



State of the Nation's Health Care 2012

Impact of Budget Cuts on Critical Programs

The United States must make some tough budget decisions; not all worthwhile programs can be fully funded, and spending on many programs will need to be reduced to relieve the economy from the consequences of exploding deficits and debt. **Yet cuts that undermine public health, safety and medical research, reduce access to needed care for vulnerable populations, or exacerbate the shortage of primary care physicians will harm health and increase future costs:**

Programs to Address the Shortage of Primary Care Physicians

- Reduced funding for the National Health Services Corps will undermine progress in training more primary care physicians. The FY2012 federal appropriations bill eliminated all discretionary funding for NHSC, which likely will reduce the number of clinicians able to receive scholarships and loan forgiveness and reduce access in under-served communities.
- An expert commission authorized by the ACA to assess the nation's workforce needs and barriers to primary care has been unable to meet because Congress failed to fund it.
- A program to provide grants to medical schools to improve training, faculty and curricula development in primary care received no increase over FY2010 levels, even as the shortage of primary care physicians continues to grow.

Programs to Protect Public Health

- In FY 2010-11, 40 states decreased their public health budgets; 29 of these states decreased their budgets for a second year in a row and 15 for the third year in a row. Since 2008, over 49,000 state and local public health department jobs have been lost.
- Cuts in disaster preparedness will undermine the country's ability to prepare for health care emergencies. Federal funds for state and local preparedness have declined by 38 percent from fiscal year (FY) 2005 to 2012 (adjusted for inflation).

Programs to Provide Access to Care to Under-Served Populations and Improve Health

- The FY2012 federal appropriations law funds the Health Resources and Services Administration (HRSA) at a program level of \$6.46 billion, \$53 million below last year's level and \$860 million below the President's budget request. HRSA is the primary federal agency responsible for improving access to health care for people who are uninsured, isolated or medically vulnerable.
- Medicaid budget cuts will reduce access to care for the most vulnerable Americans. 18 states in both FYs 2011 and 2012 reported eliminating, reducing or restricting Medicaid benefits. A total of 39 states restricted Medicaid payments to physicians and other providers in FY2011, and 46 states reported plans to do so in FY2012. Five states in FY2011 and 14 states in FY2012 increased copayment amounts or imposed new copayments.
- Quality will be put at risk because of cuts in the Agency for Healthcare Research and Quality (AHRQ) the federal agency responsible for improving the quality, safety, efficiency and effectiveness of care. It received \$368 million, which is \$4 million less than FY2011.