

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

FY2021 Health and Human Services Budget

10:30 AM, 2175 Dirksen Senate Office Building

Purpose

The purpose of this hearing is to discuss the President's Fiscal Year 2021 Health and Human Services Budget.

Members Present

Chairman Blunt, Ranking Member Murray, Chairman Shelby, Vice chairman Leahy, Senators Alexander, Schatz, Kennedy, Baldwin, Rubio, Murphy, Hyde-Smith, Shaheen, Merkley, and Durbin

Witnesses

The Honorable Azar, Secretary, United States Department of Health and Human Services

Opening Statements

Chairman Blunt said that the budget cuts Secretary Azar proposed are similar to 2020. He said that he appreciated the prioritizing of increased spending in this budget – maternal health, HIV health, and the opioid epidemic. However, the increases are financed by unrealistic budget cuts. Like eliminating children's hospitals graduate medical education. That is not going to happen. This proposes a cut in health research, and Senator Murray and he have opposed this previously. He understands that difficult decisions were made when having to work this new budget, he is sure that Congress will have to do the same. Two years ago, this Subcommittee created an infectious disease fund and the money was used as intended. However, responding to this effort. If Congress is going to be The Department's partner, they must be forthcoming with information and be transparent. He appreciates the Secretary's strong leadership overall. And is looking forward to hearing the Secretary's testimony.

Ranking Member Murray said that she would like to start by saying that she is alarmed by the recent developments that she has seen in the Office of Refugee Resettlement. She hopes to get a straight-forward answer for other health issues. She thinks that the Administration has said one thing and done the other when it comes to helping families that are unable to afford healthcare. If Republicans get their way in court, they will strip away the pre-existing conditions, affect the state exchanges, and in turn affect the population that needs affordable care. There are major steps backwards on Medicaid, and yet small steps forward on HIV. This budget also eliminates funding for the new prevention of suicide initiative from the CDC which Congress included last year. Although this new budget focuses on maternal health, we are not addressing that there is a disproportionate rates where black and minority mothers are affected more. The budget cuts Planned Parenthood from the budget, which pays for nearly half of the births in this country. The Trump Administration continues to put ideology above evidence and patient health. This budget makes things worse for people living on the brink of poverty. She sent a letter asking about Coronavirus outbreaks and the process of getting Americans in China back home and quarantined. She

is concerned that the efforts that have been made on this are not enough. A budget is a reflection of the values and a budget speaks volumes.

Chairman Shelby said that he wants to focus on the current crisis and how the Secretary is going to deal with it. This is not politics, this is doing the job for the American people. Money should not be an object, we should try to eradicate this as much as we can. Some people think that the prevalence of Coronavirus cases is a low-balled number and he is unaware of what the numbers actually are. This virus is concerning a lot of people and he is understanding that the Secretary may not have all of the answers, but they owe it to the American people to find out.

Testimony

The Honorable Azar said with the support of this Committee, the Department was able to see the decline in opioid overdose deaths for the first time in decades, another record year of generic drug approvals, and then drops ACA exchange premiums, Medicare Part D, and Medicare Advantages. The President wants to protect the things that work in our current system, and make it better which means difficult decisions. Putting patients at the center of care will help with bettering care. The budget proposes investing \$116 million in in HHS initiative in reducing maternal mortality and morbidity. Proposal of implementing telehealth services will address the issues that rural hospitals face. Thanks to this Committee, the Department has already begun implementation of their HIV program. NIH will announce the first clinical trial for an antiviral for the Coronavirus at the University of Nebraska. This budget was intended to make healthcare better, not just the system that spends more.

Questions and Answers

Chairman Blunt asked what made the Secretary determine that he couldn't do anything after the January letter and if he willing to do something to get the evidence available to the outside contractor/the public. **Hon. Azar** said that they are working on being more transparent. HHS does not make decisions on organ transplants. He does not have the ability to change those decisions per Congress. **Chairman Blunt** asked about the Secretary's thoughts on internal money transfer when it comes to the infectious disease fund and how the money is spent. **Hon. Azar** said that he has focused his success on five critical factors. Surveillance of coronavirus. The Department needs support from state and local departments. Need to support the research and procurement of vaccine research. And finally, personal protectant equipment. These are the 5 areas where funding is directed.

Ranking Member Murray asked if our country ready for the spread of Coronavirus. **Hon. Azar** said that every day is a day where the Department prepares more and more but they need more supplemental to procure more of the equipment. **Ranking Member Murray** asked about the vague request of supplemental funding. And asked what the costs are for a long-term solution that sustains. **Hon. Azar** said that this information was releases last night and that he will be addressing this soon. **Ranking Member Murray** asked is we have stockpiled the resources and that America is ready for this. **Hon. Azar** said that CDC has made a diagnostic within one week of the sequence arriving. And 12 sites have been able to

validate it. The CDC and the FDA are trying to reach a modified version to enable further diagnostic.

