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Legislative Update

The defeat of the “skinny repeal” amendment is a major victory, no doubt about it. However, as you know all too well, it’s important to stay vigilant as we look to the next possible threats we could see to Medicaid. After the bill was defeated, Sen. McConnell did use a parliamentary procedure to put the health reconciliation bill back on the Senate calendar, which means he has the option to call the measure back up for further action.

Note - the underlying bill that was to be amended is the House-passed bill, which would just be the basis for any substitutes or further amendments.

So while it seems unlikely that this particular formulation of a health plan will be brought forward again, we will need to be on alert.

But assuming we do not face another repeal attempt, what happens now? Given the pressures to stabilize the marketplace as more health plans get ready to set their rates in August and September, we anticipate some bipartisan efforts in the Senate to craft a “stabilization” plan. A targeted stabilization plan could, for example, lock in the Cost Sharing Reductions (CSRs) and provide reinsurance money to states to help cover individuals with high health costs.

This is both an opportunity and a risk. There are a number of Republican and Democratic senators who would like to reach agreement on a narrow package genuinely focused on stabilization. But we also could see this process become a venue to take another run at harmful Medicaid or individual market proposals.

As we’ll explain in more communications next week, we’ll be working to advance a few key principles for any such negotiations: ensuring that any agreement does not lead to a loss of health care coverage and insisting that Medicaid be set aside. More on that to come.

In addition, there’s already signs of a backlash for failure to pass a bill. As noted in the Axios article here (<https://www.axios.com/the-health-care-fallout-lots-of-motion-no-movement-2466645709.html>), the House Freedom Caucus is developing a new plan, as is the bipartisan “Problem Solvers” group in the House.

We also have two other threats to Medicaid that we have to monitor and respond to:

First, we have the House Budget Committee plan that will move to the House floor the first week of September that requires cuts in entitlements through a reconciliation process (which we expect would include some Medicaid savings). The Senate will take up the budget in September or October, and we have to work to ensure it does not include a similar reconciliation instruction to cut entitlements.

Second, we have the CHIP/health extenders legislation coming up this fall. That legislation will pose some of the same risks as a market stabilization package and, in fact, the two could be combined. It’s possible we’ll see efforts to add a market stabilization package to the CHIP legislation, which provides another vehicle for harmful Medicaid cuts and changes.

One other point to make: it’s very clear that some of the governors played a critical role in determining the vote of their senator. The 10 governors who signed yet another bipartisan letter calling on Congress to set repeal and replace (and Medicaid) aside made a big difference, as did the 13 governors who participated in the NGA’s bipartisan health care network and issued a helpful [statement of priorities](https://www.nga.org/files/live/sites/NGA/files/pdf/2017/1706HealthReformPriorities.pdf) (<https://www.nga.org/files/live/sites/NGA/files/pdf/2017/1706HealthReformPriorities.pdf>) about six weeks ago. As health legislation moves forward, many of these governors will be important players in any Congressional negotiations.

With this updates in mind, we hope today and the days ahead are filled with celebration, reflection and pride in your work. There is more work to be done, but again – there was a strong message that we will never give up fighting for what is right.

Victoria A. Mayer
Senior Campaign Advisor, Medicaid Defense
Center on Budget and Policy Priorities