

Mark Masselli (00:04)

Our guest is at the center of reporting on the big health stories from the nation's capital that affect all of us. Julie Rovner is the Chief Washington correspondent for KFF Health News and host its weekly health policy newscast "What the Health?"

Julie Rovner (00:19)

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Margaret Flinter (00:40)

Julie and KFF Health News are known and respected for serving as the independent source for health policy research. Polling and news.

Julie (00:48)

As I say this, this administration and I, you know, people say they're doing things that are extra, extra legal. They're doing things that are illegal. There is simply no question that is, it's not an analysis, it's not an opinion. I know what the law is, and they are not following the law.

Margaret (01:03)

This is conversations on healthcare.

Mark (01:16)

Well, Julie, welcome back to Conversations on Healthcare.

Julie (01:19)

Thank you.

Mark (01:20)

Uh, you know, we saw you last summer at Aspen Ideas Health, and a lot's happened since then. I wonder if we can get right to the budget negotiations happening on Capitol Hill. CNN is reporting Republican lawmakers are proposing nearly a \$1 trillion cut in Medicaid and food stamps. What, if you give our listeners an overview, including the next step in these budget talks?

Julie (01:43)

Well, obviously this is a very moving target. The bill is changing even as we speak, but yes, there is, there would be a lot of savings to a number of Health pro, programs, primarily Medicaid, but also, as you say, snap, even a little bit to Medicare and to the Affordable Care Act. There are a lot of provisions in this bill that would impact the Affordable Care Act and people's ability to sign up and get tax credits. The Republicans are trying very hard to put basically the entire presidential agenda into what they're calling the one Big Beautiful Bill. Which means that anybody who has any problems with any piece of it, gets to stand up and yell. And that's what's happening right now. So the House is trying to get this bill passed and to the Senate before Memorial Day. That obviously will only be the, the first, you know, third of what goes on here. Uh, and it's unclear whether even that's gonna happen. But these are, you know, they, they're basically cutting programs aimed at the lower income part of the population to help finance the tax cuts for the higher income part of the population. that's obviously not going over very well with Democrats, and it's not going over very well with some Republicans, which is why they're having trouble with this.

Mark (02:58)

Do you think there's enough, political pressure, being put on them to have them get through the rules committee and then to the floor of the house before Memorial Day?

Julie (03:09)

Uh, we'll see. Uh, you know, there's obviously a lot of pressure. The president came up to Capitol Hill, on Wednesday, excuse me, Tuesday. I don't, I don't know what day it is. It's the rules Committee's been meeting all night, and I've been sort of keeping tabs on it. The president came to Capitol Hill on Tuesday to speak to the Republicans, and he, I think, managed to kind of irritate a lot of the, the holdout groups. We've got, you know, one group holding out over the so-called salt provisions. The, ability for people in high, particularly in high tax states, to deduct their state and local taxes, which got capped in the 2017 tax cut bill is a way to pay for that. so

that group is not yet happy. There is, there's a growing group of Republicans who are unhappy, with how many, reductions there are to the Medicaid program because Medicaid really over the last decade or so, has sort of ceased to be an, you know, inner city urban health program and become much more of a, of a support for rural areas and for people who voted for the Republicans and President Trump. You have, Missouri Senator Josh Hawley, not someone I had on my Bingo card, as you know, a huge supporter of Medicaid basically jumping up and down and saying, we should not cut Medicaid. It's a bad idea. of course, Missouri is one of those states that, added the, the, Medicaid coverage as part of its, state constitution. So if the federal government stops paying as much for it, Missouri is really stuck paying for that itself, which I think has something to do with Senator Hawley's uh, resistance right now. But there is, so there's a lot of resistance in a lot of places. and we'll see if they can overcome it. I honestly have no idea. I know the pressure to, you know, do what President wants in the Republican Party is extremely strong, but there are a lot of members who've been talking about a lot of these things like the, you know, state and local tax deductions for quite a long time, and they don't look ready to throw it in either. So we'll see.

