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Commentary: Trump Address Doesn't Close Gap Between Promises and Policies

By Jacob Leibenluft

President Trump's core challenge in achieving his domestic agenda is the vast gulf between his promises and his proposals to date, as Aviva Aron-Dine and I noted yesterday.¹ His speech last night to a joint session of Congress made no progress in bridging this gulf.² Instead, it revealed the contradictions he will need to address if he is to deliver on the rhetoric he offered last night.

On health, a doubling down on promises but no path towards keeping them. President Trump reiterated his promises to “make health insurance available to everyone” and to “expand choice, increase access, lower costs, and at the same time, provide better health care.” Yet he failed to address the gap between those promises and his party's proposals on health care or explain how those promises could be achieved while repealing the Affordable Care Act (ACA), which the Congressional Budget Office estimates would add 32 million to the ranks of the uninsured and double premiums by the end of a decade:

- He called for “Americans with preexisting conditions [to] have access to coverage,” but he didn't explain how to do that while eliminating both the ACA's requirement that individuals have coverage and its subsidies to make coverage affordable.³ And he didn't clarify whether “access” means that coverage would actually be affordable for these individuals.⁴
- He proposed expanding health savings accounts, which provide tax shelters for the wealthy but do little for the families struggling to afford coverage.⁵
- He echoed congressional Republicans who have called for new tax credits to replace those in the ACA. Yet those modest tax credits under consideration could leave coverage far out of reach for millions of low- and moderate-income families, older people, and people in high-cost states and would erode rapidly over time relative to the cost of health insurance, as a recent analysis showed.⁶
- He pledged to pursue a plan for Medicaid that would “make sure no one is left out.” But this would mean rejecting the congressional Republican approach of ending the ACA's Medicaid expansion, converting Medicaid to a block grant or per capita cap, and shrinking federal funding for the program, which would put coverage for millions more children, seniors, and people with disabilities at risk.⁷

- He called for allowing insurers to sell plans in other states, even if the plans don't comply with the state's consumer protections or other requirements. (The out-of-state plans would need to comply only with requirements in the state where they're licensed.) This would only create a "race to the bottom" as insurers seek licensure in states with very weak standards and then market their plans widely, which would do nothing to help those who lost coverage as a result of repeal and likely would make coverage less affordable for older or sicker people.⁸

Taken together, these proposals leave unanswered the core question that has stalled ACA repeal: how Republicans can pass an ACA "replacement" that doesn't leave millions more uninsured, paying higher premiums or deductibles, or without access to decent coverage. Nor do they resolve any of the specific issues that have divided Republicans, including whether new tax credits should be refundable, whether to retain the Medicaid expansion, and whether to retain the revenues that helped pay for the ACA's coverage expansions.

On taxes, vague promises unconnected to the actual plans put forward. President Trump, who has pledged to make tax reform a priority, touched only briefly on the issue last night, promising a cut in tax rates for "companies" as well as "massive tax relief for the middle class." But he has failed to square that promise for "massive" middle-class tax relief — or his Treasury Secretary's pledge not to provide "an absolute tax cut for the upper class" — with plans offered by his campaign and House Republicans that would direct 51 percent and 99.6 percent of their tax cuts, respectively, to the top 1 percent of earners in 2025, according to the Tax Policy Center.⁹ Nor has he clarified whether his plan to cut business taxes includes (as his previous plan did) a special low rate for "pass-through" income, which would give wealthy investors a lucrative new tax break and spur tax avoidance.¹⁰

On domestic investments, a pledge at odds with the President's budget proposal just one day earlier. President Trump pledged to work with both parties to "make child care accessible and affordable," to "invest in women's health," and to "promote clean air and clean water," while speaking of education as a "civil right." These statements are directly at odds with the President's Monday proposal for deep cuts to the budget category that supports key priorities like education, job training, medical research, community health centers, substance abuse prevention and treatment, clean air and water projects, and both child care and Head Start. That proposal could slash funding for most programs in this budget category (called non-defense discretionary programs) by 15 percent or more.¹¹

Trump failed to explain how he would invest in child care, women's health, and the environment while deeply cutting funding for domestic programs and, reportedly, imposing especially drastic cuts on the Environmental Protection Agency. And the child care tax proposal he unveiled during the campaign, which would do little to help struggling families afford child care while cutting taxes the most for higher-income families, isn't consistent with his promise to make child care "accessible and affordable."¹²

On infrastructure, still no signs of a path forward. President Trump repeated his call for a "\$1 trillion investment in the infrastructure of the United States — financed through both public and private capital," without providing additional detail as to what that investment should look like. The only infrastructure proposal he has offered to date consists of tax credits that mainly would reward

private developers for bankrolling for-profit projects they likely would have undertaken anyway.¹³ (Trump’s call last night for “public capital” could simply refer to those tax credits.)

