

Department of Health and Human Services Budget Request for FY 2020 Hearing
House Committee on Appropriations, Subcommittee on Labor, Health and Human Services, Education
and Related Agencies
Wednesday, March 13, 2019

OPENING STATEMENTS

Chairwoman DeLauro covered a wide array of topics in her opening statement. She began by mentioning her disagreement with the policies of the administration to undermine the Affordable Care Act. Specifically increasing number of the uninsured, and affordability. She then turned heel and focused on the children being separated from their families at the border, and her disagreement with HHS policies in doing so. Following the situation at the border, Chairwoman DeLauro began speaking about gun control and suicide, as well as Title X and abortion.

She then stated she is encouraged by the administration's HIV initiative, and their request for additional HIV funding under HRSA and CDC. However, at the same time she opposes the administration's cuts to NIH HIV research portfolio and the CDC global AIDS program. Furthermore, she opposed the cuts to Medicaid and the proposed repeal of the ACA.

She unequivocally stated her disdain for the \$12 billion cut to HHS agencies, the \$5 billion cut to NIH agencies, the \$750 million cut to CDC, and the \$1 billion cut to HRSA. Additionally, on the mandatory spending side she opposed the cuts to Medicaid, SNAP, and TANF. Chairwoman DeLauro sternly mentioned the subcommittee would oppose these cuts.

Ranking Member Cole, in his opening statement mentioned the cuts proposed by the administration are shortsighted. However, he mentioned that he is pleased with other portions of the budget, namely decreasing prescription drug prices, as well as targeting the HIV epidemic in the US. Furthermore, Ranking Member Cole supports the Title X changes to current law, the free exercise of conscience in health insurance coverage, enforce existing law of tax supported services such as abortion.

Chairwoman of the full committee, **Nita Lowey**, followed Ranking Member Cole by stating the budget presented to them is incomplete and is an attack on public health. She is concerned that the administration's budget will result in a weakened public health system. She essentially echoed the sentiments of Chairwoman DeLauro.

Secretary Azar stated that the budget proposes 87.1 billion in FY2020 discretionary funding for HHS, and \$1.2 trillion in mandatory funding. He stated HHS's FY2020 Budget reflects decisions not just to be prudent with taxpayer dollars, but also to stay within the budget caps Congress created in the Budget Control Act. With the largest non-defense discretionary appropriation of any cabinet agency in 2019, HHS must make large reductions in spending in order to stay within Congress's caps, set a prudent fiscal course, and provide for other national priorities.

In highlighting how the administration's budget supports the goals of HHS, Secretary Azar stated, first the budget proposed bold reforms to empower states and consumers to improve American healthcare. These reforms return the management of health care to the states. He also mentioned the changes to Medicare, and building off of last year's efforts to combat the opioid epidemic.

His opening statement can be found [here](#).

QUESTIONS

Ranking Member Cole asked Sec. Azar for an update regarding the opioid crisis.

Sec. Azar reported that on every indicator of the opioid crisis is trending in the right direction – specifically prescriptions for legal opioids has decreased by 20%, morphine equivalent levels are down and naloxone prescriptions are up, and opioid related overdoses have flattened. However, he stated they are still a long way from announcing a victory, and there is still a long road ahead.

Ranking Member Cole then asked about the specific actions HHS is taking to end the HIV epidemic.

Sec. Azar responded that their focus is on the 48 counties where 50% of new infections are happening, and to implement proven interventions in those areas.

Ranking Member Cole then turned his attention to pediatric cancer efforts, and asked Sec. Azar to expand on those efforts.

Sec. Azar mentioned the \$50 million per year program on pediatric cancer issues. The first thing they are trying to do is collect robust data sets for pediatric cancer sets. Second, they are establishing a pilot for pediatric consortiums to accelerate development and build gene tissue registries.

