

MEMORANDUM**TO: ASAHP Members****FROM: Kristen Truong****DATE: April 5, 2019****RE: Senate Appropriations Committee, Labor, Health and Human Services and Education Subcommittee Hearing on “FY 2020 Budget Request for the Health and Human Services Department”**

April 4, 2019, 10:00 AM, 124 Dirksen

[\[HEARING LINK\]](#)**Overview:**

The Senate Appropriations Committee, Labor, Health and Human Services and Education Subcommittee Hearing on “FY 2020 Budget Request for the Health and Human Services Department” in which HHS Secretary Azar testified on behalf of the Department’s budget request.

Both parties supported the fight against opioid addiction, and Sec. Azar expressed his willingness to work with Congress to develop legislation, such as including Jessie’s Law in the SUPPORT Act. With increasing rates of e-cigarette usage among youth, Sec. Azar committed to address tobacco use by potentially adding more regulation but called upon manufacturers to better control the sale of their products. A majority of the hearing focused on how HHS is handling unaccompanied minors at the border, health coverage for those with pre-existing conditions, and Title X family planning funds.

Opening Statement Summaries:**Subcommittee Chairman Roy Blunt (R-MO) [\[Full Statement\]](#)**

We have made a top priority in the years I have been Chairman of this committee insuring that medical research has the resources it needs at this particular time of real breakthrough potential to do what it does in a way that saves lives, improves lives and frankly benefits taxpayers as we find more solutions. The cuts that you are proposing for NIH would be an overall cut of 12.6 percent in research or almost \$5 billion, and this budget cuts resources that train lots of people for medical professions and behavioral health and pediatric dentistry and we are not likely to do any of those things.

Finally the administration's ending the opioid epidemic is well reflected in this request. According to the Council of Economic Advisers the total economic cost of the opioid epidemic in 2017 was \$684.6 billion, the cost to our economy, the cost to families of the opioid epidemic was that. According to Missouri Hospital Association this estimate suggests the epidemic cost the U.S. nearly \$1.6 billion every day, \$21,700 every second of every day through 2017.

The past four years this subcommittee has increased funding to combat the epidemic by more than \$3.5 billion and we have had great bipartisan leadership on this of people who really on both sides of where I am sitting understand how this has impacted their states and have forcefully made that case.

Subcommittee Ranking Member Patty Murray (D-WA) [\[Full Statement\]](#)

Overall this budget proposes a deep \$12.7 billion cut to the Department of Health and Human Services, slashing it by 14 percent. Medicaid is the largest source of insurance coverage for people with HIV, covering more than 40 percent of people with HIV in care. And the 37 states that expanded Medicaid show how it can play an important role in addressing the opioid crisis as well. In some of these states, as many as four out of five people receiving treatment for opioid addiction are insured by Medicaid. The Centers for Disease Control and Prevention also plays a very important role addressing these public health crises and many others, yet the Trump administration proposes cutting its budget by a tenth.

And at a time when our nation is facing a health professional shortage, it's proposing to cut almost \$800 million from healthcare workforce training programs that support tuition assistance, loan forgiveness, and training for several hundred thousand healthcare professionals annually. Once again, the Trump administration proposes eliminating safety net programs that provide critical assistance to millions of vulnerable families like the Low-

Income Home Energy Assistance Program, which helps families afford heating and cooling, and the Community Services Block Grant, which gives states resources to address the challenge of poverty, and eliminating funding for preschool development grants, which provide high quality preschool to tens of thousands of families.

Witness Testimony

The Honorable Alex Azar, Secretary, U.S. Department of Health and Human Services [[Full Testimony](#)]

Q&A

Sen. Lamar Alexander (R-TN): On opioids, President Trump asked the President of China to make all forms of ethanol illegal and China has announced that it will do that starting May 1. Our drug enforcement agency has told us that most of the fentanyl that comes to the US starts in China. I hope that you will keep an eye on the effect it's having on people with pain while we are getting rid of opioids that are used inappropriately. We want to make sure that they are used appropriately by doctors and the CDC guidelines about which there will be a report in May and the FDA report in August should be seen as advice and guidelines leaving the decisions in the hands of individual doctors and I hope you will help us do that.

