

## Transcript: HHS Secretary Alex Azar Testifies Before Congress - Rev

Mr. Blunt: (00:00)

Budget numbers from the 2020 budget. My first comment was, the good news is you didn't get what you ask for and hopefully that will be the case again this time, but you propose a 10% cut, similar cuts that you proposed in the past in programs that I think we'd be very reluctant in the healthcare workforce programs, the medical research programs, the preparedness programs, all of which have been talked about even earlier today at the members' briefing on the current virus, home energy, rural healthcare, these programs were unlikely to cut. I frankly hope some of the cuts you suggested we can look at and decide that there are areas where we can re-prioritize because we're going to need a little more money this year in my view than the top line number is likely to give us. I do appreciate that in this budget, unlike some in the past, the administration has actually tried to focus on priorities where we'd increase spending. Ending the HIV epidemic, the effort to do that, the effort to improve maternal health, to fight the opioid epidemic.

Mr. Blunt: (01:17)

Also to maintain some of the other investments we made, but it also looks at high quality childcare, headstart and child care development block grants, and really suggest that they appreciate what have been allowed in budgets in the past to happen there. Many of the increases this budget requests are financed, again, let me say by unrealistic cuts, cuts that we don't want to make, in my opinion, and cuts that, at the end of the day, you probably wouldn't really want us to make like eliminating children's hospital graduate medical education. That's not going to happen. Eliminating LIHEAP, highly unlikely to happen. It slashes, proposes a cut in healthcare research that I think by now the last five years that I've shared this committee and Senator Murray and I've worked together on this topic on this committee, we're not likely to cut healthcare research and I hope we can continue our pattern of increasing healthcare research at this incredible time.

Mr. Blunt: (02:35)

I think we're making a difference. We've seen life expectancy numbers go up and the quality of life efforts for Americans go up because of what's happening with the real innovative opportunity in healthcare. American's life expectancy rose for the first time since 2014. Last year cancer death decline, first decline in a long time. On opioid overdose deaths were part of that. New treatments, screening tools, vaccines all make a difference and this is such an incredible time to move forward in all of those areas based on what we know now and what we think is out there in the future with CRISPR technology and other things.

Mr. Blunt: (03:23)

I know you had to make difficult decisions with the budget number you had and we'll have to do the same thing. Hopefully we can work together to identify priorities and find common ground and hopefully our committee will be able to work together as I think we've made a real effort to do for several years now. Two years ago, this subcommittee created an infectious disease fund to provide flexibility funding for the department for immediate response. You've used that money as intended, that first

\$105 million lets you respond to the coronavirus in ways that you wouldn't have been able to respond otherwise. However, responding to this particular effort not only takes a rapid response, but if we're going to be your partners in this, it takes a lot of sharing of information and I encourage you to continue to do that.

Mr. Blunt: (04:22)

We gave you broad authority, for instance, in the infectious disease fund, but broad authority also includes broad responsibility to be forthcoming with information. When we give you this kind of authority to spend money, I think everyone on this committee would like a similar kind of treatment in your response to how that money is being spent. We've asked virtually every day for the department to give us specifics on spending money. With the proposal that came out last night that you and I had a chance to talk about yesterday, I think we have a better sense of the path forward than we would've had before, but whether it's your department, or OMB, that makes it hard for you to share information, I just encourage you once again, this is going to work better if we have the kind of sharing that allows you to have then the kind of flexibility that you would like to have.

Mr. Blunt: (05:20)

One of those things comes with, in my sense, an obligation for the other thing, the sharing of information to be part of that flexibility that we have given you. We're going to talk a lot today I suspect or at least I am this morning about the virus, about the the supplemental, the time that you think that supplemental fills the gap and what the backup plan would be if it's not adequate. I appreciate your secretary, your strong leadership at both CDC and NIH as well as overall at HHS. I look forward to your testimony today. We have both the Chairman and the Vice Chairman of the committee with us and I know that Senator Murray and I are glad to have both of them here. I think they'll have some comments to make. Senator Murray, let's go to you for your opening comments.

Mrs. Murray: (06:17)

Well, thank you very much Chairman Blunt secretaries are welcome. Thank you for being here. Mr. Secretary, let me just say at the top that I'm alarmed by the recent developments that we've seen in the office of refugee resettlement and how it's handled children in its care following President Trump's inhumane family separation policy. I've raised questions with you about that before. I hope we can continue that conversation today as well as we review this administration's budget proposal and I hope today we can get a straightforward answer on many of the other healthcare issues that I'm hearing about from my constituents in Washington state. Because when it comes to helping families across the country who are struggling today to afford healthcare, this administration has continually said one thing and done the opposite and at the end of the day, none of the President's empty promises say as much about as healthcare priorities.

Mrs. Murray: (07:08)

Frankly, as his decision to champion a partisan lawsuit that could be catastrophic traffic for families. Because if Republicans get their way in court, they will strike down protections for pre-existing conditions, strip away healthcare families that got their healthcare through exchanges and Medicaid expansion and give power back to the insurance companies to offer low quality coverage and leave patients of course, with higher healthcare costs. And much like that partisan lawsuit, President Trump's partisan budget exposes the truth behind that spin. Despite his promise to the contrary, this budget would slash 500 billion from Medicare and nearly a trillion

from Medicaid threatening millions of families access to high quality affordable care. In fact, on seemingly every page, this budget proposes taking huge steps backward on our nation's most urgent challenges, including the ones that the administration says they care about. It proposes a small step forward with additional investments to fight HIV transmissions, but it takes an enormously backwards with the cuts to Medicaid, which by the way covers more than two fifths of the patients with HIV care, not to mention slashing investments in combating HIV overseas.

Mrs. Murray: ([08:23](#))

These Medicaid cuts would take us in the wrong direction when it comes to addressing mental and behavioral health challenges like the ongoing drug overdose crisis or the increasing suicide rate by making it harder for people to get the care they need. In some states that have expanded Medicaid, the program covers four out of five people receiving treatment for opioid addiction. To make matters worse for behavioral health, the budget eliminates funding for the new suicide prevention initiative at the Centers for Disease Control and prevention. Congress included last year in our bipartisan spending bill. And then there is the maternal mortality rate, which is worse here in the United States than in any developed country in the world. Each year, 700 women in our country die from pregnancy related issues. Those deaths are mostly preventable and the impacted women are disproportionately black and native American. Instead of treating this like the emergency that is, this budget actually offers a slight of hand.

Mrs. Murray: ([09:24](#))

It proposes expanding the maternal mortality initiative Congress created in 2018 by \$75 million and I appreciate that, but unfortunately that pales in comparison to the proposal to cut over a hundred times that amount from Medicaid, which actually pays for nearly half the births in this country and if that weren't bad enough news for women and families. This budget continues the Trump Pence administration is harmful trend of putting ideology over evidence and patient health by excluding Planned Parenthood from federal funding and eliminating the teen pregnancy prevention program. At a time when our nation is spacing a health professional shortage. This budget proposes cutting nearly 800 million from programs that support tuition assistance, loan forgiveness and training for several hundred thousand health professionals annually and at a time when too many families are already forced to choose between paying for healthcare or other basic needs. This budget seems to go out of its way to make things worse for people living on the brink of poverty. It eliminates safety net programs and critical assistance to millions of people like the low income home energy assistance program, which as we know of helps families afford heating and cooling and the community services block grant, which gives states resources to address the challenge of poverty. It eliminates the social service block grant and greatly reduces programs which help families facing adversity from keeping their heads above water and as it continues the strong bipartisan investments in childcare and head start Congress secured in our last spending bill. This budget eliminates funding for preschool development grants which provide high quality preschool to tens of thousands of families. Finally, Mr. Secretary as you know I've been in close contact with health experts dealing with the 2019 novel coronavirus outbreak, which you declared a public health emergency last month. As we work to bring hundreds of Americans from China's Hubei's province and effected cruise ships safely back home and quarantine them for two weeks at a cost of roughly \$6 million per flight.