Margaret (05:09)

Well, there's a lot of unknown, but we do value your hypotheses anyway, what you think might happen. And, we remember, when we were last with you, last summer, we asked you which question you would most like to ask President Trump in a presidential debate. Seems like a very long time ago. It does. Uh, and you said then you'd like to ask him about preserving Medicaid. you know, if it's seemed like leading up to last night, huge worries about big cuts to Medicaid, I think there still are, but I understand that he, has told his Republican colleagues not to pursue any more cuts than they already have agreed to, which may of course be pretty gigantic already, but are you surprised by this? What may be evidence of some allegiance to not going further? Tell, tell us about that.

Julie (05:58)

Well, of course, he used much more colorful language in his discussion about Medicaid or, so we are told, obviously none of us heard it. but, you know, this is, I think the president's doing on Medicaid what he's been trying to do on abortion, which is look like he's on both sides of it. you know, one of the things that we know about the, the, the biggest sort of quote, unquote cut to Medicaid in this bill is this, it's not really a work requirement, it's a work reporting requirement. Where people get stuck is not that they're not working, not that they're not meeting these requirements for, you know, it's not that big a requirement. It's 20 hours a week, and it can be work, it can be going to school, it can be caregiving. I mean, there are a lot of, there are a lot of ways to, you know, satisfy this requirement. The problem is the couple of states that have tried it have made reporting it so difficult that people end, people who are obeying the rules and eligible for Medicaid end up falling through the cracks, and that's what's happened. And so, you know, is that a cut or isn't it a cut? Well, if you have millions of eligible people who suddenly don't have their health insurance, it's hard to describe that as anything but a cut. So the president's trying to kind of have it both ways. A lot of members of Congress are trying to have it both ways. You know, they're saying if these people won't work, then why are they getting Medicaid? but as, as I say, as we know from the states that have tried this, even people who are working sometimes end up losing their coverage. There was a wonderful story last week that ProPublica did out of Georgia about the small businessman who was one of the, sort of, you know, poster children, if you will, for Georgia's program, Georgia's work requirement program. And he lost his coverage twice through bureaucratic follow ups. I mean, it wasn't anything he did, and now he's just fed up with the whole thing. And that's what happens when you add all these layers of bureaucracy, to the program. Uh, it does save money. Remember, this is a budget exercise, and so it saves money, but as if you, you know, go under the hood of these Congressional Budget Office estimates, it saves money because eligible people are losing their coverage.

Mark (08:00)

Julie, I wanna pull the thread on your statement of, trying to have it both ways because looming over this budget negotiations in the midterm election in 2026, and there are more than 71 million people enrolled in Medicaid, another 40 plus million, who receive food stamps. I'm wondering, how does each party see this to their political advantage?

Julie (08:23)

Well, the Democrats are, you know, amazed that the Republicans are basically going after their own voters. That's, that's how they see this, that, you know, cutting Medicaid in particular, which now is, more substantial in a lot of these very red states. sort of ironically, it, we, we are seeing it in these states that, that even some of the states that didn't expand Medicaid, are now more and more, reliant on Medicaid, and on the Affordable Care Act, which they are also, we can, we can get to that in a minute, which is, would also be shrunk under this bill. I, you can, there's a lot of debate about whether you can use the word cut because they're not, continuing an

existing, expansion of the CA and by not continuing it, you're gonna make it unaffordable for a lot of people. But, you know, the Democrats, the Democrats discovered in 2017, I think during the, the first repeal and replace, fight that Medicaid was a lot more popular than they thought. And remember, this was, you know, eight years ago, Medicaid was not even as big as it is now, not serving as many people in Republican areas as it is now. but even then, Medicaid's impact on serving people, you know, elderly people in nursing home and pregnant moms and kids, though those, those are all considered by both Democrats and Republicans, mostly to be deserving people of getting health insurance. so it is surprising to the Democrats that the Republicans are actually doing this. president Trump seems to be able to get away with, as I say, having it both ways on issues like abortion, where he can sort of say one thing and do another. I think a lot of these members of Congress are not quite, don't have quite the level of trust among their supporters that the president does. And I think that's where the tension is right now. There's a lot of these republicans who think, well, he might be able to get away with it, but I don't know whether we can. And I think that's what's causing a lot of the, the heartburn among Republicans right now.