Sen. Brian Schatz (D-HI): I'm worried about tobacco use among our young people, and that's why I'm about to introduce the Tobacco to 21 Act ([115th Congress version](#)) with Senator Young. Our bill would raise the minimum age from 18 to 21 for the permit purchase of tobacco products, and that includes the sale of combustible cigarettes and E-cigarettes. The [Institute of Medicine has found](#) that raising the tobacco age of sale to 21 would reduce tobacco initiation especially among kids 15 to 17. It would also lead to a 12 percent decrease in smoking prevalence. Nine states including Hawaii and hundreds of localities have already taken this action. Do you agree that tobacco use among youth is a severe public health problem and you commit to me that we can work together on this legislation?

Sec. Azar: I'm committed to working with you and with other members of Congress on legislation to address tobacco use, specifically e-cigs, among youth as well as taking any necessary regulatory action. Commissioner Gottlieb, his last day today, and I have been very clear that while E-cigarettes may offer a lower risk alternative for adult smokers, who still want access to nicotine. We cannot allow E cigarettes to be an on ramp to combustible cigarette use or nicotine addiction for an entire new generation. FDA is proposing to prioritize enforcement of flavored e-cigarettes that are offered for sale in ways that pose a greater risk for minors to access the products. For instance, FDA will consider whether the products are sold under circumstances without heightened age verification. And while we pursue changes to regulatory policy, we call on the industry, manufacturers and retailers, to step up with meaningful measures to reduce the access and appeal of e-cigarettes to young people. The epidemic level rise in youth e-cigarette use has also prompted a series of escalating actions by the FDA in both enforcement and public education.

Sen. Chris Murphy (D-CT): 4/10 nonelderly adults that are dealing with opioid addiction today are on Medicaid and so when you put \$5 billion in essentially flat funding for specific opioid treatment next to \$1.5 trillion in cuts to the insurance programs that actually allow states to pay for treatment the results is a devastating net negative. This budget asks for states to pick up a much bigger share of the burden for caring for people with addiction and that this national emergency we declared comes with it an expectation that the federal government will do less and states will do more. Aren't we just asking states to essentially pick up the burden of the opioid epidemic given the comparison of the Medicaid cuts in this bill to the \$5 billion in specific opioid funding?

Sec. Azar: While you're right we have a \$1.5 trillion reduction that's in the budget for the Medicaid expansion and the Affordable Care Act exchange subsidies, we add back a \$1.2 trillion program that would be state-based flexibility. And my hope is that with the \$1.2 trillion program in the complete flexibility on the states for that money that they actually would focus that in areas like you just talked about where the needs are greatest.

Sen. Chris Murphy (D-CT): Yeah, we've heard this for a long time that flexibility will allow states to enhance and greater focus their coverage, but in the end, it's a whole lot less money than they were getting today and states are begging for additional dollars to care for people with opioid epidemic, asking them to just focus better with less money.

Sen. Joe Manchin (D-WV): The epidemic of opiates is costing our economy in our little state 8.8 billion a year and forcing us to dedicate the large share of our GDP of any state to cost related to the crisis, which is 12 percent. But the 15% set-aside that you have for states – I'm asking through your rules and regulations if you can do this. You have to take in consideration the deaths per capita, not just the total deaths. I've got counties that it's enormous, but if you look at the total deaths and offsetting the 15 percent, we can't help him that much. Does that make sense?

Sec. Azar: One thing would be where, and you all helped us a lot with the support that with, not just the SUPPORT Act, but with your appropriations funding on opioids with helping us with the formulas to allow a focus of money on the highest burden states. If that issue of deaths versus incidents per capita is in there, obviously I need you to fix that. Yeah, and then there may be some allocation issues within the state. For instance, rural versus urban within the state, happy to work with you and the government in West Virginia to educate and focus on that area.

Sen. Joe Manchin (D-WV): [Jessie's Law](#), I know there's some hoops that we have to draw through, but all of us have agreed that Jessie's Law is something that's extremely needed and can save lives. It's so simple, but yet we are running into so many complications as far as privacy, HIPAA, and all these other things. Can you just briefly state that?