Mrs. Murray: ([11:35](#))

I've been pressing for more information on what resources are needed. I sent a letter to you in the office of management and budget director Mick Mulvaney earlier this month, expressing my deep concerns about this. Now you finally sent an emergency supplemental requests last night like I've been urging and I'm very concerned this request is not enough to ensure that we are putting all the necessary resources towards this emerging threat, including making sure our states and local public health departments have what they need to respond to this crisis and being reimbursed for those costs. And I'm very concerned about how thin the details on that are, because despite what this budget proposes, not a single public health expert has told me, the thing we really need to do right now is cut the CDC's program by 9% or cut critical global health program by \$80 million [inaudible 00:12:30] infectious disease rapid response reserve fund by 35 million or cut public health preparedness and response programs by \$120 million.

Mrs. Murray: (12:39)

This is not going to help us deal with this. So while I recognize the efforts happening across your department to contain this virus, I have to say this is unacceptable. It's important that we stay ahead of this crisis and we are ready when additional cases are detected in the US meaning we cannot plan on the cheap or at the last minute. I've always said a budget is a reflection of our values and that applies here. While President Trump may not always tell the truth about his values, this budget speaks volumes to all of us. It leaves no doubt that the President is not serious about fighting for women's or family's health care or addressing national crises like drug addiction, maternal mortality, or suicide. He's serious about cutting Medicaid and Medicare and cutting critical public health programs and safety net programs and healthcare workforce programs and more. Families across the country should know that we as Democrats have no intention of letting those cuts happen. We're going to continue to fight for patients and against these attacks.

Mr. Blunt: (13:43)

Thank you, Senator Chairman Shelby.

Mr. Shelby: (13:44)

Thank you. Thank you, Senator Blunt. Dr. Azar, you bring a lot of experience at the right time in your job. I thank you for your service. I'd like to focus on the current crisis that we have faces in the world and could be here and and how you are going to deal with it and so forth. To a lot of people, I think the American people are very concerned and should be. I'm concerned. This is a serious, serious disease that if it keeps spreading, nobody knows better than you what it could do here. It could be an existential threat to a lot of people in this country. This is not politics. This is doing our job for the American people. I know the request you made the supplemental 1.25 billion and some others, but money should not be an object. We should be trying to contain and eradicate as much as we can. This in the US make sure it doesn't spread in the US but help our friends all over the world. But that was the entire advantage.

Mr. Shelby: (15:07)

Some people believe this is a low ball number here. I don't know, but I like to hear from you on this because this is not the time to try to short change the American people on anything or say, EMB's done this and that. Whoever it is or whatever administration did, Democrat or Republican. This is the time to step up. I think you know this probably better than I do, but there's a lot of concern in America today and will be. Is this going to spread? You know, we brought some people into this country. Where's it going to go? How are we going to contain it? And I'm looking forward to

your testimony. I'm sure you don't have all the answers, but you probably got more than a lot of people. Thank you for your service again.

Mr. Blunt: (15:52)

All right, well thank you Chairman and Senator Leahy, do you want to wait for your question time or do you have an opening?

Mr. Leahy: (16:01)

I have [inaudible 00:16:02] questions of the proposal made most recently, which is vague at best on the coronavirus.

Mr. Blunt: (16:16)

All right, well let's go ahead and Secretary Azar, again we're glad you're here. We're glad you're here and look forward to your opening statement. And maybe you can answer some of these questions even in that statement.

Hon. Alex Azar: (16:27)

Great. Thank you very much Chairman Blunt ranking member Murray and Chairman Shelby and ranking member Leahy, Vice Chairman Leahy. Thank you very much for having me and inviting me to discuss the President's budget for fiscal year 2021. I'm honored to appear before this committee for budget testimony as HHS secretary for the third time, especially after the remarkable year of results that the HHS team has produced. With support from this committee. This past year, we saw the number of drug overdose deaths declined for the first time in decades. Another record year of generic drug approvals from FDA and historic drops in Medicare advantage Medicare part D and affordable care act exchange premiums. The President's budget aims to move toward a future where HHS programs work better for the people we serve, where our human services programs put people at the center and where America's healthcare system is affordable, personalized, puts patients in control, treats you like a human being, not like a number.

Hon. Alex Azar: (17:25)

HHS has the largest discretionary budget of any non-defense department, which means that difficult decisions must be made to put discretionary spending on a sustainable path. This committee has made important investments over the years and some of HHS is large discretionary programs including at the national institutes of health, and we're grateful for that work. The President's budget proposes to protect what works in our healthcare system and make it better. I'll mention two ways that we do that. First, facilitating patient centered markets and second, tackling key impactable healthcare challenges. The budgets healthcare reforms aim to put the patient at the center. It would, for instance, eliminate cost sharing for colonoscopies, a lifesaving preventive service. We would reduce patient's costs and promote competition by paying the same for certain services regardless of setting and the budget endorses bi-partisan, bicameral drug pricing legislation. These combined reforms will improve Medicare and extend the life of the hospital insurance fund by at least 25 years.

Hon. Alex Azar: (18:27)

We propose investing \$116 million in HHS as initiative to reduce maternal mortality and morbidity and we propose reforms to tackle America's rural health crisis, including tele-health expansions, and new flexibility for rural hospitals. The budget increases investments to combat the opioid epidemic including SAMHSA's state opioid response program and we appreciate this committee's work with us to give states flexibility in that program to address stimulants like methamphetamines. We



request \$716 million for the President's initiative to end the HIV epidemic in America by using effective evidence-based tools. Thanks to funding appropriated by this committee, we've already begun implementing this initiative. The budget reflects how seriously we take the threat of other infectious diseases such as the China coronavirus by prioritizing funding for CDC's infectious disease programs and maintaining investments in hospital preparedness, we now have 14 cases of the China coronavirus detected in the United States involving travel to China or close contacts with those travelers.

Hon. Alex Azar: [\(19:35\)](#)

Three cases among Americans repatriated from Wuhan and 40 cases among American passengers repatriated from the Diamond Princess. While the immediate risk to individual members of the American public remains low, there is now community transmission and a number of countries including outside of Asia, which is deeply concerning. We're working closely with state, local and private sector partners to prepare for mitigating the virus' potential spread in the United States as we will likely see more cases here. Today, IAH, will announce the launch of the first US clinical trial for an investigational antiviral at the University of Nebraska Medical Center.

Hon. Alex Azar: [\(20:16\)](#)

Yesterday, OMB sent a request to make \$2.5 billion in funding available for preparedness and response, including for therapeutics, vaccines, personal protective equipment, state and local support and surveillance, and I look forward to working closely with Congress on that. Lastly, when it comes to human services, the budget cuts back on programs that lack proven results while reforming programs like TANF to drive state investments in supporting work and the benefits it brings for wellbeing. We continue the FY2020 investments Congress made in headstart and childcare programs which promote children's wellbeing and adults independence. This year's budget aims to protect and enhance American's wellbeing and deliver Americans a more affordable personalized health care system that works better rather than just spends more. I look forward to working with this committee to make that common sense goal a reality. Thank you Mr. Chairman.

Mr. Blunt: [\(21:10\)](#)

Thank you Mr. Secretary. I will say for the members that have their votes scheduled at 11:30 and we will try to keep the hearing going through at least the first two of those votes and so there'll be some effort made for members to leave and take the first vote and come back and and we'll see if we can't make that work. Glad to have you. Glad to have your time. I want to ask two questions. One is on the liver allocation policy. Senator Moran and I sent you a letter on January 21st urging that you step in to prevent what we thought was a short sided and ill thought out policy. Roughly 40% of the country will be harmed by the new process, which goes from a regional allocation to a nationwide allocation. We've already seen Mr. Secretary, increased cost per transplant, increased waste in what was already a complex system and organs that were discarded because people had to travel to get the organs to bring back to the recipient.

Mr. Blunt: [\(22:21\)](#)

Even the federal judge in the litigation referred to what would be a regional bias here. The government contractor on this effort provides no information the committee on how the decision was made. They overruled experts in their own liver and intestine committee. Now they want to continue to have all the evidence in the litigation under

seal. So my question to you is one, what made you determine after our January letter that you couldn't do anything? And two, are you willing to do something to work to get the evidence and what supposedly should have been available to this outside contractor to make that evidence public?