Mark (10:30)

Well, You really bring up a good point, Margaret. We've been talking about this, that, somehow Medicaid, five years ago, people really didn't have a good view of it. And today they're really having, I'm not sure it's the third rail yet, like social security, but it's getting closer to that, which is pretty, pretty amazing.

Margaret (10:47)

Right. And it will be when people go for their prenatal care and don't have it.

Julie (10:48)

It is pretty amazing. I was surprised in 2017, at the popularity of Medicaid when the Democrat, that was, I mean, arguably that was what saved the Affordable Care Act from being repealed was the, the Democrats emphasis on Medicaid and the number of people who would lose Medicaid coverage, due to their repeal plan. And it's funny because in 2017, Medicaid was really not their target. The CA was right. This year, it's kind of the reverse Medicaid really is the target. and that's, and as I say, there's a lot of moderate Republicans who are not happy with that, including, you know, the ones who say, well, we're only getting, you know, there's a lot of the talking point is we're only getting rid of waste, fraud and abuse, and we're only gonna kick people off the program who aren't eligible to be there. but that won't get them the \$700 billion that the Congressional Budget Office now says would be reduced out of Medicaid over the next 10 years if the bill as it is right now, becomes law.

Margaret (11:47)

Well, we're gonna follow that obviously very carefully, but I, I wanted to ask you about, something else that's been quite a bit, in our news, anyway, you know, we're always reminded we have separation of powers. and a federal judge recently ruled that the Trump administration cannot carry out the big, plan that we all were notified of pretty recently to cut \$11 billion in public health funding, going out to the states primarily. we thought it was interesting that a Trump appointed judge, backed the states, in this lawsuit, I think was 29 states that filed it. How, how do you see this one?

Julie (12:25)

This is the, the first, you know, I guess we're up to like a hundred and, and 15 days of this administration have been something that I have never seen. This is my 40th year of covering healthcare in Washington. basically it is an article of faith because it's in the constitution that Congress sets the spending priorities. Congress appropriates the money, the president signs the appropriation, and the, the executive agencies are supposed to spend the money as Congress basically ordered, and the president acknowledged. and that's not what's happening here. We've seen this administration, in a lot of departments, but particularly at the Department of Health and Human Services basically thumb its nose at the Congress and say, we're not gonna spend the money that you appropriated, try and stop us. And I think that's why you're seeing, and judges are trying to stop them. The problem is, and uh, we on, we had a law professor on our podcast a couple of weeks ago who pointed out that the, this is not, that the court system is not really set up to police the, this particular separation of powers where the administration simply says, we're not gonna do what the Constitution says we have to do. And we're seeing it not just in stopping this money, this public health money that was going out. We're seeing it in cutting off, national Institutes of Health, research grants, which they're also not allowed to do without cause they're doing them without cause, firing, you know, tens of thousands of workers, who have civil service protections. you know, they're basically doing it first and, you know, and daring someone to come in and tell them no. And the nos are starting to come, but it's been, the disruption has been enormous. everyone, it's kind of like the tariffs except for healthcare. Nobody knows exactly what's gonna happen. So everybody's kind of frozen in place. You have universities that have stopped accepting graduate students, because they don't know if they're

gonna have the stipends to pay them. You have clinical trials that are being stopped in the middle. You have research that's being stopped in the middle. You can't just stop research and then pick it up three months later when a judge says, Hey, you were supposed to send this money. in a lot of cases, you know, this, we're wasting tens of billions of dollars, in things that can't be stopped and restarted again.

Mark (14:44)

You know, Julie, I was surprised that the American Public Health Association took off the gloves, and called on the Health and Human Service. Secretary Kennedy resigned be fired because he's, quote, a danger to public health. Uh, as a veteran journalist, do you think this is the, sign of, deeper issues brewing in our public health infrastructure, that we have this level of division this early on?