Chairman Shelby asked about the guidelines that the Administration is following to contain the spread of Coronavirus. **Hon. Azar** said that there are traveling restrictions and advisories, restricting people who have traveled to the affected areas from traveling into America. Development of a vaccine candidate that should be completed within 3 months of development per the Wall Street Journal article that was posted today. **Chairman Shelby** asked about the models of the spread. **Hon. Azar** said that they are closely monitoring human to human transmission and that they have been monitoring how it is spreading in other countries.

Vice Chairman Leahy asked how the proposed budget makes sense if America relies on programs like the infectious diseases ones to battle virus outbreaks like Coronavirus. **Hon. Azar** said that although there is a tight budget, infectious diseases response programs are a priority. At CDC, these programs were prioritized and there was an increase in funding. **Vice Chairman Leahy** asked about the CDC infectious disease rapid reserve response fund is running out of money and now we see increase in number of affected people in the US. **Hon. Azar** said that it was funded by Congress and it is running out. This is why the Department is asking for an emergency supplemental. This is merely an option for the appropriators. **Vice Chairman Leahy** asked if any of the requests made to the Office of Management and Budget were denied. **Hon. Azar** said he refused to discuss internal conversations with the Office of Management and Budget in this hearing.

Sen. Alexander asked what we can learn from what this Country has been doing right because there were 14 cases 10 days ago, and 14 cases today compared to the increased cases in other countries. **Hon. Azar** said that the nature of this diseases inclined the Department to reach out to their state and local partners to identify individuals who had the specified symptoms and then took advantage of the new screening tests to confirm the diagnosis. **Sen. Alexander** asked the Secretary that he would simply do what he's been doing, but just properly funded. **Hon. Azar** said yes.

Sen. Schatz asked that given everything that has happened in the last 50 days, if the Secretary wanted to rescind those cuts to the base budget of his agencies that deal with the Coronavirus problem. **Hon. Azar** said that he will work with Congress as they learn more about this disease and if they propose to modify the proposal based on the findings. **Sen. Schatz** asked how many masks will Congress need to prepare for in the stockpile and how much will that cost. **Hon. Azar** said that cost of masks will be determined through procurement criteria and in the briefing earlier, it was estimated that 200 million masks were needed but the Secretary wants to better that estimate through the procurement criteria. Ability to manufacture and sourcing of active ingredients are things to consider when approaching this. **Sen. Schatz** asked that it seems like the Secretary does not know the exact numbers of what the masks would cost. **Hon. Azar** said that they would have to go through a procurement process. **Sen. Schatz** asked about the lack of detail in the supplemental and if Congress should consider this as a marker and then the Secretary will

get them the details later. **Hon. Azar** said not in the least – the letter that went up last night has the basic numbers. There are details but those are initial numbers. **Sen. Schatz** asked why America can't deploy operating test kits until Mid-March. **Hon. Azar** said that the test failed in one aspect because of inconclusive outcomes and they are working to solve that issue.

Sen. Kennedy asked how many current cases of Coronavirus are in the US and how the virus is transmitted. **Hon. Azar** said 14 cases and 43 imported cases. The virus is transmitted generally by respiratory symptoms but he is not a doctor so he can get back him on this. **Sen. Kennedy** asked if this diseases can be transmitted through food. **Hon. Azar** said no but a doctor has stated that it can sustain on hard surfaces for no longer than a few hours. **Sen. Kennedy** asked how severity is determined. **Hon. Azar** said that it is determined by the fatality rate against the number of people affected. **Sen. Kennedy** asked how many cases America is expected to be affected by. **Hon. Azar** said the Department does not know at this time because it is based on the numbers in China.

Sen. Baldwin asked if price transparency would make it harder or easier for Congress to oversee drug corporations and enact sensible policies that would bring down prices. **Hon. Azar** said that the Department does support price transparency. **Sen. Baldwin** asked how the expansion of drug plans by this Administration help during outbreaks or help someone who has cancer. **Hon. Azar** said short term plans are not for everyone and the Administration has been very transparent about this, and they have enhanced consumer protections on this.

Sen. Rubio asked about the lack of transparency of China and how that limits the US from taking further action on eradicating Coronavirus. **Hon. Azar** said that it does limit the US greatly. **Sen. Rubio** asked what would happen if this virus makes its way to underdeveloped countries who lack the ability to address public health. **Hon. Azar** said that it would be very dangerous if it were to spread in those countries and that is why it is so important for China to be transparent. **Sen. Rubio** asked if the FDA have tools and information to track potential medical device or pharmaceutical shortages. **Hon. Azar** said that they do under FDASIA but there have been no shortages that were reported on pharmaceuticals yet. **Sen. Rubio** asked what steps can be taken to mitigate shortages. **Hon. Azar** said this isn't something that can be fixed overnight but the FDA is willing to work with expediting any processes to help if need be. **Sen. Rubio** asked if there is coordination with any non-Chinese suppliers or products in efforts to think forward if America suddenly faced with this virus on a larger scale. **Hon. Azar** said that the Department tis aggressively working on being prepared in this way but no suppliers have indicating that they are facing any problems.

