments on the debt

• Debt is total amount of money owed to creditors
  – Accumulations of deficits
  – US Debt $22 trillion (and counting)
Federal Deficits Could Reach $2 Trillion by 2028

Source: Congressional Budget Office.  Note: Years shown are fiscal years.
Health Care Costs Are the Primary Driver of the Debt

- **Health Care Spending**
- **Social Security**
- **Discretionary Spending** (defense and non-defense)
- **Other Mandatory Spending** (e.g., federal pensions, unemployment compensation, etc.)

Source: Congressional Budget Office
Discretionary vs. Mandatory Funding

• Discretionary set at “discretion” of Congress
  – Defense and nondefense (NDD)

• Mandatory enacted by law; not dependent on appropriations bills
  – Entitlement Programs (e.g., Medicare)
    • To change spending, must change eligibility rules
  – Interest on the debt
  – Other mandatory
Federal Spending, FY 2018

- Discretionary health: 15.1%
- Other non-defense discretionary: 14.1%
- Defense discretionary: 14.1%
- Medicare, Medicaid, Social Security: 50.5%
- Other entitlement programs: 10.8%
- Net interest: 7.9%

Federal Spending, FY 2018

- Discretionary health: 15.1%
- Other non-defense discretionary: 14.1%
- Defense discretionary: 14.1%
- Medicare, Medicaid, Social Security: 50.5%
- Other entitlement programs: 10.8%
- Net interest: 7.9%
#RaiseTheCaps

- **Budget Control Act, 2011**
  - $1 trillion cut to discretionary programs
  - Sequestration, resulting in another $1 trillion cut to discretionary program (after failure of “Super Committee”)

  - Stop additional sequestration
  - #RaiseTheCaps
Nondefense Outlays Near Modern-Era Low

Non-Defense Outlays (discretionary)

Historical Average (1967-2017)

Lowest level since WWII (1999)

Budget Control Act of 2011 enacted

Effects of Bipartisan Budget Act of 2018

Sources: Congressional Budget Office, Bipartisan Policy Center calculations
Relief Distributed Unevenly Across Agencies

NIH (BA)  CDC (BA)  HRSA (BA)  SAMHSA (BA)  AHRQ
Now What?

- House passed appropriations bills with NDD number higher than Bipartisan Budget Act
- Senate at an impasse
  - No bipartisan support for levels, or “riders”
- Fiscal year just 9 working days away
  - House will move a continuing resolution to keep government open
- Prediction: Bills enacted before end of calendar year
  - Not ruling out a shutdown between now and then!
Questions?

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