



Weekly Checkup

Never Enough: Funding the Progressive Health Policy Agenda

CHRISTOPHER HOLT | AUGUST 13, 2021

This week, Senate Democrats muscled through a fiscal year 2022 (FY 2022) budget resolution on a party-line vote, theoretically paving the way for a [\\$3.5 trillion spending package](#) to move through [budget reconciliation](#) later this year. Reconciliation would allow Democrats to bypass a filibuster and enact the new spending with only 51 votes. **New spending of \$3.5 trillion might sound like a lot**—because it is in fact a lot, it’s a ridiculous amount of money—but **Democrats are already [expressing](#) concern that it won’t be nearly enough to pay for all the health care policies on their wish list.** So, what’s on the table, and how might the money get divvied up? Let’s explore.

The reconciliation [instructions](#) put forward in the FY 2022 budget resolution include extending the two-year increase in Affordable Care Act (ACA) [insurance subsidies](#) that were enacted as part of the first [reconciliation package](#) earlier this year; providing coverage for Medicaid expansion eligible populations residing in states that have not expanded Medicaid under the ACA; lowering the Medicare eligibility age and adding vision, dental, and hearing benefits; adding more money for graduate medical education; expanding coverage for home-based, long-term care for seniors and persons with disabilities; providing additional funding for maternal, behavioral, and racial health equity; and boosting pandemic preparedness. The Senate Finance Committee is also instructed to generate \$1 billion in budgetary savings to help fund this new spending. In addition to various tax provisions, the committee is instructed to find “health care savings.” Those savings are understood to be derived from drug price reforms, which would check another policy-promise box for Democrats.

But it turns out \$3.5 trillion just isn’t enough to do all the things Democrats want to do in health care along with their other spending priorities. Biden’s [proposal](#) for expanding home-based, long-term care alone would cost \$400 billion. Reports already indicate that Senate Democrats won’t pursue lowering the Medicare eligibility age (which could potentially violate the rules of reconciliation), but they will try to expand the program to cover vision, dental, and hearing services even as the Biden Administration [slow walks](#) the Medicare Trustees’ annual report on Medicare’s dire [financial outlook](#). Democrats are also discussing a temporary extension of Biden’s enhanced ACA subsidies—rather than the permanent extension originally intended—to reduce the cost of the policy, and substantially cutting the target for pandemic preparedness funding. **Most concerning for progressive lawmakers is that most of this new health care spending is dependent on the savings expected from drug price reforms, but Senate Democrats don’t [appear](#) that close to a deal on exactly how to reform drug prices.** If an eventual drug pricing deal falls short of generating the \$600 billion in revenue Senator Sanders (I-VT) has [suggested](#), or even the \$456 billion that [H.R. 3](#) would have [netted](#)—there may be even less money to spread around health care priorities. And to further muddy the waters, Senator Manchin (D-WV) released a [statement](#) this week that left plenty of wiggle room, but indicated he’s disinclined to support \$3.5 trillion in new spending.

To be clear, we’re still a long way from a second reconciliation bill. First, the House has to pass the budget resolution when it returns in late August. Then, work will begin on writing a reconciliation bill, the House will need to pass its version—somehow unifying progressive and moderate caucus members, and the Senate will

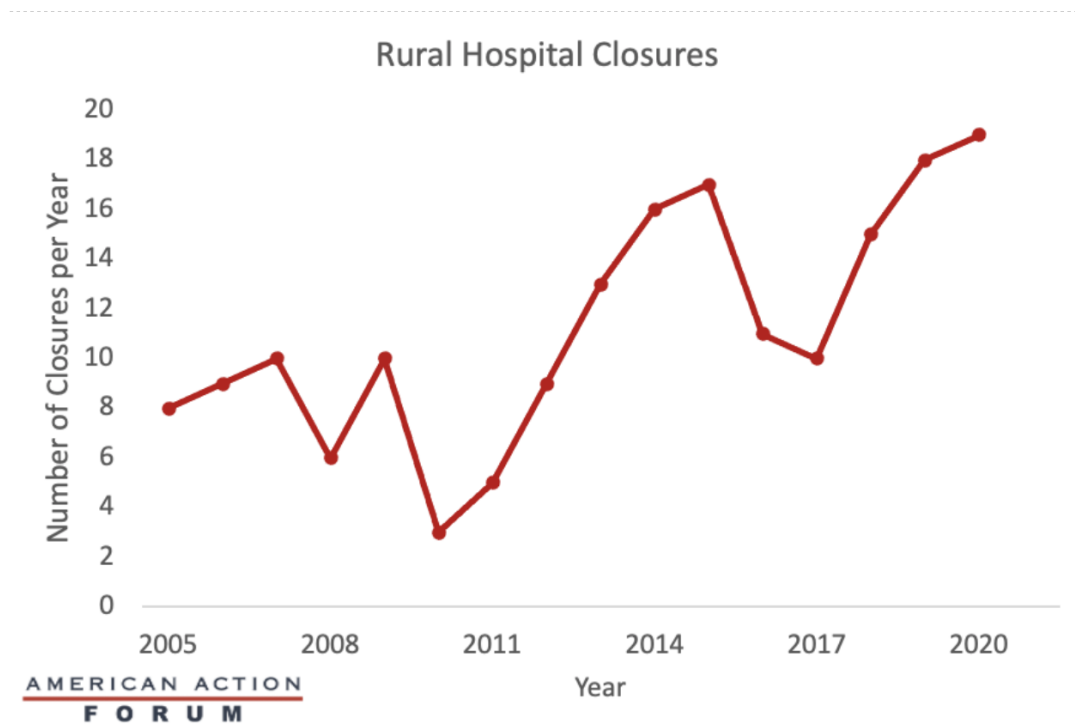
have to revise that draft based on feedback from the Senate parliamentarian. The final bill will need to garner every single Senate Democrat vote (including the aforementioned Senator Manchin) and be palatable to both progressives and moderates in the House.