Julie (15:08)

No, I think we were always gonna have this level of division this early on. As I say this, this administration and I, you know, I, people say they're doing things that are extra legal. They're doing things that are illegal. There is simply no question that is, it's not an analysis, it's not an opinion. I know what the law is, and they are not following the law. And then Secretary Kennedy comes to Congress. He's been before three different committees in the last week, and he keeps saying, if you appropriate the money, I will spend it. Except that we know that that's not what's happening. so, you know, this is, we have never seen this. It's not an ideological thing. It's simply, an executive branch that is thumbing its nose at a coequal branch of the government, in this case, the Congress, saying, you can tell us what to do, but we're not gonna do it. That is not something, so we have been before, and that is not based on ideology.

Mark (15:59)

But we've always had rescission powers of the executive branch, and they've used it. What's, what's the difference here? Is that not a rescission or...

Julie (16:07)

No, a rescission is a formal request by the administration to say, we don't wanna spend this money. And, and they send a rescission request to Congress, and Congress gets to decide whether or not they're gonna allow the administration not to spend that money. That has not happened. There was supposed to be a rescission package. They kept talking about sending a rescission package. It has not come up. They are, they have not done it. They're simply sitting on money that they're supposed to be spending, and we know this.

Margaret (16:34)

Well, they're certainly looking at a lot of different areas. And, and one, that I've seen come up, is the Trump Justice Department accusing, Medicare Advantage insurance providers of paying, so-called kickbacks to capture the best customers for their plans. And we know the Republicans had traditionally been seen as big supporters, of Medicare Advantage. What's your sense of the tension between the federal government and these providers over Medicare Advantage?

Julie (17:03)

I'm surprised at how aggressive some of the Republicans are being about Medicare Advantage, particularly, you know, Dr. Mehmet Oz, the new head of Medicare and Medicaid, and Secretary Kennedy was asked about it. And Senator Bill Cassidy, who's the chairman of the, the Senate, help committee, which obviously doesn't oversee Medicare, but he's also a member of the finance committee, which does, and he, he's also, I mean, there's a lot more, interest in maybe looking into some of the practices of these Medicare Advantage plans than I was expecting there to be this year. It's something I'm watching pretty closely.

Mark (17:38)

Well, as Willie Sutton said, that's where the money is. That's why you go after...

Julie (17:41)

That is where the money is.

Mark (17:42)

Yeah. You know, Julie, KFF uh, health conducted an analysis that found about 2 million undocumented people could lose their health coverage if states drop it for them. Uh, I'm wondering how KFF created this report, and, I wonder if you could also explain how the federal action could stop the state health coverage for undocumented people.

Julie (18:04)

Well, it's not just undocumented people. I mean, one of the things in this bill is that it would take away a lot of health coverage from documented people, from people who are here, people who are not citizens, but who are here legally have temporary protected status. or, you know, or, or people who entered the, the country legally are in the process of naturalization, but are not yet naturalized. and a lot of those people would actually lose coverage under this bill. I am not, I mean, I, I am in awe of the, the people on the policy side, but I don't know how they actually do their analysis. They just do them and send them to us. And I'm like, great. I'm gonna quote them. I'm not a statistics nerd.

Mark (18:42)

But, but also this, this is that if the state spends any money on that, there could be a huge penalty for the state. Uh, you know, it's not just the, amount they spend on that, but there's a, a much larger fine. Is that, is that what's happening?

Julie (18:58)

That is one of the things that is happening. We've seen for, for instance, California decided to use its own money, right? You cannot use, federal funds, to pay for thing... for coverage of people who are undocumented. But several states and notably California have been doing that. And basically what this bill would say is that if you do that, even with your own money, we're gonna punish you by taking away some of the federal money that we give you for other populations. They're basically saying you can't do it even with your own money. that is not a place we have been before. I'm actually surprised they're not doing it with abortion, because that's the same, that also occurs that states, several states use their own state funds, to pay for, some abortions under, Medicaid, even though no federal funds may be used to pay for abortion under Medicaid. That's part of the, you know, the, the decades old Hyde Amendment. I suspect if somebody thinks of that, they'll probably put that into, although that's not, that would not get them the kind of savings. This would get them savings to help pay for their tax cuts, by cutting federal funding for these states that are using their own money to cover undocumented populations. And remember, you know, people who are here undocumented, many of them work and own homes and, you know, get sick and go to the hospital. We're not, you know, the people, the Republicans keep talking about Medicaid, like people are sitting on their couch, living off of their Medicaid coverage. Nobody gets money from Medi. Nobody who's a res uh, beneficiary of Medicaid gets money from Medicaid. The health pro, the people who provide them healthcare get money from Medicaid. So most this money is going to support the healthcare infrastructure of these states, and that's why these states are doing it.