Hon. Alex Azar: [\(23:10\)](#)

So Chairman, I share your concerns and frustrations and HHS has actually requested OPTN to reconsider their decision to ensure a full consideration of the comments that they received from Kansas and Missouri. As you know, HHS does not make decisions on organ allocation policy. The organ procurement transplant network is responsible for organ allocation policy and while we're charged with oversight of OPTN those decisions by statute are delegated to the OPTN and I do not have the ability to change those decisions.

Hon. Alex Azar: [\(23:42\)](#)

We continue to look for authorities that might do that and we certainly look forward to working with you. If there were legislative proposals that might give me authority, but those have actually been walled off from the secretary. Of course the number one thing we can do is increase the number of livers available and that's why we're working to reform our organ procurement policies and our oversight policies and practices regarding the organ procurement organizations in the country so that we can dramatically increase the number of organs available in this country. But I'm happy to keep working with you on this liver issue, but my degrees of freedom are limited quite frankly by Congress in my ability to influence the OPTN.

Mr. Blunt: [\(24:18\)](#)

Well, let's continue to see if we can't find ways to help you have more ability in that oversight process to have oversight. Let's go to the the supplemental request, the emergency supplemental. I understand it to be two and a half billion dollars, about half of that would be counted as emergency spending and the other half would be paid for in various ways, like the \$105 million that you'll soon have gone through the fund I mentioned earlier today, the reaction, the infectious disease reaction ability you didn't have before. Talk to us a little about putting that together. Your thoughts for internal transfers. We're always concerned as we should be about big amounts of money being transferred under the secretary's authority in different ways. Then this committee and with the President's signature decided that money should be spent.

Hon. Alex Azar: [\(25:14\)](#)

Yes. So first, let me be clear. We'd like to focus on the top line of the \$2.5 billion in terms of the key strategic needs. We've of course put forward a supplemental that would allow offsets and transfers to pay for about half of that, but of course that's Congress's decision and we look forward to working with you. If those choices make sense to you or if there are other sources or offsets or approaches that you would like to take. In terms of the top line, that \$2.5 billion. I focused my energies here in five key critical success factors. The first is we need to expand our surveillance system in the United States for the China coronavirus to be comparable to our flu surveillance system. This is the backbone of our effective public health response at the state, local and federal level to have that surveillance.

Hon. Alex Azar: [\(26:02\)](#)

Second, we need support for state and local governments. While we provide almost half of the funding of state and local public health departments and \$675 million a year for emergency preparedness by those departments. We do believe we need more

money to support contact tracing, communications with impacted individuals and laboratory test work. And we have that in here.

Hon. Alex Azar: (26:26)

Third, and fourth, we need to support the research, development and procurement of vaccines and therapeutics. And so there's money in there to support both of those. And then finally we need to support the acquisition of personal protective equipment, especially masks into the strategic national stockpile. So those five key areas are where the funding is directed.

Mr. Blunt: (26:51)

Thank you Mr. Secretary. Based on again, the other challenges we're facing this morning, I'm going to keep my questions to five minutes and hope everybody will do their best to keep theirs. And if there's time for a second round and people want to stay for that, we'll have that but be sure everybody gives everybody else the ability to have a first round. Senator Murray.

Mrs. Murray: (27:10)

Thank you Mr. Chairman. At the administration's briefing this morning on the coronavirus, we're told by the experts at NIH, CDC that there is a very strong chance of an extremely serious outbreak of the coronavirus here in the United States. So I want to talk about the preparations of this administration and what you've been doing. You've had more than a month now to prepare for this increasing likelihood. And I want to ask you, is our country ready?

Hon. Alex Azar: (27:39)

So our country is preparing every day and the effective aggressive containment measures that we've taken at our borders as well as working with our public health departments. Have bought us time to continue preparedness. One is always advancing preparedness every day one advances those activities and the emergencies.

Mrs. Murray: (27:55)

I only have a few minutes. Let me be really clear because you send over a supplemental that wasn't clear to me at all. You just mentioned a number of things from tracing state and local governments needing their health cares and hospitals ready for this. You've talked about protective masks. You talked about surveillance system. I didn't see anything in that request that specifically says how much each of those are going to cost and we know we've seen this outbreak in China now we know it is going to other countries. It quickly overwhelms a healthcare system. It puts patients who don't have the virus at risk, who suffer from other conditions. We know that medications become very difficult. Did you stockpile any of these critical supplies that we are told we need mask, protective suits, ventilators, anything is that stockpiled and ready?

Hon. Alex Azar: (28:47)

So we do have in the strategic national stockpile ventilators, we have masks, we have-

Mrs. Murray: (28:52)

Enough?

Hon. Alex Azar: (28:53)

Well of course not. Or we wouldn't be asking for a supplemental to seek more money to procure more of that for this circumstance. This is an unprecedented potential



severe health challenge globally and will require these additional measures.

Mrs. Murray: (29:07)

Okay, well I didn't see any numbers in your requests.

Hon. Alex Azar: (29:11)

We'll be briefing committee staff and members, this just came over last night and we'll be briefing you on those details and supporting your technical assistance.

Mrs. Murray: (29:18)

You just gave us a very long list of things that are needed, most of which we don't have, which you can't just buy tomorrow. And I am very concerned that this is not only inadequate in terms of numbers, but in terms of specifics of what we're going to need and we need to know that from your experts. Health expense experts including your own Telesis, this outbreak could be very long lasting. And this is a very vague request for supplemental funding. And I just think it's a bandaid. And I want to know why? We know this is coming. We've been watching in China. Everybody's been telling this. What are the longterm costs of a sustained response? Do we know that including the manufacturing by the way of diagnostics that we know we are not ready for right now?

Hon. Alex Azar: (30:01)

Well we have the details will be provided in the committee and the committee staff and we want to work with you on this to ensure that's an effective supplemental that meets your needs. This funding request is for 2020 money only at this point it would have a permission for carry over into 2021 spend, but then we would work with the Congress, the appropriators on adjusting any 2021 needs. As we learn, we're really learning day by day and week by week here of the contours of this disease as well as the spread of the disease and its potential impact and that will help inform those 2021 discussions that we would of course have with this committee going forward in the next couple of months.

Mrs. Murray: (30:36)

Well, I just have to say I'm very concerned about this administration's attitude towards this. If a pandemic is coming and we are disregarding scientific evidence and relying on tweets and an emergency supplemental without details and we're not stockpiling those things right now that we know we might possibly need for this or for any future pandemic. I'm deeply concerned that we are way behind the eight ball on this.

Hon. Alex Azar: (31:04)

Well, we actually have been aggressively moving. It's been a month and a half since this situation arose and we have enacted the most aggressive containment measures in the history of our country in terms of our borders. I've used the first federal quarantine authority in 50 years of an HHS secretary. We've worked with our state=

Mrs. Murray: (31:21)

Can ensure that every single American today that if this pandemic hits our shores, that we have everything available and we've stockpiled it and we're ready to go?

Hon. Alex Azar: (31:30)

That's precisely why we need to work with Congress for additional appropriations to enable procurement. But right now, and we've been very clear, Dr. Fauci has told you just this morning, we don't have a vaccine. One can't have a vaccine for-

Mrs. Murray: (31:41)

I'm asking about diagnostics and testing. Which we don't have enough, correct?

Hon. Alex Azar: (31:47)

Yes. We have a diagnostic. CDC invented a diagnostic in historic time within one week of the sequence arriving.

Mrs. Murray: (31:54)

But it is not available to the 137th DC.

Hon. Alex Azar: (31:57)

It is available now at CDC and then 12 sites have been able to validate it. We are working with CDC.

Hon. Alex Azar: (32:03)

And 12 sites have been able to validate it. We are working with... CDC and FDA are working together on a modified version of the test that would enable qualified control of the third reagent stage or elimination of that if possible to enable further spread of the [crosstalk 00:32:16].

Mrs. Murray: (32:16)

Mr. Secretary, I'm out of time but I'm told that the diagnostic doesn't work.