Something is likely to pass, but exactly what it will look like is far from clear. Either way it's worth keeping in mind that the progressive agenda for health care is so expansive, even without including single-payer—that a \$3.5 trillion spending package won't be sufficient to enact all of it.

CHART REVIEW: RURAL HOSPITAL CLOSURES

Jake Griffin, Health Care Policy Intern

About [one in five](#) Americans, or 60 million people, live in rural America and depend on their local hospitals for essential health care. Yet rural hospitals have been closing at alarming rates over the last few years, with more than 181 hospitals closing since 2005. As the graph below shows, the number of rural hospital closures per year has fluctuated since 2005, but has been rising since 2017. Last year alone, [20 hospitals closed](#), making it a record year for rural hospital closures. Texas and Tennessee [lead the way](#) in rural hospital closures, with 21 and 16 closures since 2005, respectively. While key drivers for hospital closures, including low patient volume and reimbursement issues, continue, the COVID-19 pandemic has only made matters worse, and is [predicted](#) to cost hospitals an additional \$53 billion to \$122 billion in lost revenue in 2021, alone. Rural hospital closures pose accessibility issues to those living in the areas, as residents are forced to travel an [average](#) of 20 miles more for inpatient care services or 40 miles more for specialty services. With the rise in rural hospital closures likely to worsen due to the pandemic's effects, rural residents may face even greater health care accessibility challenges.



TRACKING COVID-19 CASES AND VACCINATIONS

Jake Griffin, Health Care Policy Intern

To track the progress in vaccinations, the Weekly Checkup will compile the most relevant statistics for the week, with the seven-day period ending on the Wednesday of each week.

Week Ending:	New COVID-19 Cases: 7-day average	Newly Fully Vaccinated: 7-Day Average	Daily Deaths: 7-Day Average
11-Aug-21	114,190	163,761	492
4-Aug-21	96,453	208,296	406
28-Jul-21	69,640	203,984	319
21-Jul-21	44,140	222,394	251
14-Jul-21	28,855	244,208	223
7-Jul-21	16,286	241,430	189
30-Jun-21	13,770	321,206	225
23-Jun-21	11,885	406,786	249
16-Jun-21	12,436	626,951	292
9-Jun-21	15,321	731,015	355
2-Jun-21	15,066	524,318	388
26-May-21	22,374	822,956	444
19-May-21	28,107	1,065,793	518
12-May-21	34,983	1,277,840	560
5-May-21	45,625	1,474,692	586
28-Apr-21	52,315	1,509,340	620
21-Apr-21	61,236	1,530,352	627
14-Apr-21	68,735	1,782,967	644
7-Apr-21	64,374	1,609,398	619
31-Mar-21	64,119	1,394,315	700
24-Mar-21	57,175	980,862	736
17-Mar-21	53,430	1,036,791	860

10-Mar-21	54,350	968,625	1,125
3-Mar-21	61,042	927,354	1,356
24-Feb-21	64,745	854,047	1,738
17-Feb-21	74,340	752,413	1,913
10-Feb-21	100,411	710,538	2,365
3-Feb-21	130,077	489,684	2,719
27-Jan-21	160,221	3,339,610	3,177

Sources: Centers for Disease Control and Prevention [Trends in COVID-19 Cases and Deaths in the US](#), and [Trends in COVID-19 Vaccinations in the US](#).

Note: The U.S. population is 332,617,048