

**House Appropriations Committee, Labor, Health, and Human Services, Education and
Related Agencies Subcommittee**

Department of Health and Human Services Budget Request for FY2021

February 26, 2020

9:30 AM, 2358-C Rayburn House Office Building

Purpose

The purpose of this hearing is to discuss the Department of Health and Human Services Budget Request for FY2021 and the implications.

Members Present

Subcommittee Chairwoman DeLauro, Subcommittee Ranking Member Cole, Chairwoman Lowey, Ranking Member Granger, Vice Chair Roybal-Allard, Representatives Pocan, Herrera Beutler, Frankel, Moolenaar, Watson Coleman, Bustos, Lee, Clark, and Harris

Witnesses

The Honorable Alex Azar, Secretary, U. S. Department of Health and Human Services

Opening Statements

Chairwoman DeLauro said she supports the Secretary's declaration of a public health emergency when it comes to the Coronavirus. The CDC stated that it is not a question of if this becomes a pandemic, but when it does. She has repeatedly asked HHS about expenditures and the balances remaining in the infectious diseases fund. There has been no response. The Administration finally submitted a request for supplemental funding but there is no supporting documentation. This information should be shared immediately. Taking funding away from other emergencies (Ebola) is not acceptable in order to gather funds for this emergency. The American people need an emergency supplemental bill – helps develop vaccines, assists state and local health departments, and strengthens our public health infrastructure. Another important issue is the Administration's ongoing and cruel treatment of asylum seekers. In recent weeks there are reports that ICE agents are showing up at HHS funded shelters. This is outrageous. They are allowing ICE agents to intimidate kids and ORR to take notes on confidential conversations with these children and share it with ICE. She wants HHS to make it clear that these activities are unacceptable and establish a proper process to avoid this in the future. The overall budget cuts have consequences on American lives. For example, cutting \$3 billion from the National Institutions of Health. The health issues of the nation requires trained health workforce, not cuts in the budget for those who are training to become health professionals. The budget also cuts from gun violence prevention research and Americans are dying every day from gun violence. There is not a comprehensive plan and this budget would hurt more than help.

Ranking Member Cole said that when people say that it is too little too late from the Administration, he does not agree. The infectious disease rapid response fund was set up to be prepared for these kinds of outbreaks. There are people who are criticizing the Administration and the Secretary yet did not support the bill that funded this program. He stated that the Secretary was one of the best cabinet members and his team was doing a

great job in protecting this nation. In just two years, the Secretary has responded to the opioid addiction, the storms in Puerto Rico, the humanitarian crisis on the southern border, and most recently the Coronavirus. We know the cuts that are proposed are made by the Office of Management and Budget, and the Secretary just submits them and defends them at hearings such as this one. The CDC is built on past outbreaks and then preparation for the next potential outbreak. Transparent and active communication strategies are necessary. The continued cuts in discretionary spending will not solve the nation's fiscal problems. Nearly 90% of the agency has entitlement spending on autopilot. The authorizing committees of jurisdiction need to tackle the problem of entitlement spending. The importance of the CDC is that it protects the American people – like responding to the Coronavirus. The threat of a pandemic is far greater than a terrorist attack and resources must be readily available. He noted that this year's budget has increased the budget for the NIH by \$12 billion more than there was four years ago so clearly the value is recognized. He was disappointed to see the reduction in Project Bioshield. He still believes that this is OMB's doing, not HHS. Current funds are not enough to protect this nation from a pandemic, this is why this is so important. The budget also proposed an additional \$680 million for the unaccompanied children's program.

Chairwoman Lowey said that a letter was sent out weeks ago to urge the Administration to gain more information and resources to combat the Coronavirus and they did not budge then. Now they are requesting these funds. The WHO has stated that Coronavirus is a potential pandemic. This budget is devoid from reality and would seriously harm the American people. It is unfortunate that instead of building on last year's progress, we are doubling down on partisan talking points like the wall. This budget would cut CDC's budget by nearly \$700 million. These budget cuts expose the Trump Administration's priorities – campaign promises. Among many reckless proposals, there was a \$3.3 billion cut from the NIH. In addition, the irresponsible proposal of cutting from the teenage pregnancy prevention, Medicaid, and the Title X family planning program with a domestic gag rule is a dangerous combination that will leave women without adequate healthcare and could lead to more unplanned pregnancies. The budget makes it clear that the President does not wish to address the gun violence in this Nation. If a budget is a statement of values, the President's values are clear.

Ranking Member Granger said that she is pleased to see that the infectious disease funds are being used for what they were initially intended to do. She thanked the Secretary for his hard work and dedication to this nation and for making sure that Americans are informed about outbreaks such as Coronavirus.