Hon. Alex Azar: (32:19)

That's incorrect. It is simply flatly incorrect. The diagnostic works at CDC and at 12 sites it has been validated. At other sites, we're working to get them validated. This is a working diagnostic in the areas of the 170 labs where it was sent. There was a problem in the third reagent stage of it that led to inconclusive results against control. We're assessing right now with the FDA whether that actual step is needed in the process and we have 70 private sector diagnostic manufacturers who are working to bring forward diagnostics and we will work with those [crosstalk 00:32:53]

Mrs. Murray: (32:52)

Working to bring forward, but we're not there yet.

Hon. Alex Azar: (32:55)

We are now what, 50 days into it. This is historic. No administration, no CDC in American history has delivered-

Mrs. Murray: (33:02)

I don't question that at all, but I do question our ability with a very small unspecified supplemental and the lack of preparedness that we have to be ready for this. Thank you Mr. Chairman.

Roy Blunt: (33:14)

Senator Shelby.

Mr. Shelby: (33:15)

Nr. Secretary, I want to follow up on what Senator Murray was talking about. One, it seems to me at outset that this request for the money is supplemental is low balling it possibly and you can't afford to do that. I hope the administration... We want to help the administration. We want to help you do your job, but if you low ball something like this, you'll pay for it later.

Mr. Shelby: (33:44)

But you're not only dealing with the crisis, you're dealing with the perception and the concern of the American people. Both. At the same time. I know you can't develop a vaccine and immunize everybody in America from something that's just fallen on us all at once, and the world really coming out China. But what are you specifically doing? What are your guidelines in this administration to contain this in America? We do not want this to spread. If it spreads it, it's going to be hard to contain. What are you doing or what do you propose to do? And what's your message to the American people, they'd be watching this hearing?

Hon. Alex Azar: (34:30)

The steps that the president has taken are the most aggressive containment measures ever in history in terms of travel restrictions at our borders, funneling passengers, restricting foreigners from coming into our country if they've been in China, travel restrictions and advisories to countries. In addition to of course the solid state and local public health response, which actually identified all but one of the 14 cases here in the United States. One of them was identified through our aggressive screening measures at the 11 funneling airports.

Hon. Alex Azar: (35:01)

So that's part of it. But then the aggressive measures we need now are, we have a historic opportunity with a vaccine. We've developed a vaccine candidate that should, Dr. Fauci talked about that in the Wall Street Journal today, going into clinical trials we hope within three months from development. That would be a historic development of a product. We are supporting and working with manufacturers on potential therapeutics that could be cures or mitigation for individuals who can track this.

Hon. Alex Azar: (35:29)

So we work to contain as much as possible, but at some point if there is sustained human to human transmission, we also work to mitigate through our traditional public health tools. And those are the steps that we would take. I was very clear when we enacted our containment measures at the border, we cannot hermetically seal off the United States to a virus and we need to be realistic about that. And so this virus-

Mr. Shelby: (35:52)

Life goes on in some form.

Hon. Alex Azar: (35:54)

It does. And we'll have more cases in the United States and we've been very transparent about that and we will then work to mitigate the impact of those.

Mr. Shelby: (36:02)

And when does it get to the point in the US, you say we'll have more case and I think that's logical. We're over concerned, we're really concerned, is it because it spreads city to city?

Hon. Alex Azar: (36:19)

Well, we always look for sustained human to human transmission.

Mr. Shelby: (36:23)

Your going to have these models, don't you?

Hon. Alex Azar: (36:24)

We do, we do. So what we look for is sustained human to human transmission, especially if it's unidentified. That's what's particularly concerning about Iran and Italy right now is we've got apparently sustained human to human transmission with no identifiable connection to existing cases. That is very, very concerning to see that in other countries, and that's what we would certainly look for here. Right now it's important to remember the 14 cases that we have that are in the US as well as the 40 from the repatriated individuals from China and Japan, in every single instance we know why that person has the novel coronavirus. We know. That is a product of the world's finest public health system that allows us to have that level of knowledge on this rapidly developing-

Mr. Shelby: (37:10)  
So whats the treatment for it?

Hon. Alex Azar: (37:12)  
Right now, one has to simply because there's no treatment, one treats the symptoms as one does for other therapies. There are some experimental products and clinical trials. One is a Gilead product known as Remdesivir that some individuals had been treated under an IND protocol for a clinical trial. That product is being tested in two trials in China, two 500 person arm trials in China as well as now as I mentioned this morning in University of Nebraska and I believe also in Japan.

Mr. Shelby: (37:44)  
Mr. Secretary, I believe that this committee, Senator Leahy's here, Senator Blunt, and Senator Murray, leaders of this subcommittee. I believe that we'll be of the mindset to fund this crisis, not to underfund it in any way, and I hope the administration would look at this as something that they cannot afford to let get out of hand period, or the perception that is getting out of hand.

Hon. Alex Azar: (38:12)  
Well Chairman, I want to assure you that I am fully supportive of this \$2.5 billion request. I was part of architecting it. It is what I believe we need for 2020 but of course if Congress differs with the power of the purse, we will work with you, provide technical assistance to try to make sure it meets what you view as the needs are.

Mr. Shelby: (38:33)  
Thank you.

Roy Blunt: (38:33)  
Thank you Chairman. Senator Leahy.

Patrick Leahy: (38:34)  
Thank you Mr. Chairman and welcome Secretary. Like so many others up there, both Republicans and Democrats, I'm concerned with the budget the administration put forward for the Department of Health and Human Services. Obviously you were involved with it, but it seems to have been drafted to hit an arbitrary target to slash funding without any realization of real world impact of the proposed cuts. In fact, the move is completely confounding in the midst of the novel coronavirus outbreak, you want to slash funding in FY 2021 to the very programs that help us combat dangerous infectious diseases.

Patrick Leahy: (39:27)  
And while we may talk about having a vaccination for the virus, that's still about two years away. It's spread to 30 countries. It's infected more than 79,000 people. It's

caused at least 2,600 deaths. Hundreds of Americans are restricted to US military bases under a federal government quarantine and that's the first time in 50 years. But you proposed a cut \$3.1 billion for the National Institute of Health, nearly \$700 million from Centers for Disease Control and prevention programs, roughly a \$100 million from public health preparedness and response programs.

Patrick Leahy: [\(40:15\)](#)

These are the very programs we're going to have to rely on to combat coronavirus and other infectious diseases. If Congress went along and made the cuts that you and the administration has asked for it, you wouldn't be able to keep the public safe when the next threat emerges and one will. So why would you propose such cuts? How does it make any sense?

Hon. Alex Azar: [\(40:44\)](#)

Well, Vice Chairman as you know, we have a tight budget environment, but we prioritized actually the infectious disease preparedness and emergency response. So for instance, at CDC, those three activities were prioritized and actually increased the proposed funding by \$135 million in the 2021 budget. Now of course-

Patrick Leahy: [\(41:04\)](#)

The CDC's infectious disease rapid response reserve fund which we had created to help you is running out of money including and now we see an increased number of infected people, 53 in the US. How is that being careful? And this has been going on for months and last night we get this somewhat vague request for emergency funding. If I was cynical and Vermonters never are, I might think it was rushed over just in time for your appearance before this committee this morning and that's why it's vague enough.

Hon. Alex Azar: [\(41:51\)](#)

So the infectious disease rapid response fund at CDC was funded by Congress in 2020 as well as 2019, and so it's current your money. We're running out of that money, which is why we have sent over that we planned to do transfer and reprogramming using the existing authorities for 2020 appropriations and precisely why we're asking for an emergency supplemental.

Patrick Leahy: [\(42:14\)](#)

But you'd take a half a billion dollars out of the money appropriated for the Ebola threat.

Hon. Alex Azar: [\(42:20\)](#)

Those would be proposed offsets or trade offs for the emergency supplemental. If the appropriators don't want to do that, that's just an option for the appropriators.

Patrick Leahy: [\(42:30\)](#)

Did you have any of your requests for supplemental funds, any requests you made to OMB, were there any of them that were denied by OMB?

Hon. Alex Azar: [\(42:39\)](#)

Well, I'm not going to discuss internal operations. That's not proper to discuss internal-

Patrick Leahy: [\(42:43\)](#)

Why is it not proper? I've heard that question asked during Democratic administrations, Republican administrations over my 40 years on this committee



and it's been answered.

