**April 2014 PUBLIC POLICY UPDATE**

**By: Brian Lindberg and Marly Flores**

Big Picture

For the past 6 months, Congress and the public has focused on the Affordable Care Act (ACA) open enrollment period. President Obama has taken multiple jabs on the rocky rollout of the ACA by the press and Republicans. On April 1st, President Obama brushed off his critics when he announced that the 7.1 million signed up for his signature health law. President Obama stated to his critics “Many of the tall tales have been debunked. There are still no death panels. Armageddon has not arrived. Instead this law has helped millions of Americans. The debate over repealing this law is over. The Affordable Care Act is here to stay.” This 7.1 million figure exceeded original projections made by the Congressional Budget Office who estimated 7 million people would enroll during the six-month open enrollment period. The enrollment number grew to 8 million Americans on April 15th, the last day people were allowed to enroll if they experienced technical problems while signing up. About 35 percent of people who signed up for coverage were younger than 35. A significant proportion of younger and healthier enrollees are needed to keep premiums down.

The end of the enrollment period was also marked by the resignation of Health and Human Services Secretary Kathleen Sebelius. On March 31st, she told President Obama she wanted to resign from her position. According to Denis R. McDonough, the White House chief of staff, Sebelius stated that the President would be best served by someone who was not the “target of so much political ire.” Republicans who have called for her resignation in the past positively greeted the resignation by Sebelius. President Obama nominated Sylvia Matthew Burwell, director of the White House Office of Management and Budget, to replace Sebelius.

Despite the success of the ACA’s enrollment, many Americans continue to disapprove of the law. According to Gallup [survey](http://www.gallup.com/poll/168491/americans-remain-negative-healthcare-law.aspx), 54% of people still view the ACA unfavorably while 43% approve. The victorious enrollment period has not deterred Republicans from the ‘Obamacare’ issue. Many Republicans candidates have continued to make the ACA the centerpiece of their campaign strategy this year. House Majority Whip Kevin McCarthy (R, CA-23rd) stated, “The president says that Republicans have not accepted Obamacare as settled law. He is right Republicans cannot and will not accept this law.” Democrats are beginning to embrace the ACA despite continued criticism.

President’s Budget

On March 4, President Obama released an election-year budget proposal that calls for $3.901 trillion in spending in Fiscal Year (FY) 2015. The White House is touting a 2-pronged approach.

1) President Obama’s budget provides a blueprint to accelerate economic growth, expand opportunity for Americans, and ensure fiscal responsibility. The budget plan invests in American innovation to create jobs and opportunity, builds a reliable infrastructure, invests in high-quality education, and builds pro-work tax cuts, while reducing the deficit through health, tax, and immigration reform.

2) The President’s budget adheres to the FY 15 spending levels described in the Bipartisan Budget Act (BBA) of 2013. Building on the bipartisan progress, the President proposes a $56 billion Opportunity, Growth, and Security Initiative. The new stimulus spending would be equally divided between defense and non-defense priorities. Cutting tax breaks on retirement accounts for the wealthy would fund the initiative.

The budget proposal includes several positive aging-related proposals, including: $3 million in funding to hold a White House Conference on Aging in 2015, $5 million to establish a Holocaust Survivors Fund that would help elderly Holocaust survivors to remain in their homes and communities, and $25 million in first-time discretionary funding for an Elder Justice Initiative. These funds will be used to implement a national APS data system, research to translate promising interventions from other violence prevention areas to elder abuse, and evaluate the effectiveness of the intervention.

On the negative side, the budget calls for increasing costs for Medicare beneficiaries, and cuts to senior employment, training, and volunteer programs, energy assistance, and other services for the elderly. Read an overview of the budget [here.](http://www.whitehouse.gov/omb/budget)

Ryan’s Budget

House Budget Committee Chairman Paul Ryan unveiled the House Republican 2015 budget that conforms to the top discretionary spending level of $1.014 trillion in Fiscal Year 2015 established under the Bipartisan Budget Act of 2013. The budget outlines his proposal to cut federal spending by $5.1 trillion over the next ten years. Similar to previous years, Ryan proposes to initiate a voluntary private plan option for Medicare and converts Medicaid into a block grant program.

On April 10, the House approved the budget proposal by a vote of 219-205. The vote was primarily a party-line vote, with no Democrats voting in favor of the measure and 12 Republicans opposing the budget proposal. The House-approved budget legislation is unlikely to advance in a Democratic-controlled Senate. Senate Budget Chairwoman Patty Murray (D-WA) has stated to not introduce a FY 2015 budget because the current two-year bipartisan budget agreement sets the baseline spending levels for FY 15. Read Ryan’s budget [here.](http://budget.house.gov/uploadedfiles/fy15_blueprint.pdf) Read the Center on Budget Policy and Priorities perspective [here.](http://www.cbpp.org/cms/index.cfm?fa=view&id=4115)

The House and Senate appropriations subcommittees have been holding hearings and taking in written testimony regarding funding levels for FY 2015, which begins on October 1, 2014. It appears that the agreed upon two-year budget levels will guide the process for both parties. For non-defense discretionary programs this provides about $9 billion for increased funding. The competition for these funds is fierce, and the chances for securing increases for current programs or first-time funding for new programs are slim.

Older Americans Act

On February 28, Representative Suzanne Bonamici (D, OR-1st) introduced the *Older Americans Act Reauthorization of 2014* (HR 4122), along with Representative Hinojosa (D, TX-15th), the Ranking Member of the Subcommittee on Higher Education and Workforce Training, and Representative Miller (D, CA-11th). The bills builds upon the Senate HELP Committee’s bipartisan bill (S. 1562), which passed out of committee in October 2013. The reauthorization bill includes language on elder abuse, legal services, cultural and linguistic competence, LGBT seniors, national resource centers, senior center modernization and economic security.

SGR

Permanently repealing the sustainable growth rate (SGR) has been the main objective of Congress this year. The primary obstacle to a compromise was finding the approximately $150 million to pay for the bill. The House introduced a bipartisan, bicameral bill (H.R. 4015) that would establish a new payment system that rewards value and quality over volume. Despite the bill’s bipartisan beginnings, the House Republicans added a poison bill offset. The House Republicans proposed to pay-for the legislation by repealing the individual mandate in the Affordable Care Act (ACA). The individual mandate repeal was a non-starter for the Democratic-led Senate. Senator Wyden (D-OR), the new Chairman of the Finance Committee, introduced two SGR proposals (S. 2110 and S. 2157). Senator Wyden proposed to pay for the permanent SGR repeal by using Overseas Contingency Operations (OCO) funds (savings from reducing the U.S. involvement in Iraq and Afghanistan). Republican members were against the idea of using OCO funds, who call the potential offset as “funny money.”

In the end, Congress fell short of finding a permanent SGR repeal. The House introduced a new ‘doc fix’ bill that includes a yearlong patch and did not include a controversial pay for such as, paying for the bill by delaying the Affordable Care Act individual mandate for 5 years. Senate Majority Leader Harry Reid (D-NV) and House Speaker John Boehner (R, OH-8th) negotiated the new compromise bill.

GOP leaders planned to call up the bill under suspension of House rules (meaning it will get a shorter debate and needs a two-thirds majority to pass). The House voted on March 28th, in a surprise move by leadership to have a voice vote avoiding a roll call vote, having to secure the two-thirds, and avoiding forcing members to support the bill on the record. The Senate approved the SGR patch (H.R. 4302) on March 31st and was signed into law on April 1, 2014. For the 17th time in 11 years Congress approved a temporary fix (12-months) to this long-term problem.