Sen. Murphy asked if it was a mistake to not have asked for the supplemental funding weeks ago considering the state we are in right now. **Hon. Azar** said no, not at all. The Department had \$105 million from the infectious disease rapid response fund and have not even started to use the \$136 million from the transfer authority that the Secretary sent over. 3 weeks ago was just 2 weeks into knowing of this virus and the supplemental was

requested because of the unknowns of this virus. **Sen. Murphy** asked if the Secretary could confirm the CDC program referred to as the Global Health Security Initiative that was operating in about 50 countries was running out and only operating in 10 countries now. **Hon. Azar** said that the focus has moved to regional approaches rather than having permanent infrastructure in every country.

Sen. Hyde-Smith asked if the Secretary can update Congress on the Rural Taskforce work and specifically how this subcommittee can help support his office in that. **Hon. Azar** said that rural healthcare has to have a sustainable model, prevention and health promotion, telehealth innovation, and healthcare professionals. One of the main proposals in the budget allows critical care hospitals to convert to emergent hospitals so they no longer have to have inpatient equipment.

Sen. Shaheen asked why the briefing on Coronavirus earlier in the day was closed to the public. **Hon. Azar** said that the Chairman of the Senate Intelligence Committee asked for it to be top secret to promote transparency among members. **Sen. Shaheen** asked the Secretary if Congress should eliminate the match that is currently provided to states that participate in Medicaid Expansion in regards to able-bodied adults. **Hon. Azar** said that he has been stating for years that the enhanced match for able-bodied adults actually prejudices against pregnant women, children, aged, blind, and disabled so yes. **Sen. Shaheen** asked if the Secretary is suggesting the elimination of matching for Medicaid Expansion for states to use toward substance use. **Hon. Azar** said that looking at issues like that and considered the appropriate federal matching rate for expansion compared to traditional Medicaid. They are trying to collaborate with Congress on this per an allowance. He also added that he doesn't think it's necessarily an elimination rather a regulation of regular Medicaid. **Sen. Shaheen** asked why the FDA failed to pull all flavored vaping products off the market. **Hon. Azar** said that data showed that children were using the Mint/Menthol flavors more and public health professionals wanted to also provide and exit avenue for adults who are using combustible products.

Sen. Merkley asked the Secretary about the Administration's proposed rules changing the Flores Refugee Agreement and one of those changes would allow the indefinite imprisonment of a child. **Hon. Azar** said that this is not under HHS jurisdiction. **Sen. Merkley** asked if the Secretary can look into the issue where people fall between the cracks and gets mistreated with these sorts of imprisonments. **Hon. Azar** said yes. **Sen. Merkley** asked how the children are supposed to know they can even request a hearing. **Hon. Azar** said that all of the children have a right to legal counsel.

Sen. Alexander asked the Secretary if he will continue to work with this Committee and the 3 House Committees on ending surprise billing. **Hon. Azar** said yes.

Chairman Blunt asked for quicker responses to see if America is headed in the right direction for Mental Health issues and the relationship is has to the opioid epidemic. **Hon. Azar** said that the President's Budget actually proposes a major change which would lift Medicaid's Institutions for Mental Disease (IMD) exclusion of a state option for serious

mental illness of inpatient mental health facilities beyond the current IMD limit. This would exempt it from other restrictions. **Chairman Blunt** asked what kind of progress the Department is making in the HIV space and the number that was requested. **Hon. Azar** said prior to funding, the Department was supporting in target counties the preparation activities and the 4 jumpstart jurisdictions that they were able to start moving on. After funding, they were able to implement the initiative in terms of diagnosing, treating, preventing, and responding. The new money would be \$716 million, expanding for the Community Health Centers and their ability to treat and prescribe prep. **Chairman Blunt** asked if time released medication would have more potential. **Hon. Azar** said yes.

Sen. Durbin asked about the monitoring and next steps of what happens if the extent of the bans and restrictions of the flavors of e-cigarettes issue is not adequate to protect the youth. **Hon. Azar** said that that in terms of the disposable products, NJOY pulled their products off their markets to be proactive about this issue. Using company's like Google to get better data analytics. **Sen. Durbin** asked if the Secretary believes that the e-cigarette application should be rejected by the FDA unless it has been scientifically proven that the product actually helps adults quit smoking and does not encourage youth to start smoking. **Hon. Azar** said if they use a smoking cessation messaging without drug approval for their product, HHS will issue a letter. **Sen. Durbin** asked about how many children are still separated from their parents at the border. **Hon. Azar** said that he will get back to them on the number.

Ranking Member Murray asked if the Department is making it clear that what the children are saying (when they are in HHS custody without legal representation) will be shared with US Immigration and Customs Enforcement (ICE). **Hon. Azar** said that all of their information should be confidential. As of August 2019, there was a clarification of instructions that this information should be confidential. If a child consents, then the information can be released. The Secretary is going to get back to Senator Murray on this exact process.