Hon. Alex Azar: (42:54)

I would never answer internal deliberations with the White House. But I will tell you I am completely supportive of the \$2.5 billion request. It does exactly what I want, which is to focus on those five critical success factor areas.

Patrick Leahy: (43:06)

Okay. So what you want is a proposal that would divert \$135 million from other important programs, including \$37 million from [LAIB 00:43:16] Millions from substance abuse, \$7 million from Medicare and Medicaid programs. So I want to ask you your deliberation, but you just want to cut a whole lot of things we rely on.

Hon. Alex Azar: (43:36)

Well those are options for funding half of the cost of the emergency supplemental, but if Congress makes a different choice, Congress makes a different choice. [crosstalk 00:43:45].

Patrick Leahy: (43:44)

Where does the other half come from.

Hon. Alex Azar: (43:46)

That would be emergency supplemental funding, new money that you would have to come up with.

Patrick Leahy: (43:49)

So, the things you want, some of the NIH funding, the Ebola funding, your recommendation, your the expert at this, would you cut that out?

Hon. Alex Azar: (44:04)

It's a proposal of how to fund half of the cost of the total response.

Patrick Leahy: (44:07)

It is your proposal. That is our proposal, but if Congress disagrees with other approaches, there are other ways to get there.

Roy Blunt: (44:14)

Thank you Senator Leahy. Senator Alexander.

Lamar Alexander: (44:17)

Thank you Mr. Chairman. Mr. Secretary, welcome. Before I get in coronavirus, I want to congratulate Senator Blunt and Senator Murray and Senator Durbin and Leahy and Shelby and members of the subcommittee for the last five years of funding for the National Institutes of Health. Over that five years discretionary spending, which is about a third of our budget that the federal government spends has gone up 20%. but funding for the National Institutes of Health has gone up 39%. and I might add the subcommittee that deals with the Office of Science in the Department of Energy that Senator Feinstein and I work on has gone up 38%. so one of the best kept secrets in Washington is the big increase of funding for biomedical research and science and I want to congratulate this committee for its part of it.

Lamar Alexander: (45:15)

I think one of our responsibilities as members of the Senate is to help the American people get a fair view of exactly how threatening to them individually, the

coronavirus is. Looking around the world there's reason for alarm. 10 days ago, for example, there were 49,000 confirmed cases in the world. 10 years ago in China, there are 48,000 confirmed cases. Today in China there are 79,000 confirmed cases in the world, and there's 77,000 in China. And we read about problems popping up in Italy which could get across their borders and in Iran and in other places, South Korea.

Lamar Alexander: [\(45:59\)](#)

And not only do we have the problem of a rapidly spreading virus which could jump into our country, we have to think about what items manufactured in those countries could mean for us, with 13% of our prescription drugs, our drugs being manufactured in China for example. Are we going to have shortages? And even beyond that, with a quarter or so of everything that we use in this country being made in China, where we have supplies for our automobiles and other things that we make in this country and what will it do to our economy?

Lamar Alexander: [\(46:37\)](#)

So looking around the world, there's reason to be alarmed. But now looking at home, let me go through what the facts are at home. We've known about this for about two months. About 50 days.

Hon. Alex Azar: [\(46:49\)](#)

Yes, about 50 days.

Lamar Alexander: [\(46:51\)](#)

And 10 days ago, if I'm right, we had detected 14 cases in the United States.

Hon. Alex Azar: [\(46:59\)](#)

I believe that's correct.

Lamar Alexander: [\(47:00\)](#)

And today we have detected 14 cases in the United States-

Hon. Alex Azar: [\(47:05\)](#)

That's correct.

Lamar Alexander: [\(47:06\)](#)

-In addition to the 39 cases of Americans who've been brought home from overseas and isolated in this country because they might've been infected there.

Hon. Alex Azar: [\(47:17\)](#)

Exactly the imported cases.

Lamar Alexander: [\(47:18\)](#)

And during that time you have begun to develop a vaccine which won't be ready for a year or longer, but you're doing that more rapidly than any other time in the history of our country.

Hon. Alex Azar: [\(47:29\)](#)

That's correct.

Lamar Alexander: [\(47:30\)](#)

And my question is going to be with this alarming situation in the world, what have you been doing right at home that caused us to see a situation where this huge

country of ours, we only have 14 cases 10 days ago and 14 today. My guess is, is 20 years of preparation by Democrats and Republicans on this committee and Democrats and Republican presidents to be ready for pandemics, number one. Number two, it's the extraordinary public health system we have in this country, state and local doing their job. And number three it's the first and most aggressive quarantine requirements that you've done in 50 years. So if we're alarmed about what's gone on around the world, what can we learn about the last 50 days in this country that you've been doing right that makes us be able to say "10 days ago there were 14 cases and today there are 14 cases at a time when around the world cases are going up?"

Hon. Alex Azar: [\(48:30\)](#)

So we are bearing the fruits actually of our pandemic flu preparedness activities, which I was one of the architects of in the Bush administration and that Congress funded. We're seeing the public health infrastructure from that is coming to fore. One of the most important things we did as soon as alerted to this and as soon as we had a genetic sequence and understood the nature of the symptoms of this disease was to alert our state and local public health partners and our health professionals. And that's why 13 of those 14 cases were identified by healthcare professionals astutely seeing that these were individuals who had been in Hubei Province and presented with flu like symptoms, got into the system and took advantage of that one week developed CDC test to confirm results.

Hon. Alex Azar: [\(49:11\)](#)

So that kind of public health infrastructure, the world's best is the backbone of our response activities here. In addition, we worked on the aggressive border containment measures and we've worked with China to try to get transparency and get information. We still do not have unfortunately solid information to take to the bank on severity, on transmissibility, on incubation period, on asymptomatic transmission.

Lamar Alexander: [\(49:37\)](#)

I'm out of time, but what I think what I'm hearing you say you would do more of what you've already done properly funded.

Hon. Alex Azar: [\(49:42\)](#)

Yes.

Roy Blunt: [\(49:44\)](#)

Thank you, Senator Alexander. Senator Schatz.

Brian Schatz: [\(49:47\)](#)

Thank you Mr. Chairman. Thank you Secretary being here. This committee has a long tradition of bipartisanship and I know Secretary you and I have had a couple of disagreements in private and in public, so I want to kind of see whether we can find some common ground in fighting the coronavirus. The president's budget cuts the infectious disease rapid response reserve fund, the public health preparedness and response fund, hospital preparedness program and the epidemiology and laboratory capacity program. So given everything that's happened over the last 50 days, I want to give you an opportunity, and given the context here, which is last night, you proposed a \$25 billion supplemental, do you want to rescind those cuts to the base budget of your agencies that deal with this problem?

Hon. Alex Azar: [\(50:38\)](#)

Well, it's a good question Senator. As I mentioned to Chairman Blunt, this is a request focused on 2020 money. So money to be spent-

Brian Schatz: (50:47)

Hold on. I'm not asking you about the sup. I'm asking you about the president's budget, which cuts all those programs which I described. And the question is a simple one because I have a couple of other questions I'd like to get to. Will you rescind those cuts? Will you ask us to restore those programs or will you not?

Hon. Alex Azar: (51:06)

As I said to Chairman Blunt, we will work with you over the coming months as we learn more about this disease on whether to modify the 2021 appropriation requests in light of that. We do increase by \$135 million CDCs budget around preparedness, emergency response, infectious disease and global health security.

Brian Schatz: (51:23)

I'm not going to get too much into the weeds there, but I will just offer that actually is a shell game. There are four key programs that deal with this problem. They are being cut. The CDC overall is being cut by 9%. and so you may have increased a line item or two but that's a talking point. That is not the fact of the matter. And this committee will very likely reject these cuts, but it is absurd to me that you're proposing cuts as at the same time that you're proposing a supplemental on the same topic. So moving on, how many masks do we need in our strategic stockpile and how much will that cost?

