

Ryan Budget Cuts CHIP and Medicaid, Risks the Health of America's Children  
Press Release

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**Washington D.C.** - Today, the bipartisan child advocacy organization **First Focus** expressed its deep concern about the **House Budget Committee's plan to drastically reduce funding for Medicaid and the Children's Health Insurance Program (CHIP)**, federal programs that together ensure coverage for America's most vulnerable children.

In his budget outline for fiscal year 2012, **Chairman Paul Ryan (R-WI)** proposed to end the Medicaid entitlement, instead providing fixed-dollar-amount funding to states through block grants. With savings estimated at \$771 billion over ten years, it is a near certainty that funding for states would be far lower than under the current financing system, jeopardizing coverage and protections currently guaranteed for children and other vulnerable populations. This is combined with an estimated loss of \$582 billion in state matching funds for an overall reduction of \$1.35 trillion to Medicaid, risking the health of millions of children and other vulnerable populations.

In addition, by eliminating the Affordable Care Act, the Ryan proposal would effectively repeal funding for the Children's Health Insurance Program (CHIP). The proposal [appears to anticipate the expiration of the CHIP in 2013](#) – 6 years sooner than currently scheduled – and creates a \$150 billion shortfall, which would cause more than 7 million children have their health coverage threatened.

Moreover, the Ryan budget will reduce the federal deficit by \$1.65 trillion over ten years with essentially all of the saving resulting from cutting non-defense discretionary spending to below fiscal year 2008 levels. This will result in significant cuts to funding for programs that are essential to child well-being, including federal k-12 education, early childhood, child nutrition, child welfare, among others, while simultaneously proposing a \$1.8 trillion reduction in revenue through additional tax cuts to corporations and the wealthiest Americans.

**Bruce Lesley**, president of **First Focus**, issued the following statement:

“ Without a doubt, the Ryan budget would be devastating for the millions of children across the nation who rely on Medicaid to have their basic health needs met. By every measure, Medicaid is a cost-effective and essential lifeline for children, who constitute about 50 percent of the beneficiaries, but only 20 percent of the costs. Together with the Children’s Health Insurance Program (CHIP), Medicaid plays an essential role in securing the health and well-being of almost 30 million children, especially as families continue to struggle with the downturn of the economy.

“ Under the block grant system proposed by Chairman Ryan, states would receive fewer federal funds and be forced to contribute more of their own resources in order to avoid limiting coverage for children. Given the current budget challenges, this would be impossible for most states. Furthermore, block grants actually limit state flexibility by taking away a state’s ability to meet the needs of their citizens during times of crisis – including events like 9/11, Hurricane Katrina, and the recent economic recession. Under the Ryan plan, states would have to bear 100 percent of the added cost. Block grants may look good on a budget ledger but the savings they bring in come from reducing coverage for those who are vulnerable.

“ While we recognize that the current budget climate requires congressional attention, it is important to understand that cutting care to children could actually have the effect of

increasing costs, both in health and in other sectors. Block granting Medicaid would not only jeopardize coverage for millions of children, it would also result in cost-shifting that would place an even greater burden on states, localities, providers, and families.

“ Furthermore, the Ryan budget seems to [contemplate the end of the CHIP](#), a program which provides health coverage to more than 7 million children and has the support of 82% of the American public. The Ryan budget also proposes block granting the food stamp program, known as the Supplemental Nutrition Assistance Program (SNAP). More than 20 million low-income children are enrolled in SNAP and depend on the program for at least a portion of their total daily nutrition. For these reasons, Chairman Ryan’ s budget would fundamentally threaten the well-being of millions of American children. We urge Congress to declare the Ryan proposal dead on arrival.

“ Providing our children with the health care and nutrition they need to grow up healthy is not just the right thing to do, it is critical if our nation is to have a workforce that is prepared to meet the challenges of the future. We urge our nation’ s leaders on both sides of the aisle to protect our children from harm as they work to find a solution to our budget challenges.”

**FACT SHEET:**

<http://www.firstfocus.net/library/fact-sheets/chairman-ryans-proposed-fy-2012-budget-resolution-risks-the-health-and-future-of>