



Health Care Reform **Bulletin**

Impact of the Government Shutdown on Health Care Reform

Provided by Charles L. Crane Agency

Quick Facts

- Because Congress failed to agree on government funding, a federal government shutdown began on Oct. 1, 2013.
- “Essential” services will still be provided.
- The federal government will stop providing all “non-essential” services.
- The government shutdown has very little impact on the health care reform law.

During a government shutdown, the government stops providing all “non-essential” services. This means that many government functions will stop, and many federal employees will be furloughed.

The U.S. Constitution requires Congress to pass a bill establishing a federal budget, often called a spending bill. For a spending bill to pass, the Senate and the House of Representatives must all agree upon the bill, which must then be approved by the President. When Congress is unable to agree upon a federal budget, or when the President vetoes it, before the budget cycle ends, a government shutdown occurs.

Due to Congress’ inability to reach an agreement on a spending bill, **a government shutdown began on Oct. 1, 2013**, following the end of the federal government’s fiscal year. Although the Republican-controlled House of Representatives has passed a spending bill that maintains spending levels, the bill does not provide funding to implement the Affordable Care Act (ACA). The Democratic-controlled Senate has refused to take up any bill that does not fully fund the ACA.

What happens during a government shutdown?

Similar to a lockout in the private sector, during a government shutdown, the government stops providing all “non-essential” services. This means that many government

functions will stop, and many federal employees will be furloughed.

However, military personnel and essential employees will not be furloughed. In addition, other “essential” government functions and services will continue. These functions and services include:

- Social Security, Medicare and certain types of veterans’ benefits;
- National security, including the U.S. military and embassies;
- Public safety, including air traffic control, emergency medical care, border patrol, federal prisons, most law enforcement, emergency and disaster assistance, overseeing the banking system, operating the power grid and guarding federal property;
- All agencies with independent sources of funding, including the U.S. Postal Service and the Federal Reserve; and
- Members of Congress, including essential Congressional staffers (but not those that are non-essential).



Which government agencies are affected?

Nearly all federal agencies will be affected by the government shutdown in some way. The Administration's Office of Management and Budget has [detailed contingency plans](#) that describe each agency's course of action.

The government estimates that roughly 800,000 federal workers will be furloughed as a result of the government shutdown.

Department of Health and Human Services

HHS said that a government shutdown could mean furloughing 40,512 workers, amounting to 52 percent of HHS employees.

However, the effect that the shutdown will have on each office will vary based on whether the service is essential. For example, those running the Suicide Prevention Lifeline would stay, but those in charge of investigating Medicare fraud would be furloughed. In addition, some parts of HHS will only be partially shut down.

Department of Labor

A majority of the DOL's employees will be furloughed. About 13,350 employees will be furloughed, amounting to 82 percent of the DOL's workforce.

Internal Revenue Service

Nearly 90 percent of the IRS' workforce, or 86,200 workers, are expected to be furloughed. Although Social Security benefit payments, automated revenue collections and daily cash management for the federal government will continue, the IRS will stop performing key functions, including audits, examinations of returns, processing of paper returns and call-center operations for taxpayers with questions.

Certain essential employees, such as law enforcement, will not be furloughed, along with some positions that are paid for by funds outside of Congressional appropriations.

How does the government shutdown impact the ACA?

The government shutdown has very little, if any, impact on the health care reform law, despite efforts to defund the law. Because funding for the ACA was passed by Congress in 2010, the health insurance Exchanges still opened for enrollment on Oct. 1, 2013, and won't be affected by the government shutdown.

Although the Exchanges are operational despite the government shutdown, technical difficulties may still occur due to a high volume of traffic. When attempting to access Exchange websites on Oct. 1, consumers experienced wait times, glitches and error messages indicating heavy Internet traffic.

IT contractors are currently working to fix the issues. However, the shutdown affects non-essential government workers, which may include some of the IT staff.

