

SENATE APPROPRIATIONS QUESTIONS HHS SECRETARY BECERRA ON BIDEN'S FY22 BUDGET

EXECUTIVE SUMMARY

Today, the Senate Appropriations Subcommittee on Labor, Health and Human Services, Education and Related Agencies held a [hearing](#) with Health and Human Services (HHS) Secretary Xavier Becerra to discuss HHS's fiscal year 2022 (FY22) budget. Democrats engaged in a discussion about opioid use and substance use disorder (SUD). **Full Committee Chair Patrick Leahy (D-VT)** chimed in to inquire about opioid-alternative pain medications, and Sec. Becerra was supportive of innovative approaches to quelling the crisis. The Secretary also supported the Life Budgeting for Opioid Addiction Treatment (LifeBOAT) Act ([S.1723](#)) and expressed his openness to support legislation that would help get the opioid crisis under control.

Many Senators touched on hospital and health insurance concerns, with a focus on rising health care costs. Democrats criticized short-term limited duration health plans, while supporting health care premium assistance and Medicare and Medicaid expansion. Secretary Becerra told **Ranking Member Roy Blunt (R-MO)** that HHS is planning to release updated guidance on the remaining funds for the Provider Relief Fund (PRF) this month, and he assured **Sen. Shelley Moore-Capito (R-WV)** that HHS is focusing on preventative care for Alzheimer's.

Additionally, Democrats inquired about supply chains related to the COVID-19 pandemic, including domestic sourcing for the strategic national stockpile, personal protective equipment (PPE), and semiconductors. Senators on both sides of the aisle expressed concerns for unaccompanied migrant children. Democrats noted the importance of health equity and child care funding, with **Chairwoman Patty Murray (D-WA)** focusing on the Child Care and Development Block Grant (CCDBG).

OPENING STATEMENTS

Chairwoman Patty Murray (D-WA) described the HHS budget as a "world of change" for better U.S. public health infrastructure. She highlighted youth mental health, opioid deaths, and SUD uptick during the pandemic and supported HHS investments on this issue. Women's health, child care (specifically the CCDBG), and health equity were among her chief concerns. She discussed children in HHS custody and the importance of legal services to aid their integration into the U.S.

Ranking Member Roy Blunt (R-MO) focused on the importance of quashing the COVID-19 pandemic through enhanced vaccination efforts, including vaccines for developing nations. He also touched on the importance of developing a policy for unaccompanied children at the U.S. southern

border, elaborating on his disdain for taking funding away from public health initiatives to deal with the border crisis. Despite his criticisms of the budget, Ranking Member Blunt strongly supported Certified Community Behavioral Health Clinic (CCBHCs) and the creation of the Advanced Research Projects Agency for Health (ARPA-H).

WITNESS TESTIMONY

HHS Secretary Xavier Becerra ([testimony](#)), highlighted health inequities in the U.S. health care system and explained how the \$131.7 billion in discretionary budget authority and \$1.5 trillion in mandatory funding would be appropriated. He emphasized the importance of addressing the opioid crisis, mental health crisis, and health care workforce, in addition to numerous other investments in key areas. Secretary Becerra elaborated on expanding home- and community-based services (HCBCs) under Medicaid and expanding health coverage. He also focused on climate change and expanding post-partum coverage, and touched on Substance Abuse and Mental Health Services Administration (SAMHSA) funding and Advanced Research Projects Agency for Health (ARPA-H.)

DISCUSSION AND QUESTIONS

Mental Health & SUD Crisis

- Secretary Becerra assured **Sen. Jack Reed (D-RI)** that President Biden nearly quadrupled funding for the 988 mental health crisis hotline implementation from \$24 million to \$102 million for one year.
- **Sen. Tammy Baldwin (D-WI)** promoted her Medicaid Reentry Act ([S. 285](#)), and the Secretary expressed his support for the bill's passage.
- **Sen. Jeanne Shaheen (D-NH)** said that despite opioid death rates plateauing in New Hampshire, the state should not receive a drop in opioid grant funding. The Secretary elaborated on enhanced funding for States Opioid Response Grants and added that recent developments in opioid settlements can help boost funding to address the opioid crisis.
- **Full Committee Chair Patrick Leahy (D-VT)** asked about research into opioid alternatives and chronic pain management. Secretary Becerra said that HHS will fund innovative solutions, but he said that those solutions will come from states and localities as well as the private sector. He supported flexibilities for states to explore options regarding the utility of different medications to address the opioid crisis.
- **Sen. Joe Manchin (D-WV)** discussed the LifeBOAT Act. Secretary Becerra supported the legislation and said that HHS would offer technical assistance to keep pace with the opioid epidemic.

