

Legislative Update

February 2020 Newsletter --

NHMA will work with Congress to offset the Trump administration's FY 2021 Budget which was announced this week. It proposes long- and short-term cuts, slashing the budgets of healthcare agencies, including the National Institutes of Health, the CDC, CMS, HRSA and AHRQ.

The budget proposes \$1 trillion in cuts to Medicaid and Affordable Care Act premium tax credits over 10 years, causing millions of people to lose coverage and proposes massive cuts to the poor on SNAP (food stamps) of \$180B over 10 years, as well as cuts to people with disabilities and low-income housing. The budget zeroes out of Diversity Medical Education (HCOP) and AHEC program.

For example, at the Centers for Medicare & Medicaid Services (CMS), the budget estimates \$1.2 trillion in mandatory and discretionary outlays -- a net increase of \$47.6 billion above fiscal year (FY) 2020, according to the Department of Health and Human Services (HHS). In the longer term, the budget proposes targeted savings of \$1.6 trillion in CMS mandatory programs over the next decade.

In the Medicare program, the administration will build on Medicare Advantage (private insurance partnerships) and save approximately \$756 billion over 10 years. In Medicaid, allowing more state innovation as well as increasing anti-fraud efforts, will save \$920 billion over 10 years. Specifically, the administration would reduce NIH's budget by nearly \$3 billion from its 2020 allocation, and also zeroes out the budget for the Agency for Healthcare Research and Quality (AHRQ).

The proposed budget also cut the CDC's discretionary budget authority by \$1.3 billion in fiscal 2021 compared with fiscal 2020 -- a 19% cut -- including \$25 million from public health preparedness and response outlays.

Other discretionary programs to see cuts under the proposal:

- Health Resources and Services Administration: -\$742 million
- Substance Abuse and Mental Health Services Administration: -\$139 million
- Administration for Children and Families: -\$4.25 billion
- Office for Civil Rights: -\$9 million
- Office of the National Coordinator: -\$10 million
- Public Health and Social Services Emergency Fund: -\$96 million

In addition to the FDA, one other HHS program with a budget increase in the proposal is the Indian Health Service, which would get a \$185-million bump to \$6.3 billion in 2021. Also, the Department of Veterans Affairs is in line for a 10% increase.

Lastly, the budget does call for a cut on surprise medical billing.