



## Could Trump's GOP Budget Cuts Kill Medicaid? Breaking Down the \$2.3 Trillion Threat

**"Millions of people are going to be hungrier, sicker, and dead so that billionaires can buy another golden yacht." – Alex Lawson, Social Security Works**

*911. What's your emergency?*

*America's healthcare system is broken and people are dying.*

Welcome to **Code WACK!**, where we shine a light on America's callous healthcare system, how it hurts us and what we can do about it. I'm your host, **Brenda Gazzar**.

*(music)*

**This time on Code WACK!** What's at stake for Medicaid—the lifeline for millions of low-income Americans—under President Donald Trump and a Republican-controlled Congress determined to slash spending? How would cutting Medicaid affect the more than 72 million people who rely on it for health care? And is Social Security next on the chopping block? To break it down, we spoke with Alex Lawson, executive director of Social Security Works, an organization fighting to protect and expand Social Security, Medicare, and Medicaid; lower drug

prices; and ensure health care as a human right. This is part one of a two-part series.

**Welcome to Code WACK!, Alex.**

**Lawson:** Thanks for having me.

***Q: President Donald Trump has issued some absolutely startling health related executive orders recently. Which do you think we should be most concerned about and why?***

**Lawson:** I actually think that it's putting Elon Musk in charge of treasury, giving him and his gang of arsonists access and control over, you know, the wallet of the United States of America. And what he's done with that so far is chosen ideological partisan enemies as perceived by Elon Musk, just out of thin air. But you know, if you read his right wing white nationalist rantings, it's not surprising. And so he's shutting down USAID and you're like, 'well, what is this guy? How does he have the authority to do anything?' And the answer is he doesn't. But he's the richest man in the world and [he] and the president of the United States are in the midst of an authoritarian takeover of the United States of America. So today they can choose, you know, well, we don't like USAID 'cause we think that humanitarian assistance, we don't understand what it is.

***Q: So what is it?***

**Lawson:** We don't understand that it's soft foreign policy. And this is actually, you know, a mission driven part of our government aimed at lessening the influence of say, China and Russia. Or maybe he knows that exactly. I don't know about Elon Musk, but he chooses to turn that off today. Well, tomorrow he might choose, say 'you're an enemy and now your tax refund is turned off or your Social Security benefits are turned off, or your Medicare benefits are turned off, or everyone's Medicaid benefits are turned off.' You've got to remember that just a week ago, the president tried to unilaterally just turn off Medicaid, and then there was a huge backlash because when you take health care away from tens of millions of people.... What I'm saying is that the erosion, destruction of guardrails of checks

and balances in our government that the Trump administration is in the midst of, and we're in like, what week three?

***Right, it's been less than a month since Trump took office.***

**Lawson:** We just got to remember they've had four years waiting in the wings planning this blitzkrieg assault on every aspect of our democratic system. And that includes health care. So they can't wait to get their greedy little hands to privatize Medicare, RFK Jr.... he's made it clear – overt goal – privatize Medicare. You know, they all pretend when the cameras are rolling for campaign season that they're not going to touch Social Security, but you just have to scratch the surface. And I spend all day reading all this stuff. They not only want to do it, it's [a] driving motivator for them for decades, literally since the program was enacted 89 years ago. But since the eighties, it's been an overt goal of the Republican Party. So you don't have to guess what are they gonna do. They write it down.

***Q: What are they going to do?***

**Lawson:** They're going to raise the retirement age to 69 or 70, which is between a 14 and a 21% benefit cut alongside other benefit cuts. They're going to steal people's benefits that they've earned with Medicaid. You know, they just wrote it down again, \$2.3 trillion cut out of Medicaid. That is a destruction of Medicaid. Medicaid provides primarily healthcare to seniors and children. It's also the largest provider of long-term care in this country. For the vast majority of people, it's the only provider of long-term care, 2.3 trillion out of Medicaid. The program's done. There is no more Medicaid. So what about long-term care? Well, that's going to be on the people and their families to pay the average \$100,000 a year that long-term care costs.