Health Insurance & Hospitals

- In response to Ranking Member Blunt, the Secretary agreed that the PRF requires more transparency and a better formulation based on Medicare claims to address funding disparities for rural and critical access hospitals.
- Ranking Member Blunt said that there is \$50 billion in unallocated funding in the PRF, to which Secretary Becerra explained that HHS has yet to set a spending deadline for remaining

funds. He added that HHS will come out with guidance soon on flexibility and accountability for money still unspent. The Secretary did not comment on the Ranking Member's assessment that the PRF still has \$50 billion in unspent funds.

- Sens. Baldwin and **Chris Murphy (D-CT)** raised concerns with short-term limited duration health plans, and Secretary Becerra agreed that increased participation in these plans is "troublesome."
- Sen. Shaheen recommended tying premium assistance to gold plans as opposed to silver. Secretary Becerra expressed his intention to work with her on this issue, and he mentioned HHS's work to avoid a fiscal cliff.
- **Sen. Shelley Moore Capito (R-WV)** suggested expanding the [Welcome to Medicare](#) initial exam process to include more Alzheimer's tests and detection capabilities. Specifically, she endorsed the inclusion of the new Alzheimer's drug, Aduhelm, in Part B if patients are diagnosed with the early stages of Alzheimer's. The Secretary supported her stance on preventative medicine and discussed the immense cost savings to the Medicare program when Alzheimer's is treated early. He did not address Aduhelm.
- Sen. Manchin expressed concerns that pharmaceutical companies were violating the terms of the 340B program, stating that violations are "taking its toll" on hospitals serving low-income beneficiaries. The Secretary explained that HHS recently sent a letter to six identified violators of the 340B program, and HHS is waiting to hand the case over to the Department of Justice (DOJ) until all six companies reply to the letter. He recommended that Congress create "clear guidelines and authorities for HHS to penalize offenders" in this space, and Sen. Manchin believed that such legislation would garner bipartisan support.
- Despite his support for Affordable Care Act (ACA) premium subsidies, **Sen. Chris Murphy (D-CT)** was displeased that the \$60 billion funding for these subsidies in the President's budget "goes into the pockets of health care companies as opposed to consumers." He promoted a public option through the Choose Medicare Act ([S.1180](#)). The Secretary supported ideas to drive down health care costs and said that Congress and the Biden Administration are "ripe to get something done" on a public option.
- Ranking Member Blunt drew attention to the FY22 budget's lack of funding for graduate medical education (GME) programs for children's hospitals. He suggested funding the program by other means. The Secretary agreed that funding GME programs is critical.

Pandemic & Supply Chain Concerns

- The Secretary agreed with Sen. Reed regarding the necessity of domestic PPE manufacturing for future pandemics. He elaborated HHS's focus on ease of transportation and modernizing inventory to Sen. Baldwin.
- Sen. Shaheen drew attention to the 500 million COVID vaccine doses in the U.S. that are set to expire this fall. The Secretary responded by explaining the importance of a vaccine chain of custody and rollout challenges in states.
- In addition to PPE, Sen. Manchin noted the importance of strengthening the domestic supply chain for active pharmaceutical ingredients (API) and semiconductors. The Secretary assured him that the HHS Office of the Assistant Secretary for Preparedness and Response (ASPR) is working on addressing stockpile issues.

Unaccompanied Migrant Children

- The Secretary told Sen. Blunt that each day, 300 to 500 children are coming into the U.S., and 400 to 600 are leaving facilities with a sponsor.
- Secretary Becerra pushed back against **Sen. Cindy Hyde-Smith's (R-MS)** assertion that HHS sidestepped local government in Mississippi to house unaccompanied children. Sen. Murphy came to the Secretary's defense, noting that children are placed in state-licensed facilities and states can modify those licenses at any time.
- In response to Chairwoman Murray's questions regarding the Centers for Disease Control's (CDC) compliance with [Title 42](#), Secretary Becerra elaborated on the addition of behavioral health services in addition to medical services at all emergency facilities.

Health Equity

- Sen. Reed stressed the importance of encouraging Low-Income Home Energy Assistance Program (LIHEAP) participation. The Secretary responded by noting outreach to local utility companies and state and local governments.
- The Secretary told Chairwoman Murray that he supported Medicaid incentives to expand post-partum coverage, especially for low-income women and women of color. He added that it would be "unacceptable to do otherwise."

Child Care

- Secretary Becerra told Sen. Shaheen that HHS is working on expediting child care funding to states.
- Secretary Becerra agreed with Chairwoman Murray that CCDBG programs are integral and stressed the need for increased funding, citing that the grant only covers one in seven eligible children. He also agreed with the Chairwoman's assertion that wages for child care providers are "abysmal."