

GUEST ESSAY

Lawrence Summers: This Law Made Me Ashamed of My Country

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Whitney/The New York Times



By Lawrence H. Summers Mr. Summers, a contributing Opinion writer, is a former Treasury secretary.

Last week, [Robert Rubin and I warned](#) of the many macroeconomic risks created by the domestic policy bill President Trump signed into law on Friday. I stand by our judgment that it will most likely slow growth, risk a

financial crisis, exacerbate trade deficits and undermine national security by exhausting the government's borrowing capacity. This is more than ample reason to regret its passage.

I want to return to the topic after conversations with health professionals, including my daughters, who practice medicine and social work in rural New Hampshire. They made me realize that a focus on macroeconomics, while valid, misses the human brutality that I now see as the most problematic aspect of the legislation. I don't remember on any past Fourth of July being so ashamed of an action my country had just taken.

Over the holiday weekend, while the president was celebrating tax cuts that over 10 years will deliver an average of more than \$1 million to families in the top 0.1 percent of the income distribution, medical professionals were considering questions like these:

- What should they say to seriously disabled patients, who can live at home only because Medicaid pays for rides to their medical appointments, now that those people could lose that coverage?
- What should they recommend to the relatives caring for poor patients at home, who will no longer be able to work when payments for home-health aides are no longer available?
- How should they advise the hospital to handle patients who can't afford rehab or nursing facilities and can't live at home, but who currently occupy rooms desperately needed by acutely ill patients?
- Should they still feel proud of and committed to the work of giving comfort to the lonely, poor and elderly, when their country's leaders have decided that more money for the most fortunate is a higher priority?
- How can they face patients who will be evicted from the hospital with perhaps as little as a cab voucher when their stays end?

After we talked about these questions, it occurred to me to think about precedents in American history — other moments when the social safety net was cut — to see what followed. Did the feared consequences materialize? Were errors corrected?

I am plenty negative about this president and this moment. Even I was unpleasantly surprised by what I learned.

This round of budget cuts in Medicaid far exceeds any other cut the United States has made in its social safety net. The approximately \$1 trillion reduction, over 10 years, represents about 0.3 percent of gross domestic product. Previously, the most draconian cuts came with President Ronald Reagan's 1981 tax law. But they were far smaller — \$12 billion over 10 years and 0.03 percent of G.D.P. The Trump law will remove more than 11 million people from the rolls, compared with about three million under the Reagan cuts. Other noteworthy reductions to the social safety net, such as the Clinton-era welfare reform, were even smaller.

Because Medicaid is a state-level program and varies widely across the country, economists can evaluate the impact of alternative policies. [A number of studies](#) suggest that removing one million people from the rolls for one year could result in about 1,000 additional deaths. It follows that removing more than 11 million people for a decade [would probably result in more than 100,000 deaths](#). Because this figure fails to take account of the degradation of service to those who remain eligible — fewer rides to the hospital, less social support — it could well be an underestimate.

The administration claims its policies, such as adding work requirements for Medicaid eligibility, bear only on the able-bodied. I have supported the general idea of work requirements for cash welfare based on a common-sense idea of fairness. [But a careful evaluation of an experiment in Arkansas](#) confirms what common sense also suggests — imposing work requirements on a population in need of health insurance does not increase work and does inhibit necessary care.

The cruelty of these cuts is matched only by their stupidity. Medicaid beneficiaries will lose, but so will the rest of us. The cost of care that is no longer reimbursed by Medicaid will instead be borne by hospitals and passed onto paying patients, only at higher levels, because delayed treatment is more expensive. When rural hospitals close, everyone nearby loses. Hospitals like the one where my daughters practice can no longer accept emergencies by air because those beds are occupied by patients with chronic diseases and no place to go.

Because of the congressional instinct for political survival, the Medicaid cuts are backloaded beyond the 2026 midterms. Cynicism may have a silver lining. As more people realize what is coming, there is time to alter these policies before grave damage is done. TACO — [Trump always chickens out](#) — is a doctrine that should apply well beyond financial markets.