***Q: And of course, most families can't afford that. So then they're gonna end up trying to take care of them at home, right?***

**Lawson:** Absolutely. And a lot of our system already does rely on unpaid caregiving, primarily by women in their families, meaning that women leave the workforce, reducing their wages, which leads to reduction in Social Security benefits. I mean, it's a cascading failure. And the failure is that Wall Street doesn't

want there to be a Medicaid system as they have taken over private equity, although there's actually a little conflict there. But there is this question of private equity who have already taken over and made nursing homes – many nursing homes a nightmare situation already. But you get rid of Medicaid and it turns them into, you know, from a nightmare into a death trap. There's no Medicaid paying for a large portion of the people in there, then the system's going to collapse. So yeah, it foists them on families and it relies on people dying.

***That would be terrible.***

**Lawson:** That's the part that people don't like to talk about, but it is central to the plan. If you stop providing timely care that's necessary, then people get sicker and die. Right? This is the whole theory why insurance companies deny people who need care the most, most often. If you have cancer, you're gonna get more denials than someone that has a less serious disease because the insurance company makes money when you die. They lose money by providing you care. So that perverse incentive is that, you know, the heart of a lot of what we're talking about, but you shut down Medicaid people get sick, people die. That'll be the consequences.

***So over 72 million low income Americans get their health insurance from Medicaid, including over 14 million Californians. In a recent Senate Aging Committee hearing, you noted that there are proposals from Republican lawmakers to cut some 2.3 trillion cuts from Medicaid, the health insurance for low income people. What stage are these proposals in right now?***

**Lawson:** So in order to pass something through the Senate without needing 60 votes, so by simple majority, and the Republicans have 53, so they don't have 60 votes. So what the Republicans will do is they'll use a process called budget reconciliation. And that allows a bill to pass through the Senate on simple majority. It has to originate in the house. And then there are certain rules that govern a budget reconciliation bill. This is how the Inflation Reduction Act that President Biden and the Congressional Democrats passed into law want to see the difference. When they took office in power, they took on pharma and passed Medicare negotiation to lower people's prescription drug prices. When the Republicans take power, what they're trying to do is actually destroy Medicaid in

DC speak, It's one word there called pay fors. You can't use budget reconciliation to hand out a bunch of money to billionaires and corporations unless you find pay fors, which means you cut something so that you can give it to billionaires and corporations.

***Q: Is that what's going on now?***

**Lawson:** That's what's going on right now. The tax cuts that passed during Trump's first term will cease to exist if they're not redone this year. And so the whole push is to pass this tax handout using budget reconciliation and use Medicaid cuts to pay for it. So where that process is we're still in the beginning stages of this blitzkrieg executive order part of the show, because Donald Trump can do all this stuff with the power of the presidency alone 'cause On the hill legislatively where you need the House and the Senate to act. The House right now has a zero person majority. So in March they'll get a three person majority back. So three House members have entered the administration, and they only had a three person majority, so it went down to zero. So right now, the House can't actually pass something they're not ready to anyways. Usually the process here is reconciliation is being set up right now. That's why we have the menu of options, which includes the \$2.3 trillion in Medicaid cuts, among other things, hundreds of millions in Medicare, and a whole bunch of, you know, the destruction of SNaP, which is food assistance.

***Q: Are we assuming that all the Republicans will vote in favor of a 2.3 trillion dollar cut from Medicaid?***

**Lawson:** It's difficult to predict in the House because they have such a tiny majority, and there's going to be a lot of competing. It's not a single axis, right? It's not like there's one way and then there's the other. There's like nine axes. Some of 'em are self contradictory. So it's difficult to predict the biggest ones, which you'll read in the press in the house. The Republican Caucus has five factions that they call the Five Families. So where we are is they're still trying to figure it out. And you gotta remember that the House Republican Caucus, which had a larger majority last Congress, they passed the least amount of legislation in the history of the Congress, or in modern history, I should say. So like they're going to have a tough time and we're gonna be in there, you know, every day bringing the voices

of the American people who will be affected by these, you know, the destruction of Medicaid, the elimination of SNaP, who aren't also billionaires. So they're not going to get a giant bag of cash given to them.

