

**Statement by
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on
The President's Fiscal Year 2018 Budget Blueprint
before
**Committee on Appropriations
Subcommittee on Labor, Health and Human Services, Education, and Related Agencies**
**U.S. House of Representatives
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Chairman Cole, Ranking Member DeLauro, and Members of the Committee, thank you for the opportunity to discuss the President's Budget Blueprint for the Department of Health and Human Services (HHS) in Fiscal Year (FY) 2018. It is a pleasure to appear before you today. Last year, the Congress made critical investments in programs to improve the health and welfare of American citizens, such as directing funding to combat the opioid crisis and support the Department's Zika response and other emergency preparedness activities. Thank you for your support on these important issues. I look forward to working with you.

Last month, I had the honor of being sworn in as the Secretary of Health and Human Services. Since then I have had the opportunity to meet many of the incredible employees working at the Department's headquarters across the street and at many of our agencies across the country. These meetings have included a briefing from the Office of the Assistant Secretary for Preparedness and Response on the programs and resources the Department has to protect the public's health and safety, as well as briefings by the staff at the Centers for Medicare & Medicaid Services and a tour of the Food and Drug Administration's facilities. They also have included visits with individuals directly impacted by HHS, such as physicians and patients at

National Children's Hospital. These conversations have reinforced my appreciation of the HHS mission and allowed me to see our work in action.

In particular, the myriad ways – large and small – that we support local communities has been continually impressive. Every single day, the team at HHS helps States, cities, and towns across our country care for individuals in distress. Much of that work is done quietly and without public notice, but our work has a lasting impact on the individuals we serve. One example: When California's Oroville Dam risked breaching in February, HHS was ready with its expertise and assistance in preparedness resources to meet the needs of that community. There is also the better known work that HHS does to protect Americans against public health threats, such as deadly viruses, that can arise here or abroad. America is able to respond to such threats because of the hard work that I see HHS agencies doing every day to prepare for, prevent, and if necessary, respond to a crisis.

There is no question that our Department is made up of talented, hardworking individuals who are committed to the HHS mission of improving the health and well-being of the American people. The HHS team is working tirelessly on behalf of every American and I will use my time as steward of the Department to keep American families at the forefront of these efforts.

Two weeks ago, the President released his "America First" Budget Blueprint for FY 2018 discretionary spending. Through the Blueprint, the Administration requests \$69 billion for discretionary spending at the Department of Health and Human Services and asserts a new policy direction for HHS, prioritizing certain critical programs and proposing the elimination of

programs that are duplicative or have limited or unproven impact on public health and well-being. The Blueprint also establishes a government-wide management and regulatory agenda that supports these goals. Key components of this agenda include ensuring that the total incremental costs of new regulations is no greater than zero in 2017 and eliminating inefficient, wasteful, or unnecessary regulations. The full Budget will be released in mid-May and will include more details, including mandatory spending. At that point, you will be able to see how the Blueprint fits into an overall fiscally responsible Budget request.

The Budget Blueprint supports the Department's mission by making strategic investments that will: enable us to respond more efficiently to national and global health challenges; ensure that Americans are empowered to make the best decisions for their health care needs; and prevent waste, fraud, and abuse across the Department, particularly within the Medicare and Medicaid programs. Achieving these goals under the top line provided by the President's FY 2018 Blueprint will require that we make targeted, strategic investments and carry out our mission in the most efficient manner possible. If I have learned one thing during my time with the HHS team, it is that we are up to the challenge.

The President, OMB Director Mulvaney, and I are committed to improving our nation's fiscal stability, but the mechanics of doing so are never easy. In developing the "America First" Blueprint, tough choices had to be made to identify and reduce spending within the Department. While the Blueprint represents in broad policy strokes a new direction for HHS, specific decisions on programs and account levels are still under consideration. Those details will be included in the President's full FY 2018 Budget proposal, which is expected in mid-May. Upon

review of the President's Budget later this spring, I am confident that the Congress will see that this Budget makes good on the President's promise to put American families first while improving the efficiency and effectiveness of the Federal Government.

Protecting the Health and Well-being of Americans

Although the President's Budget Blueprint makes reductions to discretionary spending at HHS, we continue to make investments that will support the Department's mission to improve the health and well-being of the American people. There are three areas I would like to highlight today: (1) addressing the nation's mental health and substance abuse crisis; (2) targeting resources to emergency preparedness and response; and (3) supporting the fight to end childhood obesity. These are top priorities in addition to the ongoing health care reform effort underway.