Testimony

The Honorable Azar said that with the support of this committee, progress has been made on the opioid epidemic, Medicare Part D, and Medicare Advantage specifically. The President's Budget has the sole purpose of working better for the American people. The goal is to ensure that the American healthcare system is personalized, affordable, and treats individuals like human beings not like a number. Difficult decisions like putting discretionary spending on a sustainable path are made. The President's Budget wants to

protect what works in our systems and make it better in two ways: facilitating patient-centered markets and tackling key public health challenges. For example, cost-sharing for colonoscopies would be eliminated. Reforms to tackle maternal mortality issues and rural health issues are addressed through this budget. Funds are requested to end HIV in America as well. The budget reflects how seriously the Administration is taking infectious diseases and the potential outbreaks. The immediate risk of the Coronavirus remains low but they are working closely with state and local departments as more cases are expected. The objective behind this proposed budget is to make our healthcare system work better, not just spend more and he is hoping that the committee can see this common sense goal.

Questions and Answers

Vice Chair Roybal-Allard asked why the Secretary has not used his authority to help with reauthorizing the newborn screening bill by deeming the advisory committee as a secretarial committee so it can continue its work to help reauthorize this bill. **Hon. Azar** said that he is happy to look into the question of the committee's work. The department has given states the flexibility to use their block grants for the screenings while Congress can go through the process of reauthorization. **Vice Chair Roybal-Allard** asked if there is less money in these block grants and states are free to use these block grants as they desire, how that guarantees that they would use it on these screenings. **Hon. Azar** said he would work with her on this.

Chairwoman DeLauro asked how much of the infectious diseases rapid reserve fund has been used for this emergency. **Hon. Azar** said that they have either used or committed the \$105 million in that rapid response fund. **Chairwoman DeLauro** asked how the Secretary intends to reimburse state and local agencies for their expenditures on the ground. **Hon. Azar** said that they are going to work with the committee on appropriate structure. **Chairwoman DeLauro** asked how much of the funding is designated for international activities versus domestic preparedness. **Hon. Azar** said he believes that there is a \$200 million of funding that may be from existing sources. **Chairwoman DeLauro** asked if the supplemental funding request include to replenish the infectious diseases rapid reserve fund. **Hon. Azar** said no. **Chairwoman DeLauro** asked if OMB rejected any funding in the supplemental request for emergency supplemental funding to respond to the Coronavirus. **Hon. Azar** said he is not going to get into the back and forth between OMB and the White House.

Ranking Member Granger asked about the safety of American drug supply because a lot of manufacturers are from China. **Hon. Azar** said they are ensuring that they have visibility on this issue and that they are being alert to disruptions in manufacturing shortages.

Chairwoman Lowey asked why the Administration has not prioritized the prevention of gun violence in this budget. **Hon. Azar** said that they did prioritize infectious diseases and preparedness of global health but there are other ways to prevent gun violence. **Chairwoman Lowey** asked how many more people have to get sick or die for them for ban all flavors of e-cigarettes. **Hon. Azar** said that data proved that menthol was not used by kids as much and that is why that is still available. They will continue to monitor the

marketing and available flavors on the market and will enforce these policies on the companies.

Ranking Member Cole asked if there is not enough money in the \$2.5 billion the Secretary is asking for, will he come back and ask for it. **Hon. Azar** said yes. **Ranking Member Cole** asked if the Secretary wanted to comment on what he is doing with tribal health. **Hon. Azar** said that despite the tight budget, they have increased in the tribal health space. **Ranking Member Cole** asked how ready the state and local departments are when dealing with Coronavirus without being totally dependent on the federal government. **Hon. Azar** said that they have the necessary funds to be prepared but oversight is needed to ensure that these funds are being used appropriately. **Ranking Member Cole** asked about some of the things that are addressing mental health in the budget. **Hon. Azar** said that the proposal allows a state option in the IMD exclusions.

Rep. Pocan asked in regards to Coronavirus, can the Secretary provide some kind of security for the American people because there is contradicting information. **Hon. Azar** said from the perspective of public health, America is in a containment stage and that could change rapidly. There are 14 cases but more cases are expected. **Rep. Pocan** asked if the Secretary would consider taking the funding for the wall and using that for the supplemental funding/infectious diseases response. **Hon. Azar** said he does not believe that the Administration would be supportive of that but it is Congress' decision.

Rep. Herrera Beutler asked how Coronavirus spreads, is it on table tops, and what the availability of test kits is. **Hon. Azar** said there is a chance that it could be spread by hard surfaces but only within a few hours. The CDC currently has a test available but there was a problem on the 3rd stage on quality control with an inconclusive outcome.

Rep. Frankel asked if the Secretary agrees that doctors should not lie to their patients. **Hon. Azar** said yes. **Rep. Frankel** asked if the Secretary could provide a list of the new providers of the Title X program. **Hon. Azar** said yes. **Rep. Frankel** asked who should decide if someone should or should not bring a child into this world. **Hon. Azar** said to refer back to Title X and that Congress ultimately decides where the federal funds go in regards to abortion.

Rep. Moolenaar asked what HHS is doing to help create awareness of opioid overdose and naloxone. **Hon. Azar** said with naloxone, there has been generic options which has increased availability. **Rep. Moolenaar** asked how the proposed changes will broaden telehealth services. **Hon. Azar** said there are a few ways but allowing these centers to be distant site providers which would still make them eligible for Medicaid fee-for-service. **Rep. Moolenaar** asked for a status update on surveillance data platform of the CDC. **Hon. Azar** said one of the critical elements of the supplemental funding is to enhance this surveillance data platform.