Hon. Alex Azar: (52:00)

So we would need to determine through procurement what the cost would be of additional masks. I know that this morning in the briefing there was a reference to possibly as many as 300 million masks needed in the US for healthcare workers. We wanted to find that better through procurement criteria. We have to frankly establish supply here in the United States ability to manufacture as well as to find sourcing of active ingredients such as the filtration materials, even the nickel and copper nose joints that go on the N95 masks. If we get the money we can actually make that market and get capacity built here in the US. We want to work with you on it.

Brian Schatz: (52:37)

But for the \$2.5 billion, the masks and the strategic stockpile, the test kit, all of your five lines of effort. It seems to me you don't quite know how much each line of effort is going to cost. Is that accurate?

Hon. Alex Azar: (52:53)

We would have to do procurements to find out exactly what our per unit cost would be on the masks because again we'd be scaling up domestic production that doesn't fully exist right now. So one doesn't know until one actually procures them.

Brian Schatz: (53:04)

So how do you get to \$2.5 not knowing how to compile? You have five lines of effort. You don't know how much... The first one I'm asking about, you say you got to go through procurement, you've got to build a market. I understand all that. So then how do you get to \$2.5 with any degree of specificity or reliability? Is \$2.5 billion sort of pulled out of a hat?

Hon. Alex Azar: (53:24)

No, not at all. The \$2.5 billion [crosstalk 00:21:27].

Brian Schatz: (53:27)

But one of the major cost items, you don't know how much it's going to cost.

Hon. Alex Azar: (53:30)

You don't know the precise per unit cost, but in the range of the hundreds of millions of dollars we're dealing with that clearly would be sufficient. I think right now acquisition cost for N95 masks tends to be under a dollar. So that gives you a rough approximation. But we have to scale up domestic production.

Brian Schatz: (53:49)

Do you have back of the envelope numbers that you haven't yet provided to the committee?

Hon. Alex Azar: (53:52)

Yes.

Brian Schatz: (53:53)

Because it sounds like you have... Well but it sounds like you have ballpark numbers and I got told by a staff person that the sup, now I haven't gone through it with a fine tooth comb yet but, but I have been told that this is the least detailed supplemental that they've ever seen. And so should we just consider this a marker and you'll get us the details later?

Hon. Alex Azar: (54:14)

Not in the least. There was a letter that went up last night which has the number, the basic numbers in it and as I've told both the Chairman and the Vice Chairwoman, we will work with your staffs to get you the details behind that. There is detail behind that. It's just last night you got the initial letter.

Brian Schatz: (54:30)

Okay. Final question on test kits. They were deployed into a bunch of locations. They didn't function properly. Why in the world do we have tests that operate in Atlanta, and the country of Japan has test kits that are reliable, other places, first of all other states, but also other countries have operating test kits. And given all of the preparedness work that you say you've been doing and all of the extraordinary work of all of our agencies, why can't we deploy test kits that function and why does it have to be mid-March before states and especially ports of entry have functioning test kits?

Hon. Alex Azar: (55:10)

So as I mentioned before, the CDC test was developed with historic speed. It has three reagent phases on it. The third one, it's unclear whether it's actually necessary, but what we do whenever it deploys out into the field or at CDC, one has to do the quality control and validate those results. That validation failed at the third stage. Not for false positive or false negative, but simply for inconclusive results against control and one of the 92 reagent slots. We're working on streamlining that process with FDA. So we hope to get those revised ones out very quickly.

Brian Schatz: (55:42)

Thank you.

Roy Blunt: (55:43)

Thank you Senator Schatz. Senator Kennedy.



John Kennedy: (55:52)

Thank you Mr. Chairman. Thank you Mr. Secretary for being here. We have 14 active cases now excluding the 39 that were imported.

Hon. Alex Azar: (56:03)

That's correct. We have 14 and then we at the moment are at a total of 43 imported, 40 from the Diamond Princess, three from Wuhan.

John Kennedy: (56:10)

How did 14 contract the virus?

Hon. Alex Azar: (56:13)

The 14 contracted the virus, 12 of them contracted it by travel in Wuhan, China, and the other two were spouses of infected of those 12.

John Kennedy: (56:23)

How is the virus transmitted?

Hon. Alex Azar: (56:26)

I don't want to play doctor on this. It is transmitted generally by respiratory symptoms, but I would like to defer if I could. We'll be happy to get you from scientists the best assessment of transmissibility of the disease.

John Kennedy: (56:42)

Can it be transmitted through food?

Hon. Alex Azar: (56:45)

We do not believe that there would be fomite transmission through food, but we still are trying to learn of the sustainability of the virus on surfaces. That's what we call fomite transmission is, and Dr. Fauci has said he does not believe that there's a reason to believe it should survive more than a couple of hours on hard surfaces.

John Kennedy: (57:05)

So it can survive a couple of hours outside the body?

Hon. Alex Azar: (57:09)

That is what Dr. Fauci has said is the working assumption, but of course we do not have firm trial data on that yet. That's one of the things we're hoping to learn from the WHO team in China.

John Kennedy: (57:21)

How is severity determined?

Hon. Alex Azar: (57:24)

Severity is determined usually by fatality rate against the number of people infected.

John Kennedy: (57:29)

Obviously, let me rephrase that. That wasn't a very artful question. Some people get really sick, others don't. Why the difference?

Hon. Alex Azar: (57:40)

Well, we don't know. That will depend on the nature of this disease. For instance, with the 1918 flu, the so-called Spanish flu, it was interestingly, you're healthier young, middle aged adult males that seem to have the worst reaction and greatest

severity.

John Kennedy: (57:56)

Let me stop you, doctor. I don't want to get too far afield here. The short answer is we don't know.

Hon. Alex Azar: (58:01)

We don't know right now. No.

John Kennedy: (58:02)

Okay. How many face masks do we have?

Hon. Alex Azar: (58:08)

We currently have 30 million N95 respirators in the strategic national stockpile.

John Kennedy: (58:13)

How many do we need?

Hon. Alex Azar: (58:15)

Dr. Kadlec mentioned to the Senate this morning and needing approximately 300 million for healthcare workers.

John Kennedy: (58:21)

We have 300 million healthcare workers in America, do we?

Hon. Alex Azar: (58:25)

No, that would be assuming the need to swap out used ones.

John Kennedy: (58:29)

Okay. What do your models show about how many cases we're anticipating?

Hon. Alex Azar: (58:39)

Well, we don't know because we don't know the full attack rate in China. So for instance, we've seen a high of 30% infection on the Diamond Princess approximately, which was frankly it seemed to be an incubator. In Wuhan China, it's very hard to know what the total accurate number of cases are.

John Kennedy: (58:57)

We don't know then.

Hon. Alex Azar: (58:57)

We don't know.

John Kennedy: (58:58)

Okay. Do you have models to try to answer this question?

Hon. Alex Azar: (59:03)

Well, we can only extrapolate based on the data we get from China.

John Kennedy: (59:06)

Is China telling you the truth?

Hon. Alex Azar: (59:09)

We are getting data from China as the world is, but whether that information is full and transparent, we just don't know.

John Kennedy: (59:15)

What's some mortality rate of the coronavirus?

Hon. Alex Azar: (59:17)

It's showing right now anywhere between 1% and 2%. But again, that's based on a denominator. There may be many, many more cases in China that are low symptomatic or haven't secured treatment and hence aren't in the Chinese reporting.

John Kennedy: (59:29)

What's the mortality rate of influenza?

Hon. Alex Azar: (59:32)

Seasonal influenza tends to be 0.1% mortality.

John Kennedy: (59:36)

So we're talking about a substantially higher mortality rate.

Hon. Alex Azar: (59:39)

It could be, again, dependent on what that denominator is. That's why we need to use great caution in making predictions about the severity of this.

John Kennedy: (59:47)

How soon will we have a vaccine?

Hon. Alex Azar: (59:52)

Well, as I mentioned, Dr. Fauci in the Wall Street Journal today talked about this going into clinical trial, amazingly, within three months after discovery. We could within a year have a vaccine, but we want to through the supplemental, put multiple vaccine candidates out there. We have \$1 billion of proposed investment in vaccine through the supplemental.

John Kennedy: (01:00:10)

The Secretary of the Department of Homeland Security, which is charged with keeping us safe, just testified about 10 minutes ago, a month and a half, which is it?