Mark (20:42)

Well, you, you just touched on something very important, the amount of money that flows through a state, and some of these are red states, very poor states. They have a huge amount of Medicaid dollars flowing through, which doesn't go to the recipient, it goes to the health, complex, and the providers and, people are able to build more facilities or hire more staff. So it has a real big IM impact. Yeah. Uh, economically And certainly a huge concern for the safety net sector, the community health centers, the state health department, funding. And ultimately people do get sicker and sicker if they don't get healthcare. We all know that. So we'll see how this, plays out. But, another, I'd say thing that has shifted, right, a, a year ago, I think I was reading reports that we probably had had the most successful enrollment in the marketplace, a dimension of the Affordable Care Act resulting in historic lows, in the uninsured. And that was a very successful, season. And now we're, hearing, and, and I think KFF has highlighted the changes in the affordable, care Act marketplace will result in significant, drops in enrollment, leaving more people without insurance to show up at those healthcare providers uninsured, walk us through that one. I mean, it does seem like shooting oneself in the foot, but what, what's your take on that?

Julie (22:04)

Well, you know, again, well, it's interesting. The, the, the biggest, reduction in coverage would come from not renewing these additional subsidies that Congress passed, the Democratic Congress passed, and President Biden signed, during the pandemic, or shortly after he came into office, which has basically doubled enrollment, through the marketplaces. it extended tax credits well up the income scale and made them more generous for those at the lower end of the income scale. there was some thought that, congress, that the Republican Congress might want to extend those, because as I mentioned, there's a lot of people, particularly in the big states that haven't expanded Medicaid. There's, they've seen a lot of expanded coverage in the Affordable Care Act. Instead, big states like Florida and Texas and Georgia, very pretty red states. but in the end, they decided not to do that. It would be expensive. So when that goes away, there will be a, a number of people, and that's gonna happen first thing in 2020, 2026. So before the next midterms, people are suddenly gonna discover they can't afford their Affordable Care Act health insurance anymore. In addition to that, there are also provisioned in this

bill that would reduce coverage under the Affordable Care Act. Things that, you know, look small and kind of nerdy, like, you know, something called passive re-enrollment where people get automatically renewed. if that goes away, there, there are, you know, I think it's upwards of a million people who would suddenly not be covered because so many people rely on just their insurance coverage rolling over. there are also, rules that make it easier for people to sign up that this bill would basically put on delay, so it wouldn't be easier for people to sign up, and therefore fewer people would sign up and therefore they get budget savings. You know, I, I keep coming back to the fact that this is all about creating budget savings. it's not, the, the purpose of it is not to take away coverage from people. The purpose of it is to, you know, reap money for the federal budget. and so there would be a big impact on the Affordable Care Act as well as Medicaid.

Mark (24:16)

You know, Julie, another big story that we're following is that the FDA says, the annual COVID shots for healthy, younger adults and children will no longer be routinely approved. Why did they make this move? And, and tell us what you think the implications are.

Julie (24:31)

Well, I'm not positive why they made this move, although they have been saying, you know, this, the, the leadership of the Department of Health and Human Services is, fairly anti-vaccine. and certainly anti covid vaccine, which was obviously, you know, in increasingly divisive, you know, now they're, they're saying that those over 65 and those with pre-existing health conditions, should probably get the new Covid vaccine, but probably not anybody else unless they do new, you know, full placebo controlled trials, which seems unlikely that the vaccine makers would want to go through all of that trouble for something that probably won't have that much take up. you know, we're gonna see more of this later this week when the, the Vaccine Advisory Committee meets. but, you know, I think this is the beginning of a shift, in basically how the department looks at the, risk benefit analysis of vaccines. something that most of medical sciences taken for granted over the last couple of generations. You know, we have many new vaccines, and there has not been, you know, obviously not every vaccine is perfect. We know that not every vaccine is, you know, is absolutely safe. There are side effects. That's why we have a vaccine injury compensation program, for, for the few people who do have adverse side effects. But generally there is a, people, there's a calculation, will this help more people than it will hurt? and this administration seems to be trying to shift that calculation, if you will.