Chairwoman Lowey in her line of questioning on the use of e-cigarettes and asked Sec. Azar to only support an FDA commissioner that would take a strong stance against them. To which Sec. Azar states unequivocally yes. She then shifted her attention to the domestic gag rule and the millions of Americans who rely on Title X family planning funding. She stated she believes this is unconstitutional, and vastly undermines the doctor patient health relationship and women’s health in the United States.

She then began speaking about the NIH, and questioned Sec. Azar about the cuts to NIH and how many grants would have to be cut based on a 13% funding cut.

Sec. Azar said he doesn’t know about how many grants that would be cut. However, he mentioned that he shares her concern, but HHS is trying to operate within a caps framework.

Representative Herrera Beutler applauded Sec. Azar regarding the work on prescription drug prices and his recent remarks on transforming kidney care. She then focused the rest of her questioning on Medicare coverage post-transplant and immunosuppressive services, as well as organ transplants.

Sec. Azar stated that he would work with her on these issues, and they are working on those issues.

Representative Pocan asked Sec. Azar if he would be supportive of negotiating prescription drug prices through Medicare.

Sec. Azar stated he would like to keep talking about the issue, but there needs to be considerations of all the ramifications about the beneficiary access and choice issues associated with that.

Representative Graves asked Sec. Azar to expand on the CDC.

Sec. Azar stated what they are trying to do with the CDC is to partner with the states, and provide more flexibility. Further they are supporting, as much as possible, to end the epidemic of HIV. Their hope over the next five years is to reduce new contractions by 75% and 90% by the next 10 years.

Representative Lee also focused on HIV AIDS, however she stated her concern with the cuts to the international response to HIV, while increasing the budget for the domestic response. She likened this to robbing Peter to pay Paul. She pointed out that HIV treatment is largely supported by Medicaid, however the budget cuts Medicaid by a trillion dollars.

Sec. Azar stated that some international countries have begun to set up infrastructure, so they do not need US support anymore – this is part of the reason for international cuts. In regard to the HIV

care in Medicaid, HHS has a proposal to reform and restructure health care to the states, by giving them grants so that they can determine how to tackle HIV locally and target individuals as they see fit.

Representative Clark focused her questioning on substance use disorder, and that only 10% are receiving treatment for SUD. She then stated that the facts show that Medicaid treatment for SUD is entirely more effective than treatment in the private sector. Expanded Medicaid is more successful in treating SUD. She then stated the cuts to Medicaid (in the form of block grants) puts a cap on medications and care – she wondered how HHS can assure people will get the treatment they deserve.

Sec. Azar stated they have been granting IMD waivers to states that are willing. But with the cuts to Medicaid, they had added a trillion-dollar program for flexibility for the states. Their plan is to differ to the states to decide whether Medicaid will support SUD.

Representative Moolenaar asked about rural care in regard to opioids, access to overdose reversing medication, and the strategic national stockpile (SNS).

Sec. Azar responded that HHS has proposed \$120 million for the Rural Communities Opioid Response Program. As it pertains to naloxone, or overdose reversing medication, HHS has been committed and still it committed to getting the drug out there for states and localities to prevalently use. In regard to the SNS, HHS proposed a \$10 million increase, and for the first time a stockpile of a drug that treats smallpox in addition to a vaccine.

Representative Watson Coleman mentioned her concerns with the cuts to minority health, and the REACH Program. She then focused her questioning on short term limited duration plans on maternal care.

Sec. Azar responded first to short term limited duration plans on maternal care that HHS is very transparent that in offering this plan it does not cover all health benefits. They are offering this for people who cannot afford basic care under the ACA – these can be 50-80% cheaper, however consumers need to go in with their eyes open.

Chairwoman DeLauro focused her questioning on the global pricing index for Medicare Part B, and if the administration will apply the same index to Part D. She passionately stated that HHS and Sec. Azar needed to look at the new US-Mexico-Canada trade deal, as she states there is a provision contained within that will lock in prescription drug prices.

Sec. Azar stated that he does not want to be closed minded and is happy to discuss this with the Chairwoman.