Hon. Alex Azar: (01:00:23)

One could not develop a vaccine in a month and a half. That's never happened in human history.

John Kennedy: (01:00:27)

Maybe you ought to talk to the Secretary of Homeland Security before he spreads that too far.

John Kennedy: (01:00:39)

Are we getting the cooperation that we need from countries other than China and obviously Iran?

Hon. Alex Azar: (01:00:45)

Well obviously not Iran. But from other countries, yes, we believe so.

John Kennedy: (01:00:53)

That's all I have Mr. Chairman.

Roy Blunt: (01:00:55)

Thank you Senator. Senator Baldwin.

Tammy Baldwin: (01:00:57)

Thank you Mr. Chairman. Secretary Azar, I want to tell you about a couple of constituents. Mary from Franklin, Wisconsin attended a round table I had over the president's recess week on the price of medications, and she worked for Kenosha County for over 20 years, retiring as a child support caseworker. She has diabetes and the cost of her medications including insulin are over \$1,500 a month. She said to me, "I'm just one of millions of people that have this problem. There are people who are not getting their medication, who are dying because they can't get their medication, who are deciding on food or medication or paying mortgages."

Tammy Baldwin: (01:01:50)

At that same round table, I met a father whose young son, had a severe allergic reaction. He was treated at the hospital and then the physician prescribed epinephrin. Because of the child's tender age and weight, an EpiPen was not appropriate because it would contain too high of a dose, and when he went to fill the alternate prescription that had the right dose, the out of pocket cost would have been \$5,000. I was in disbelief when I heard that. He explained a little bit more and what he ended up doing was buying an EpiPen and praying that his son will gain at least seven pounds before he next has any type of allergic reaction. But how frightening.

Tammy Baldwin: (01:02:49)

So in December the House of Representatives passed a comprehensive prescription drug pricing bill that included my bi-partisan Fair Drug Pricing Act. The Fair Drug Pricing Act, as you recall, passed out of the Senate Health Education, Labor and Pensions Committee last June. You noted in your testimony that the budget supports bipartisan drug pricing proposals. However, it does not support explicitly either the House passed bill or my bipartisan Fair Drug Pricing Act. We've talked a lot about transparency in this industry. Do you think pricing transparency would make it harder or easier for Congress to oversee the drug corporations and enact sensible policy that would bring down prices?

Hon. Alex Azar: (01:03:47)

We do support notions of drug price transparency. In fact, I tried to get, and you all supported me, thanks in particular to Senator Durbin's great work, tried to get specific authorization to explicitly require that drug companies disclose their pricing in their direct-

Hon. Alex Azar: (01:04:03)

... require that drug companies disclose their pricing in their direct-to-consumer advertising and we're now having to, rather astonishingly, litigate that issue in courts because the drug companies are embarrassingly ashamed to talk about their prices.

Tammy Baldwin: (01:04:14)

Right, so, a fair drug pricing act would say, if you want to raise the price, you will report to your agency with justification and full transparency. We talked, probably around a year ago, about whether we are even capable of showing a follow the dollar chart. When you, say, have a drug that's priced right now, list price is set by the drug corporation at \$100, what piece does the manufacturer take? What piece does the PVM take? What piece does everyone along the way take of that, and then when they double it, how does that change?

Tammy Baldwin: (01:04:53)

Where does the extra \$100 go? We don't even know that. I urge you to work with us to pass the bipartisan FAIR Drug Pricing Act. I think it will so help our ability to reign in these prices. In my few seconds left, I want to switch gears and talk about the vast expansion of junk plans that has occurred under this administration.

Tammy Baldwin: ([01:05:20](#))

There was a study released just shortly ago that found these junk plans impose extraordinary costs on very vulnerable populations, those newly diagnosed with cancer. According to this study, a patient that's newly diagnosed with lymphoma and covered by one of these junk plans could pay anywhere from 23,000 to 45,000 in out of pocket expenses in the first six months following their diagnosis.

Tammy Baldwin: ([01:05:49](#))

The other issue that I wanted to point as we're talking about coronavirus, we just had a reporting out of Florida that somebody who had recently traveled to China presented for concerns that he might have contracted the coronavirus, may be charged thousands of dollars in out of pocket costs for seeking care because he's covered by a junk plan.

Tammy Baldwin: ([01:06:16](#))

How does the expansion of junk plans by this administration help us during survey outbreaks like the one we're currently experiencing and is very frightening as we move forward, and how does it help somebody who is diagnosed with cancer?

Hon. Alex Azar: ([01:06:37](#))

Short term limited duration plans are not right for everyone. We've been very transparent about that, and they existed under the Obama administration.

Tammy Baldwin: ([01:06:45](#))

They were three months. Now they're three years.

Hon. Alex Azar: ([01:06:47](#))

Actually, no, in a midnight regulation, they shortened them to three months and we restored that. They're not right for everyone-

Tammy Baldwin: ([01:06:54](#))

Because of the impact on the rest of the market.

Hon. Alex Azar: ([01:06:56](#))

Well, they're not right for everybody and we've enhanced, actually, the consumer protection notices even from what the Obama administration had, but some insurance for some people might be better than not being able to afford any insurance. These are 60% off and cheaper than Affordable Care Act plans for people who aren't subsidized, so it's an option but it's not the right option for everybody and we've tried to be very transparent about that.

Lamar Alexander: ([01:07:16](#))

Thank you, Senator [inaudible 01:07:17]. Senator Rubio.

Senator Rubio: ([01:07:19](#))

First, I would want to acknowledge how difficult this issue has been, because where it originated in China, they're less than transparent. Whatever numbers they put out every day, I can assure you the numbers are higher as to the actual number of cases, but to date, at least, unless they shared it with the World Health Organization, they



haven't shared the original viral sample. I know they put the code up online but they didn't share the sample. They haven't really been forthcoming about best practices on a host of issues.

Senator Rubio: ([01:07:45](#))

Our response is complicated by the fact that we're dealing with a totalitarian government that's more interested, apparently, in PR and in their image than they are in actually dealing with this the way we would if we had an outbreak of this kind. That is most certainly impeding our ability to develop things like a vaccine and so forth.

Hon. Alex Azar: ([01:08:04](#))

We need full transparency and full cooperation from China, as well as every country. The WHO needs to hold every country accountable as they would the United States for that type of transparency and cooperation.

Senator Rubio: ([01:08:15](#))

The second question is, have we done any estimates or do you have any view on what would happen if this virus makes itself to an underdeveloped country with poor or no public health, for example Haiti or Central America, and some nations in Central America in particular, the impact that that would have on those societies, not to mention many nations in the African continent, what it would mean for migration flows for the global economy.

Senator Rubio: ([01:08:40](#))

Do you have any thoughts about how destructive it would be? One thing is that it shows up in Italy or the Canary Islands. Another thing is that it shows Up in a country that already lacks any sort of basic public health and the ability to address it.

Hon. Alex Azar: ([01:08:54](#))

Obviously, it would be very concerning if this virus spread, say, to Africa or other areas that have less developed public health infrastructure, because they won't be able to take the steps towards mitigation and containment that we can take here in the United States, and so it spread quite rapidly. This is why it's actually so critical to get better data out of China so that we know the severity and what the mortality rates really are here so we know what we're dealing with in terms of impact.

Senator Rubio: ([01:09:21](#))

We know that 80% of active pharmaceutical ingredients in the United States come from China, and I wrote a letter about this to the FDA commissioner. I know there's a lot going on but we have yet to gotten a response, so I wanted to know a few things. Does the FDA have tools and information to track potential medical device or pharmaceutical shortages?

Hon. Alex Azar: ([01:09:45](#))

We do, under FDASIA, to be able to track with pharmaceuticals. They have to report to us if there's any potential shortage, and we've not received any reporting yet about potential shortages connected to the China situation. The medical device companies do not have to make those same kinds of reports and that's actually part of what we've suggested in legislation.

Senator Rubio: ([01:10:05](#))

What can we do or what would we do to mitigate shortages of particularly critical medicines if, in fact, we saw one coming?