Mental Health and Substance Abuse

Deaths from drug overdose have risen steadily over the past two decades and have become the leading cause of death from injury in the United States. In his joint address to Congress in February, the President pledged his support to provide "healing and hope" to families and communities torn apart by America's opioid crisis.

As a physician, I am worried about the impact of this epidemic on the health of our communities. As Secretary of HHS, it is my responsibility to ensure we direct resources toward preventing and treating substance abuse. The Budget Blueprint reflects this commitment, and HHS is providing significant funding to combat opioid abuse and reduce death from overdose. This includes the

continuation of \$500 million in funding provided in the 21st Century Cures Act to increase access to substance abuse treatment, reduce unmet treatment need, and reduce opioid-related deaths in the United States.

Many Americans struggling with substance abuse also suffer from serious mental illness.

Although the Department has made significant strides in helping individuals battling with mental illness and substance abuse, less than half of American children and adults with diagnosable mental health issues receive the treatment they need. To continue the Department's efforts in these areas, the Administration requests continued investment in high-priority mental health programs that address suicide prevention, serious mental illness, and children's mental health. Details of these proposals will be included in the President's Budget later this spring.

Emergency Preparedness and Response

Another critical function of the Department is emergency preparedness and response. HHS is the Federal Government's lead agency in responding to public health emergencies and providing the health and human services response to other emergencies. Within HHS, the Office of the Assistant Secretary for Preparedness and Response coordinates the prevention of, preparation for, and response to public health emergencies and disasters and supports a comprehensive portfolio of activities to enhance Federal, State, and local capacity to respond to public health disasters from outbreak of infectious disease to chemical, biological, radiological, nuclear, and cyber threats.

The Department is heavily involved in preparing for and responding to natural disasters and other emergencies, but only occasionally does the public become aware of the Department's efforts – when there is a high profile disease outbreak or natural disaster. Few Americans realize how much work the Department does behind the scenes to assist our local responders prepare for and respond to natural disaster and other crises. For example, when a natural disaster cuts off a community from power sources, State and local officials rely on the Department to let them know which households in their community are energy-dependent and in need of rescue or additional assistance. These requests for Federal support are routine and rarely make headlines, but for, say, the snowed-in senior citizen who requires supplemental oxygen, the work HHS does could be a lifesaver.

To ensure that HHS is equipped to handle emergencies, the President's FY 2018 Budget proposes to reform key prevention, public health, and emergency preparedness programs to reduce overlap and administrative costs. The FY 2018 Budget also creates a new Federal Emergency Response Fund that will allow HHS to respond rapidly to emerging public health outbreaks.

The recent outbreak of the Zika virus is one example of the type of public health emergency faced by the United States. Since last spring, there have been approximately 5,000 Zika virus cases reported in the continental United States, with local mosquito-borne transmission of the virus confirmed in Florida and Texas. With support from this subcommittee, the Department worked aggressively to combat the spread of Zika virus. To date, HHS has obligated \$497 million in vaccine development, diagnostics, and vector control to prevent Zika virus

infections in the United States and our territories. We also have dedicated critical resources to help pregnant women affected by Zika virus. The Department continues to closely monitor the Zika situation, especially as we enter another mosquito season in the southern United States. Through ASPR, CDC, NIH, and FDA, we are also actively monitoring the progression of the H7N9 influenza virus in China and considering options to ensure the safety of the American people.

Childhood Obesity

The high prevalence of childhood obesity is a significant problem for the health of the United States. Nearly twenty percent of school-aged children are obese. Children with obesity are at higher risk for having other chronic health conditions and diseases that impact physical health, such as asthma, sleep apnea, bone and joint problems, Type 2 diabetes, and risk factors for heart disease. By failing to address this childhood health crisis head-on, we are sentencing our children to a lifetime of health problems.

We owe it to America's children and their families to aggressively take on this epidemic. Implementing effective childhood obesity prevention and intervention strategies will pay significant dividends for the health and well-being of our nation.

Conclusion

Members of the Committee, thank you for the opportunity to testify today and for your continued support of the Department. It is an incredible privilege to serve the American people as the

Secretary of Health and Human Services and I am honored to be a part of supporting the Department's mission to protect the health and well-being of all Americans. Thank you again.