Sec. Azar: I am going to be speaking with our Head of the Office of National Coordinator as well as SAMHSA to make sure it's a priority to share these best practices that are part of the Jessie's Law that are in the SUPPORT Act. We have to examine issues like 42 CFR Part 2 to make sure that there aren't unintended consequences, for instance, where providers don't put information about somebody's addiction status in the electronic medical record for fear of additional regulatory complications there.

Sen. Joe Manchin (D-WV): I've introduced [LifeBOAT Act](#), which basically says that all pharmaceuticals producing opiates should pay one penny per milligram for production fees. That would give us a permanent funding. I'm not looking at that as a tax. If you want to make this product, if you think we need all these products, then you ought to pay a production fee and let us make sure that we have a constant stream of money. This goes to the areas that are hit the hardest.

Sec. Azar: The genesis of this crisis were the legal opioids and that's why I am so glad that we have gotten legal opioid prescribing down by 20 percent.

Sen. Jeanne Shaheen (D-NH): I want to just agree with **Senator Manchin** of the importance of the set aside on the opioid funding. NH is behind WV in terms of the overdose death rate, but way too high for our state. Those set aside dollars that have been used for the state opioid response grants have been made a huge difference in New Hampshire. It's allowed us to set up a hub and spoke system that keeps people within an hour from a place where they can get treatment, which has been very important.

Sec. Azar: The president is adamant – our budget reflects this – about the funding and support for the opioid epidemic. We want to keep working with you to ensure the states that have the highest burden are getting the share of resources that they need to deal with this. In addition, our budget proposes with Medicaid that we would actually expand access for women postpartum for one year to have eligibility who are suffering from addictions. That's one of the changes we've got in the budget.

Full Opening Statements

Subcommittee Chairman Roy Blunt (R-MO)

The Appropriations Subcommittee on Labor, Health, Human Services, Education and Related Agencies will come to order. Secretary Azar, thank you for being here again this morning and for our efforts to work together that while they could always be better, I think we are about to get you staffed up to a point that that will no longer be the excuse. So we will think of what--what comes as the next reason this is not working the way it should. But I wanted to encourage you to continue to do that.

Obviously, this is a difficult budget for us to talk about and frankly I think it's a difficult budget for you to defend and we will see what we have to do here. The Budget Control Act has impact on this. In the case of the budget that you have been asked to submit it's--there is a reduction of 14 percent; the Budget Control Act would require an overall reduction in the nondefense discretionary spending of 9 percent so this budget exceeds even that.

I would say for the 9 percent as I mentioned last week with the Education Secretary you know President Trump didn't sign the Budget Control Act, President Obama did and you didn't vote for it and many of us, most of us who were here when we did the Budget Control Act did. So there's some shared responsibility in where that decision has led us but there will be a number of concerns that I imagine you have to share about what this budget asks for.

We have made a top priority in the years I have been Chairman of this committee insuring that medical research has the resources it needs at this particular time of real breakthrough potential to do what it does in a way that saves lives, improves lives and frankly benefits taxpayers as we find more solutions. As an example, if we could find a way to identify Alzheimer's and delay onset by five years, we would cut the projected cost for Alzheimer's by a third between now and 2050.

The cuts that you are proposing for NIH would be an overall cut of 12.6 percent in research or almost \$5 billion. I am sure that's not going to happen but for that not to happen we have to have a number to work with that you don't have to work with yet and I believe we will have that number. You know we are not going to eliminate LIHE (PH) funding that provides 6 million households with heating and cooling assistance. This cuts resources that train lots of people for medical professions and behavioral health and pediatric dentistry and we are not likely to do any of those things.