Unless the President shifts to an approach that uses direct federal spending for the most necessary investments in areas like roads and bridges, public transit, schools, and public housing — an approach with little support among congressional Republicans — he won’t be able to deliver on his promise to rebuild America’s infrastructure.

¹ Aviva Aron-Dine and Jacob Leibenluft. “Trump’s Policies Don’t Match His Promises,” Center on Budget and Policy Priorities, February 28, 2017, <http://www.cbpp.org/federal-budget/commentary-trumps-policies-dont-match-his-promises>.

² For a full transcript of the remarks, see: “Remarks by President Trump in Joint Address to Congress,” The White House, February 28, 2017, <https://www.whitehouse.gov/the-press-office/2017/02/28/remarks-president-trump-joint-address-congress>.

³ Sarah Lueck, “Republicans Can’t Repeal Health Reform and Keep Current Pre-Existing Condition Protections,” Center on Budget and Policy Priorities, December 15, 2016, <http://www.cbpp.org/blog/republicans-cant-repeal-health-reform-and-keep-current-pre-existing-condition-protections>.

⁴ Tara Straw, “‘Universal Access’: Signs that a GOP Health Plan Will Leave Millions Uninsured,” Center on Budget and Policy Priorities, December 16, 2016, <http://www.cbpp.org/blog/universal-access-signs-that-a-gop-health-plan-will-leave-millions-uninsured>.

⁵ Edwin Park, “Trump, House GOP Health Savings Account Proposals Would Mostly Help Wealthy, Not Uninsured,” Center on Budget and Policy Priorities, November 17, 2016, <http://www.cbpp.org/blog/trump-house-gop-health-savings-account-proposals-would-mostly-help-wealthy-not-uninsured>.

⁶ Cynthia Cox, Gary Claxton, and Larry Levitt, “How Affordable Care Act Repeal and Replace Plans Might Shift Health Insurance Tax Credits,” Kaiser Family Foundation, March 1, 2017, <http://kff.org/health-reform/issue-brief/how-affordable-care-act-repeal-and-replace-plans-might-shift-health-insurance-tax-credits/>.

⁷ Edwin Park, *et al.*, “House Republican Proposals to Radically Overhaul Medicaid Would Shift Costs, Risks to States,” Center on Budget and Policy Priorities, February 24, 2017, <http://www.cbpp.org/research/health/house-republican-proposals-to-radically-overhaul-medicaid-would-shift-costs-risks-to>.

⁸ Edwin Park, “Trump, House GOP Proposals Allowing Insurers to Sell Across State Lines Would Undermine Insurance Markets,” Center on Budget and Policy Priorities, November 17, 2016, <http://www.cbpp.org/blog/trump-house-gop-proposals-allowing-insurers-to-sell-across-state-lines-would-undermine>.

⁹ James R. Nunns *et al.*, “An Analysis of Donald Trump’s Revised Tax Plan,” Tax Policy Center, October 18, 2016, <http://www.taxpolicycenter.org/publications/analysis-donald-trumps-revised-tax-plan>; and James R. Nunns *et al.*, “An Analysis of the House GOP Tax Plan,” Tax Policy Center, September 16, 2016, <http://www.taxpolicycenter.org/publications/analysis-house-gop-tax-plan/full>.

¹⁰ Chuck Marr *et al.*, “Will New Trump Tax Plan Include Pass-Through Tax Break for Wealthiest?” Center on Budget and Policy Priorities, February 27, 2017, <http://www.cbpp.org/research/federal-tax/will-new-trump-tax-plan-include-pass-through-tax-break-for-wealthiest>.

¹¹ Sharon Parrott, “Trump Plans Big Cut in Domestic Programs,” Center on Budget and Policy Priorities, February 27, 2017, <http://www.cbpp.org/blog/trump-plans-big-cut-in-domestic-programs>.

¹² Lily L. Batchelder *et al.*, “Who Benefits from President Trump’s Child Care Proposals?” Tax Policy Center, February 27, 2017, <http://www.taxpolicycenter.org/publications/who-benefits-president-trumps-child-care-proposals>.

¹³ Chye-Ching Huang *et al.*, “Trump Infrastructure Plan: Far Less Than the Claimed \$1 Trillion in New Projects,” Center on Budget and Policy Priorities, December 2, 2016, <http://www.cbpp.org/research/federal-budget/trump-infrastructure-plan-far-less-than-the-claimed-1-trillion-in-new>.