EPIC Charge & Response: What's Really Behind the $1.5 Trillion "Alternative" CR Demands

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Congressional Democrats are threatening to force a "government shutdown" unless Republicans agree to $1.5 trillion in demands attached to a continuing resolution, the cost of which is almost entirely due to increasing healthcare subsidies.

These are arguments commonly used in support of the healthcare demands, along with responses to correct the record about the situation.

CHARGE: Increasing federal health subsidies by $1.5 trillion would bring costs down.

RESPONSE 1: Subsidies do not reduce costs but instead hide them from the consumer and pass a portion along to taxpayers. With the federal government running unsustainable deficits, the costs of subsidy increases will be passed on to America's children and young adults, increasing economic risks and reducing opportunity.

RESPONSE 2: Larger subsidies would increase demand for healthcare services. Coupled with government policies that limit the supply of doctors and restrict what non-doctor health professionals are allowed to do, higher demand will inevitably lead to higher prices. The rapid growth of federal healthcare subsidization is a significant reason why medical inflation has been dramatically higher than overall inflation.

CHARGE: Many people will lose access to healthcare, making this a "crisis."

RESPONSE 1: If Biden's COVID Credits expire, low-income households will still have access to either Medicaid or heavily subsidized Obamacare plans. Premiums for Obamacare plans would still be quite modest.

The creation of zero-premium plans under the Biden Administration led to a rash of fraudulent enrollments. Millions who signed up have zero healthcare expenditures, which is why some will choose not to keep even low-cost Obamacare plans.

RESPONSE 2: Equating insurance coverage with healthcare is misleading. People who forego buying highly subsidized health insurance plans are more likely to be young adults with low medical expenses in a typical year. Healthy young adults making a choice that Obamacare plans aren't worth the cost for them is not a "crisis."

RESPONSE 3: Biden's COVID Credits expanded subsidies to households in the top 10%, and in some states, the income threshold exceeds $500,000. These households do not need taxpayer-funded health insurance.

RESPONSE 4: Regarding Medicaid changes in the OBBB, those losing coverage are a mix of illegal immigrants, work-capable adults who choose to remain unemployed, and people who are improperly enrolled. Removing these groups from the Medicaid system will improve access to care for vulnerable populations that the program was created for.

CHARGE: Medicaid changes in the One Big Beautiful Bill (OBBB) were "deep cuts" or "slashing" the program.

RESPONSE: Medicaid spending is still projected to increase every year despite the savings that were included in the OBBB, averaging roughly 2.4% growth from 2025 to 2034. Only in Washington is a steady spending increase called a "cut."