I understand you had to make difficult decisions here. I do appreciate the two new initiatives that you have proposed and--and I will be supportive. I am sure--I believe the committee will be supportive of those. One, to eliminate the transmission of HIV in the United States by 2030. Phase 1 of the 10-year plan would infuse the hardest hit states and communities, Missouri is one of those, with additional resources, additional expertise, additional diagnostic and treatment options. And I am pleased to see that that is a new proposal as is the new pediatric cancer program to provide \$5 million over the next decade to launch a major data project on childhood cancer. Now that runs pretty dramatically in the face of cutting overall NIH funding but I do think it gives us the opportunity to look even closer at pediatric cancer and factor that in as we continue to hopefully improve NIH funding.

In addition to these new programs I believe that mental health treatment needs to be heeded--needs to be treated as any other health issue and the budget request includes level funding for the certified community behavioral health clinics. Missouri is one of the eight pilot states in those clinics and 200 locations in our state treating behavioral health like all other health and we need to do more to encourage that.

The head of Barnes Jewish Hospital told me just last week he said quote I can't treat a person's diabetes until their schizophrenia is under control. And I believe we are going to find that if you do treat behavioral health like all other health you actually save more money on the other health care cost then you spend doing the right thing in behavioral health.

Finally the administration's ending the opioid epidemic is well reflected in this request. According to the Council of Economic Advisers the total economic cost of the opioid epidemic in 2017 was \$684.6 billion, the cost to our economy, the cost to families of the opioid epidemic was that. According to Missouri Hospital Association this estimate suggests the epidemic cost the U.S. nearly \$1.6 billion every day, \$21,700 every second of every day through 2017.

The past four years this subcommittee has increased funding to combat the epidemic by more than \$3.5 billion and we have had great bipartisan leadership on this of people who really on both sides of where I am sitting understand how this has impacted their states and have forcefully made that case.

I appreciate what you had to do to try to prioritize limited resources. We will try to do things that make those resources more realistic and I'm glad you are here today and I am glad you bring all of the expertise and ability you bring personally to this job and I would like to turn to my partner here in this effort, Senator Murray.

Thank you very much Chairman Blunt. Welcome Secretary Azar.

People across the country made pretty clear last November that they want us to fight for their healthcare and make sure families get the care they need. That means fighting for protections that allow people with pre-existing conditions to get quality affordable health coverage. It means fighting to bring down the skyrocketing healthcare costs. It means fighting for public health investments that keep our communities safe and address crisis like the HIV and opioid epidemics and it means fighting for investments in research that can help discover new treatments, save lives.

But instead of fighting to defend people's healthcare President Trump is fighting in court to take healthcare away from millions of people who are covered through the exchanges, covered through Medicaid and are covered by their parents' plan. Instead of fighting to bring those costs down and help people get the care they need he is fighting in court against protections for over 130 million people with pre-existing conditions; for bringing back annual and lifetime caps on benefits even for people who let--who get their insurance through their own jobs and for letting insurance companies offer plans that don't cover essential services like maternity care prescription drugs. And President's--Trump budget before us is cut from that same cloth. It bulldozes right over the concerns of families with proposals that would make it harder for people to get care and cuts that would undermine the well-being of families across the nation.

Overall this budget proposes a deep \$12.7 billion cut to the Department of Health and Human Services, slashing it by 14 percent. I always say a budget is a reflection of your values. Well, like many of his actions this budget tells a very different story about President Trump's healthcare priorities than his empty promises. Despite claiming time and time again he would fight for people's healthcare and despite his recent claim Republicans would be the party of healthcare President Trump is continuing to push for harmful policies that would weaken patient protections, take coverage away from people and put needed health care further out of reach. This budget includes Trump care which the Congressional Budget Office estimates would kick tens of millions of people off far worse by cutting over \$1 trillion from Medicaid over the next decade and repealing Medicaid expansion. Medicaid is the largest source of insurance coverage for people with HIV covering more than 40 percent of people with HIV in care and the 37 states that expanded Medicaid show how we can play an important role in addressing the opioid crisis as well. In some of these states as many as four out of five people receiving treatment for opioid addiction are insured by Medicaid.

The centers for disease prevention plays a very important role addressing these public health crises and many others yet the trump administration proposes cutting its budget by a 10th. Their health insurance. When it comes to curbing the HIV and opioid epidemics President Trump promised to fight the fire but his budget actually fans the flames.