***Q: And for those who aren't familiar with Snap, can you briefly explain what that is?***

**Lawson:** People sometimes have a concept. It's food stamps in their head, but SNaP is a food assistance program. So Medicaid provides healthcare, right? Healthcare, that's it. SNaP provides food. That's it. So for seniors, and you know, another thing you can think about is they're trying to eliminate Meals on Wheels. These are such tiny programs that cruelty almost has to be the point, but take someone's food away and you take someone's health care away. They pretend like that's going to somehow be about reducing prices, fighting inflation, or getting more people to work. Well, how does taking someone's food and healthcare away ... the idea that these programs are very wasteful because, you know, people can just live on them and you're like, 'you can't live on having healthcare if you need it. And then a little bit of food, there are more costs.' So the vast majority of people who can work and receive Medicaid are working.

***Interesting!***

**Lawson:** The problem doesn't exist. They pretend it's about work. It's not. It's about stealing health care from someone who is just diagnosed with cancer and can no longer work. So they lose their job, they lose their insurance, they have to face cancer. They can't afford it. So now they're on Medicaid. And then what this cut, which they call work requirements... it's all about trying to convince people that it's not about stealing healthcare from children and seniors. When it is, it is about that, that's what they're doing. And then SNaP is sort of an extra bonus cruelty where they're like, and you can starve. So if you take SNaP away from people, the consequence of that is people will go hungry. It doesn't lead to more work, it doesn't lead to lower prices. It leads to many people, children and seniors going hungry. Then you take their health care away and they get sick and die. That's the plan. Millions of people are going to be hungrier, sicker, and dead so that billionaires can buy another golden yacht that's seeming to be the outline of what is going on.

***Q: So regarding the \$2.3 trillion dollar cut, what percent of the Medicaid program would be cut?***

**Lawson:** It would be destroyed. So there's like percentages that when you cut into numbers that large a system ceases to work, right? So if you say, 'I'm going to cut 40% from the administrative budget of Social Security, Social Security would just not function anymore, right? So yes, that's not taking away all of the money, but you can actually destroy a program by just making the cuts so big that it doesn't function anymore. The thing about Medicaid is that it is a state federal partnership. What's being talked about is these massive cuts to the federal side, and then just basically allowing the states to do whatever they want. And what happens then is that the system, you know, you can look at what happens right now. So if you look at Medicaid in California, Medicaid in New York, Medicaid in states that actually care about the wellbeing of their people then, you know, you get quality health care. You can find really amazing stuff. But you look at Medicaid in Mississippi and it's, you know, the barest minimum possible, and you have states who wouldn't even expand Medicaid when it was fully paid for by the federal government, right? So if you cut 2.3 trillion out of Medicaid, what happens is it'll actually crack right along basically the fault lines of the old Confederacy.

***Wow, we'd essentially be going backwards on any progress made.***

**Lawson:** It is slightly more complicated than that, but not like two, two more complicated than that. Medicaid will cease to exist as this federal state partnership because the money coming in from the feds is the key ingredient, right? States have to balance their budget every year that is so, like they have to actually have a balanced budget. They can't run a deficit because they don't print their own money.

The federal government does print its own money and can therefore run a deficit. And we can go into economic theory on a different episode. But just that fact is why the federal dollars are the key to making Medicaid work. Without those federal dollars, you're just gonna have a state program that is massively constrained in what it can do, i.e. it can't provide long-term care. Long-Term care is too costly for the states to face themselves. And then philosophically you're like, yes and that's why we federated into the United States of America to handle

problems that are larger than any one state can handle on their own. A state as big as California or New York, they might be able to do something 'cause You know, I think California's the fifth largest economy if you count it as a country in the world but even there without the federal government ,what will be provided is massively constrained.

**Thank you Alex Lawson of Social Security Works. Stay tuned for next time when we continue our discussion with Alex Lawson on how best to defend cuts to Social Security, Medicare and Medicaid.**

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