

Senate Appropriation Committee Labor-HHS and Education Subcommittee
Hearing on the Department of Health and Human Services' FY 2020 Budget Request
April 4, 2019

INTRODUCTION: On Thursday, the Senate Appropriations Subcommittee on Labor, HHS, and Education held a hearing to examine the Department of Health and Human Services' FY2020 budget. The sole witness was HHS Secretary Alex Azar.

OPENING STATEMENTS:

Subcommittee Chairman Roy Blunt (R-MO):

- The HHS budget is difficult for Congress to talk about and difficult for you to defend.
- You propose 14% in cuts, which is 5% larger than the Budget Control Act cuts of 9%.
- For this subcommittee, our top priority is medical research to reach potential breakthroughs that save lives. For example, if we can delay the onset of Alzheimer's by five years, we can reduce Alzheimer's care by one-third.
- I am encouraged by your plan to eliminate transmission of HIV by 2030 and your new pediatric cancer program.
- I believe mental health and behavioral health need to be treated as any other issue. So I am glad HHS does not cut behavioral health clinics and commits to ending opioid epidemic.

Subcommittee Ranking Member Patty Murray (D-WA):

- Americans want the federal government to fight to protect preexisting protections, bring down cost of prescription drugs, and to invest in research that saves lives. Instead, Trump is fighting in court to take healthcare away from people and weakening protections for patients with preexisting conditions.
- This budget makes it harder for Americans to get care. Trumpcare would kick tens of millions off their health care by cutting Medicaid

Secretary Azar:

- Over the past year, HHS has provided more insurance options, flattened drug overdose deaths, and approved a record number of generic drugs.
- Our \$87 billion budget request is putting American patients first.
- Due to budget caps, this budget required hard choices.
- We propose policies to discourage hospital acquisition of smaller practices, and address overpayment to post-acute care providers.
- We propose major reforms to Medicare Part D to help seniors afford prescription drugs.
- We propose to transfer graduate medical education from Medicare to the general fund.
- The budget supports the President's five point plan on opioids.
- The budget provides tools for FDA to reduce E-cigarette use in teens. Today, FDA issued warning letters for companies which sell liquid e-cigarette products labeled to appeal to children.

QUESTIONS AND ANSWERS:

Blunt:

- The Organ Procurement and Transplantation Network issued a new liver allocation policy. The new policy hurts the Midwest and South where donation rates are higher. Will you ask OPTN to not move forward on its new policy until any potential lawsuits are resolved?
 - Any organ donation policy is difficult. I asked OPTN to reconsider its policy and to consider late submissions. OPTN is steadfast in its new policy. My cards are played out and Congress isolated OPTN from political influence.

Murray

- The Trump Administration is sabotaging health care by supporting a court ruling which would overturn the entire Affordable Care Act. Did you object to the President's decision?
 - Cabinet advice to the President is confidential. Supporting the district court decision is not a policy position. We support creating a better health care law.
- If the ruling is upheld, would tens of millions of Americans lose coverage and lose protections from insurance company discrimination against preexisting conditions?
 - There would be no Medicaid expansion or exchange subsidies. But the President won't support any legislation taking protections away from people with preexisting conditions.

Sen. Lamar Alexander (R-TN)

- Medicare Area Wage Index is harmful to rural hospitals.
- Half of all health care costs are unnecessary. Are you willing to work with Congress on issues like surprise billing and transparency?
 - We support those efforts and are ready to work with you on them.

Sen. Jerry Moran (R-KS):

- A number of Kansas hospitals are owned by a company that was investigated for fraud. Now these critical access hospitals may close because of the investigation. Don't hurt patients.
- On the liver allocation issue, HRSA's computer system shutdown due to the surge of comments. It was a flawed process that changed overnight. Roughly half the Senate signed the Grassley letter urging HHS to protect the liver process.
 - The issue has my personal attention, which is why I asked OPTN to reconsider. The process was bad because of the computer glitch, and I apologize for that.

Sen. Brian Schatz (D-HI):

- Soon I will introduce the Tobacco 21 Act with Sen. Young to increase the age to purchase tobacco to 21. Do you agree tobacco use is a severe public health problem among youth?
 - We are extremely concerned about tobacco use and e-cigarette use. We are committed to working with you and taking regulatory action. E-cigs might be lower risk for adults, but they are an on-ramp for a new generation of smokers. We call on industry to step in with meaningful measures.
- Telehealth still faces large regulatory and payment barriers.
 - We need waiver authority to approve telehealth services that improve costs and/or outcomes.

Sen. Cindy Hyde-Smith (R-MS):

- Rural hospitals are struggling and risk closure. It is a life or death problem.
 - I have create a task force to address rural hospital challenges. We must expand telehealth. CMS regulations still are a 1960s model of hospital care. We should not create barriers for rural hospitals.

Sen. Shelly Moore Capito (R-WV)

- Maternal mortality is a growing problem. 700 women died associated with child birth last year. Many are preventable. What is HHS doing?
 - Maternal mortality rates doubled over past decade, partly due to prenatal care challenges. Our budget provides CDC \$58 million to collect data and research this problem.

Sen. Chris Murphy (D-CT)

- This budget shows that frail elderly people are being hurt to pay for the tax cuts for the wealthiest Americans.
- This budget provides \$5 billion for opioid problem, but cuts \$1.5 trillion from Medicaid which provides the actual care.
 - Our budget provides \$1.2 trillion to help states provide care for the original Medicaid populations. This removes the focus on care for able bodied adults.