Margaret (26:07)

Well, that's certainly one we're all following very closely. And of course, watching the measles, epidemic in the United States, first one in 25 years is very telling. And, I'm sure we'll be talking more about that. but another, consequence, since Robert Kennedy became Health and Human Services Secretary, is that 20,000 jobs have been lost from HHS. That's kind of a staggering, figure. And, and its sub-agencies. And you, at KFF have a poll that says 61% of Americans oppose those cuts. Uh, do you think we're at the end of that cutback? Do you think there'll be a retrenchment in which people will be brought back? Or what do you foresee for this in terms of impact on the country?

Julie (26:51)

Well, I think this is gonna be how this fight between the administration and Congress gets resolved. you know, basically everybody that's been let go, were people who had, whose jobs were funded through the Continuing Appropriation Act that the president signed. it's, you know, this was a yet, what did they do a new bill for for last year? No, Congress couldn't come to an agreement on one, but they continued the one from the year before. And that is the law. that, and as I say, you know, they've, they've eliminated, they've, they've canceled grants, they've canceled contracts, they've let people go, none of which is basically they had the authority to do. And when challenged judges have largely been saying, you didn't have the authority to do this, and they're saying, are you gonna enforce it to, to the judges? I mean, you know, this is gonna come to a head sometime, I think fairly soon, and we're gonna see what happens. But, you know, one of the things that has concerned me is that I think the, the American public doesn't have a really good handle on how, what goes on at the Department of Health and Human Services undergirds the entire healthcare, infrastructure of the United States, the public health infrastructure, the hospital infrastructure, the physician infrastructure, the safety net, everything is basically, I won't say run out of the Department of Health and Human Services, but it is propped up and it is basically supported by what goes on at the Department of Health and Human Services. And I feel like this is kind of a, you know, wobbling Jenga tower and this administration has come in and it has pulled a lot of things out of the bottom of that Jenga tower, and it is starting to wobble more. And I am truly concerned that the entire infrastructure could collapse itself.

Margaret (28:32)

And, and if I can, I'll add to that, a lot of health professions training, comes out of HHS as well. And if you take a year out of it or two years out of it, you're creating a long-term pipeline problem.

Mark (28:44)

Julie, Let me get one last Question in...

Julie (28:45)

And as I say, it's not just the, the medical, the medical provider workforce, it's now the research workforce as well. So we're getting, we're taking, we're, we're slowing down re the training of researchers and the training of healthcare professionals. Sorry.

Mark (28:59)

Julie, Let me get one last question. And you always like to ask your guests to suggest health policy stories they think we should all be reading. So let's ask you the same question. What should be on our radar?

Julie (29:10)

Well, I'm fascinated actually by a story, by a couple of my, my podcast panelists, Sarah Cliff, and Margot Sanger Katz at the New York Times about new research, about how Medicaid really does improve the health of people. This has been long studied, and one of the, sort of, big Republican talking points is that there's no evidence that Medicaid actually makes people healthier, that people who get Medicaid are still sick. And why are we spending all of this money giving these people health insurance when it doesn't improve their health? Well, there's now a growing body of research that says it actually does. It's been really hard to study. you know, we had this big Oregon study, I think it was in 2011. It was a, it was a while, a while back, that sort of a naturally occurring, you know, placebo study, if you will, because they couldn't give Medicaid, they couldn't expand Medicaid to everybody. So they studied the people who got it and the people who didn't. And there was some benefit, but not a lot. But again, it was a short-term study, and that's not the best way to sort of measure this. We're starting to get more measurements of how, having health insurance actually does improve your long-term health and wellbeing. And I think that's something interesting and relatively new to be following.

Margaret (30:20)

Absolutely. We will follow that. And Julie, we wanna thank you for joining us and thank you to our audience for being here. Just a reminder to be sure to subscribe to our videos on YouTube, find us on Facebook and X. Please share your thoughts and your comments about this program. Take care, and be well.

(30:39)

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