Rep. Watson Coleman asked where to get the additional masks (relating to Coronavirus) that are needed if products of those nature are typically imported from China. **Hon. Azar**

said that we have 30 million surgical masks, 12 million N-95 masks, and about five million expired masks. With the funding, domestic procurement will take place. **Rep. Watson Coleman** asked what a fair model about reimbursement is when it comes to test kits, quarantine, overtime services, etc. **Hon. Azar** said that the department has worked with the airports and states who have had these situations. **Rep. Watson Coleman** asked why there is no structure on who is the lead on these issues. **Hon. Azar** said that he is the lead.

Rep. Bustos asked about what the department is doing to help local providers to prepare for Coronavirus. **Hon. Azar** said that at the moment, there is active containment. Part of the issue is managing patient flow and educating the public on how to treat Coronavirus. **Rep. Bustos** asked how the department will square the massive cut with ending provider shortages especially in rural America. **Hon. Azar** said that the program is the National Health Service Corp where they can recruit people to serve in these rural areas.

Rep. Lee asked how the Secretary is planning to roll out public education on what masks are actually effective to protect against Coronavirus. **Hon. Azar** said masks are more for the healthcare workers and the information of the use of these masks is misconstrued. **Rep. Lee** asked how the Secretary justified the cuts on programs that support programs for minority health disparities and youth health. **Hon. Azar** said that he supports these two populations however, they have decided to go about it differently.

Rep. Clark asked if the Secretary could have the Low Income Home Energy Assistance Program (LIHEAP) formula explanation ready for Congress in a reasonable amount of time. **Hon. Azar** said he can work to get that to her. **Rep. Clark** asked if the Secretary decided to eliminate the entire LIHEAP program. **Hon. Azar** said yes. **Rep. Clark** asked if the Secretary agreed with the Ebola fund cuts. **Hon. Azar** said that Ebola fund was needed but Coronavirus is more pressing at the moment.

Second Round of Questions

Chairwoman DeLauro asked what ORR's policy with regard to sharing information and incident reports and how children are capable of giving consent. **Hon. Azar** said the sharing should not have taken place in the past and it was corrected. Consent is a thing that people do for kids who get vaccines or seek medical assistance etc. Consent is a standard policy. **Chairwoman DeLauro** asked what guidance has been given to case managers to distinguish in a child's file that a child has witnessed gang activity without stating the child has participated in gang activity. **Hon. Azar** said he can get back to her about the differences that are noted in witnessing and participating.

Rep. Harris asked if there is anything that could have been done with emergencies that could not be done due to lack of finances. **Hon. Azar** said no. **Rep. Harris** asked if Congress could get together and authorize more funding if it is needed in an emergent case. **Hon. Azar** said yes and that this supplemental funding is valid up until September of this year and then he will work with appropriators for the FY2021 modifications.

Rep. Pocan asked if the Secretary has discussed having a Czar for the Coronavirus issue with this President. **Hon. Azar** said that he will not disclose his conversations with the President, he does not anticipate a Czar however that is up to the President. **Rep. Pocan** asked if America is able to get production back in the US versus depending China. **Hon. Azar** said he is concerned about this but domesticating the production would increase the prices.

Rep. Herrera Beutler asked how the Department is going to ensure that children who are protected under Medicaid are continued to be supported with the Health Adult Opportunity demonstration. **Hon. Azar** said this demonstration is optional and it is not intended to strip children's coverage. This is the able-bodied adult population. **Rep. Herrera Beutler** asked what the FY2021 budget proposal is doing to address child health research and childhood diseases. **Hon. Azar** said particularly childhood diseases such as cancer do not have enough information and the department is working to build on this to make further progress.

Ranking Member Cole asked if the Secretary can help find a way to get the Indian Health Service the resources that they need. **Hon. Azar** said that they used money Congress has previously given them to start four jumpstart programs. This budget is asking for \$27 million for the IHS. **Ranking Member Cole** asked what the budget proposes in regards to suicide rates. **Hon. Azar** said there have been close collaborations with DOD and the VA to better assist veterans specifically. Suicidality is a very important priority.

Rep. Watson Coleman asked if the Secretary would be willing to work with her on a potential executive order to address maternal mortality and other maternal issues. **Hon. Azar** said yes.

Rep. Lee asked about the rationale with cutting funding for the prevention of teenage pregnancy programs. **Hon. Azar** said that there is a fundamental disagreement on whether the effectiveness is evidence-based.

Rep. Clark asked what the Secretary is doing to halt the sharing of confidential information with ICE from ORR. **Hon. Azar** said that when the sharing occurred, it was stopped immediately. **Rep. Clark** asked if the contract to house children ended since November 30 and why is that \$80 million not being used for Coronavirus. **Hon. Azar** said that the purpose of this contract is to address concerns of fixed and influx capacity in the event the Mexico changes border policies.