Shutdown Halts Some Health Services as Political Risks Test Parties' Resolve

Ramifications will be felt far beyond Washington, DC, halting many federal government operations related to public health.

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Threats of a federal government shutdown have gone from being an October surprise to a recurring theme. This time around, though, the stakes are higher.

Federal funding ran out at midnight on October 1, after Congress failed to pass even a stopgap budget while negotiations continued.

Now the question is how long the deadlock will last, with Democrats pitted against Republicans and a presidential administration that has broken with constitutional norms and regularly used political intimidation and primary threats to achieve its ends. Because Republicans hold only a slim majority in the Senate, any deal will need to attract at least a few Democratic votes.

Ramifications from a shutdown on public health systems and health programs will be felt far beyond Washington, D.C., halting almost all of the federal government's nonessential functions, including many operations related to public health.

Even on September 30, as the clock ticked toward midnight, President Donald Trump renewed threats about mass firings of federal workers if Democrats didn't acquiesce to GOP demands. Some people worry that such workforce reductions would further enable the administration to undermine federal government operations and reduce the budget impasse to what's been described as three-dimensional chess or a game of chicken.

Such threats to fire, rather than temporarily suspend, federal workers are "unprecedented," said G. William Hoagland of the Bipartisan Policy Center. The lack of negotiations between Capitol Hill Republicans and Democrats in advance of the shutdown is also unprecedented in his experience, said Hoagland, a longtime GOP Senate Budget Committee aide.

The stalemate centers largely on health coverage, with Democrats and Republicans clashing over the Affordable Care Act and Medicaid cuts. For Americans with ACA marketplace plans, government subsidies cap the percentage of household income they must pay toward premiums.

Lawmakers expanded the subsidies in 2021 and extended that additional help through the end of 2025, and the looming expiration of those expanded subsidies would increase costs and reduce eligibility for assistance for millions of enrollees.

Democrats want a further extension of the subsidies, but many GOP lawmakers are resistant to extending them as is and say that debate must wait until after a budget deal to keep the federal government afloat. Antagonism has grown, with the parties in a pitched battle to convince voters the other party is to blame for the government's closure.

Said Senate Minority Leader Chuck Schumer on the Senate floor September 30: "Republicans have chosen the losing side of the health care debate, because they're trying to take away people's health care; they're going to let people's premiums rise."

But Senate Majority Leader John Thune accused Democrats of attempting to "take government funding hostage."

The longer a shutdown lasts, the more impacts could be felt. For example, some community health centers would be at risk of closure as their federal funding dries up.

Long-term projects by the Federal Emergency Management Agency to reduce damage from future natural disasters will stop, for example. Rescue services at national parks that stay open will be limited. And at the National Institutes of Health, many new patients awaiting access to experimental treatments may not be admitted to its clinical center.

Entitlement programs such as Medicaid and Medicare will continue, as will operations at the Indian Health Service. But disease surveillance, support from the Centers for Disease Control and Prevention to local and state health departments, and funding for health programs will all be hampered, based on federal health agencies' contingency plans.

The Department of Health and Human Services is expected to furlough about 40% of its workforce, which has already been downsized by about 20,000 positions under the Trump administration. Across the federal government, roughly 750,000 employees will be furloughed, according to an estimate released September 30 by the Congressional Budget Office, a nonpartisan agency that calculates the cost of legislation. While furloughed employees won't be working, eventually they will get back pay, totaling about $400 million daily, the CBO estimated.

At HHS, research is expected to pause on the links between drug prices and the Inflation Reduction Act, the major law enacted under former President Joe Biden to boost the economy. Despite reports that Food and Drug Administration Commissioner Marty Makary said the FDA would basically be untouched, the agency won't accept new drug applications and food safety efforts will be reduced. Federal oversight of a program that helps hospitals save lives and evacuate individuals in environmental crises is expected to stop.

Fewer federal staff will be available to provide help to Medicaid and Medicare enrollees. CDC responses to inquiries about public health matters will be suspended. And the work of a federal

vaccine injury program is also anticipated to stop.

Congressional Democrats insist the ACA subsidies must be renewed now because enrollment for the Obama-era health program opens on November 1. Without the extended subsidies, health insurers are warning of double-digit premium hikes for millions of enrollees.

House Democratic Leader Hakeem Jeffries has argued that a "Republican-caused health care crisis" is hanging over Americans as a result of Trump's new tax-and-spending bill, which adds restrictions to Medicaid that are expected to kick millions off the program. Republicans have also advanced mass layoffs and funding cuts at the nation's health department and caused widespread confusion over access to some vaccines.

"We're not going to simply go along to get along with a Republican bill that continues to gut the health care of everyday Americans," Jeffries told reporters September 29. "These people have been trying to repeal and displace people off the Affordable Care Act since 2010."

Republicans, meanwhile, have blasted Democrats for holding up funding over the subsidies and say any deal will require concessions.

"If there were some extension of the existing policy, I think it would have to come with some reforms," Thune, the Senate Republican leader, said September 26.

Such a deal may involve changes to a policy that caps what consumers have to pay for ACA marketplace plans at 8.5% of their income, no matter how much they earn. It could also alter their ability to obtain plans with no premiums, an option that became more widely available because of the beefed-up subsidies.

Adding restrictions to the ACA subsidies is likely to decrease enrollment in the program, which saw declines during the first Trump administration and did not reach 20 million for the first time until last year, a milestone reached in large part due to the subsidies.

Several Republicans have expressed interest in extending the subsidies, including a group of GOP representatives who proposed legislation to do so last month.

Democrats may be betting that the timing of the shutdown will put pressure on their Republican colleagues to come to the negotiation table on the ACA subsidies.

Within days of the government's closure, ACA enrollees are expected to get notices from their health insurers advising them of steeper premiums. Insurers have said the expiring subsidies have forced those large premium hikes because the healthiest and youngest people are more likely to opt out of coverage when prices go up.

The White House, meanwhile, ramped up its pressure campaign on Democrats. White House press secretary Karoline Leavitt insisted September 29 that Trump wants to keep the government open.

“Our most vulnerable in our society and our country will be impacted by a government shutdown,” she said.

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http://beta.docker.covidhealth.com/article/shutdown-halts-health-services-political-risks-test-parties-resolve