Hon. Alex Azar: [\(01:10:12\)](#)

It's a very difficult challenge because the supply chains with drugs, as with the rest of our economy, are very much globalized and entwined with China and elsewhere, and one can't stand up a manufacturing facility for pharmaceuticals just over night, and so if a drug company happened to have multiple manufacturing facilities that were qualified, they could transfer their manufacturing and we would certainly work at FDA to expedite any type of inspection, regulatory approval to support that.

Senator Rubio: [\(01:10:41\)](#)

Have we coordinated with any non-Chinese suppliers of products, at least at an effort to think forward about what we would do if, in fact, suddenly we face ... Again, we're not dealing with the most transparent government in the world in China, so if this thing came upon us fairly quickly, what option would we have to work with non-Chinese suppliers of these key ingredients?

Hon. Alex Azar: [\(01:11:00\)](#)

We could work with any supplier that is FDA approved. One can't just secure FDA approval overnight for either a generic ANDA or for the manufacture, of course, of an innovative product. We would work with those companies that hold licensing and hold patent rights to be able to expand [crosstalk 01:11:20].

Senator Rubio: [\(01:11:20\)](#)

But, have we done any work putting some of that in place just in case this comes on us pretty quickly?

Hon. Alex Azar: [\(01:11:25\)](#)

We are aggressively and proactively working with all of the drug companies and device companies and we've made it clear we're available to help them. None of them have signaled any potential problems in terms of supply. There are a couple manufacturers that do work in Hubei Province, the epicenter, but they report that they have large stockpiles of supply of product already, but we're aggressively working on this because it is, it's a concern when one has this global supply chain that is intermingled throughout the world, including in China.

Senator Rubio: [\(01:11:59\)](#)

As the last point, I think this instance calls to mind that perhaps it's not the greatest idea for Americans in need of healthcare to have 80% of our active ingredients come from one place in the world where it can potentially serve as strategic leverage some point down the future, but is vulnerable to this sort of disruption. At a minimum, you would agree that this is sort of a wake up call that perhaps we're overly dependent on the supply chain so heavily concentrated in one place in the world.

Hon. Alex Azar: [\(01:12:29\)](#)

It is and has been, and you've been at the forefront of calling attention to this issue. The challenge is what the appropriate remedies are for that, because if we start dictating where companies make product, that could increase costs which would increase healthcare and drug costs in the United States, but we're happy to work with you and congress on if there are supply chain management approaches that we should take that are more directive that congress would otherwise.

Lamar Alexander: [\(01:12:54\)](#)

Thank you, Senator Rubio. Senator Murphy.

Senator Murphy: [\(01:12:57\)](#)

Thank you very much. Good morning, Mr. Secretary. We can agree that when you're dealing with response to pandemic, days and weeks matter, correct?

Hon. Alex Azar: [\(01:13:11\)](#)

We try to take advantage of every day we've been able to buy through our aggressive containment efforts and our public health response, absolutely.

Senator Murphy: [\(01:13:18\)](#)

You presented a briefing to members of the senate three weeks ago in which many of us expressed alarm that the administration had not sent a supplemental request to congress at the outside of this epidemic. We were told in that briefing that the administration believed that it had ample existing resources to handle this epidemic that didn't make sense to many of us who saw what was coming.

Senator Murphy: [\(01:13:45\)](#)

Last night, you sent word that you were now requesting that supplemental funding and we are hopeful to get some meat put on the bone so that we can get to work very quickly. That was a mistake, now, in retrospect, to not request that funding weeks ago at the beginning of this pandemic. Correct?

Hon. Alex Azar: [\(01:14:04\)](#)

No, not at all. We had \$105 million that we were spending from the Infectious Disease Rapid Response Fund. We haven't even started on the \$136 million from the transfer authority that I've sent over. I think last night we sent notice of the reprogramming and transfer plans that we have for that. One, three weeks ago was just two weeks into even knowing about this virus which we've been very transparent briefing and working with you on.

Hon. Alex Azar: [\(01:14:31\)](#)

One can't know the contours or nature of the disease or the progression to even know what to request at that point and what that would involve. Indeed, today, we've seen one of your colleagues was questioning if we even know enough to make a request at this point, and so, we're making the request. We believe we know enough to do that now. [crosstalk 01:14:49] money.

Senator Murphy: [\(01:14:50\)](#)

I think his point was in response to your statement regarding your inability to create a market until you have the funding which speaks to the long process from the request of funding to congress to the creation of a market that would answer some of the concerns that Senator Rubio has. What was knowable three weeks ago is that when you make a request of congress, the money doesn't occur and be created overnight.

Senator Murphy: [\(01:15:21\)](#)

It's a process to come up with that legislation, and then you acknowledge yourself that even once you get that funding, you then need to go out and create markets for some of the products that have shortages. Many of us did see the need early on, because we knew that it would take a long time in order to get this funding through the process, and I think we've lost critical days and weeks, and there were many people in that briefing who were asking you to present this earlier.

Senator Murphy: [\(01:15:51\)](#)

Can I ask you about a program that the CDC was running, I think, largely with previous supplemental dollars, that was, I've heard it referred to as an epidemic

prevention account, a global health security initiative, operating in about 50 countries. Reports from about a year and a half ago suggest that as that money ran out and the CDC didn't replace it with other funds, the number of countries in which we were forward deployed, trying to train local public health staffs to identify pandemics and respond to them, were reduced from 49 countries to 10 countries.

Senator Murphy: ([01:16:35](#))

At the time, you received a letter from about 200 different public health organizations asking you to backfill and request new resources to make sure that those programs remained open. You may not have an answer today, but can you confirm that that program is only running today in 10 countries compared to the 49 that it was running when that supplemental funding was still available?

Hon. Alex Azar: ([01:17:05](#))

What's happened is as the Ebola supplemental money was going down, we were increasing the Global Health Security Agenda funding through CDC. For instance, for 2021 appropriation, we've request 175 million, which is a 50 million increase there as we slope that up. In terms of the countries, we are very committed to Global Health Security Agenda, as are you. The number of countries, our focus has moved to try to have a regional footprint and also, as we've built labs and built capacities in countries, they stand on their own and we move to other countries or move to regional approach, we can get you the precise countries where we're operating in now, but that's been the philosophy.

Hon. Alex Azar: ([01:17:41](#))

It's not been a retrenchment. It's, though, been to have a regional deployable force instead of permanent infrastructure in every single country.

Senator Murphy: ([01:17:49](#))

The chairman isn't here but I think the answer is that we are operating today in perhaps one fifth the number of countries that we were several years ago, and we were operating in 50 countries because we recognized, we had a lot of work to do to train up staffs, especially in developing countries, to identify these outbreaks and treat them at the outset so they didn't ultimately reach our shores. Many of us have been, I think, sounding this alarm for years, that budget cut after budget cut, proposed budget cut after proposed budget cut to the CDC, was going to have an effect.

Senator Murphy: ([01:18:23](#))

I don't think today we can draw a straight line between the number of countries that have been cleaved off of this global pandemic prevention program and the outbreak that we're dealing with today, but it is another alarm bell for us. We cannot continue to close our eyes to these developing pandemics. We are going to have to be partnering with many other countries and under this administration, unfortunately, we're going the wrong way.

Senator Murphy: ([01:18:46](#))

We are operating in less countries abroad, not more countries, but I will appreciate hearing the more detailed information from you in the coming days.

Lamar Alexander: ([01:18:55](#))

Thank you, Senator Murphy. Senator Hyde-Smith.

Senator Hyde-Smith: ([01:18:59](#))

Thank you, Mr. Chairman. Secretary Azar, thank you so much for being here today. I want to start by making a few comments before I go to my question. First, I know you've heard from Chairman Blunt repeatedly about his concerns with regarding the allocation of livers for transplant. I share the Chairman's concerns. Our only transplant program in Mississippi at the University of Mississippi Medical Center just completed its 250th liver transplant this past Friday, which is a very important milestone for us.

Senator Hyde-Smith: ([01:19:32](#))

Since the program started in 2013, it has meant so much to critically ill Mississippians to be able to get this lifesaving care close to home, and I'm worried now the new liver policy will undercut that UMMC program. I hope you will work with us to address these concerns and ensure the continued viability of new liver transplant programs just like the ones that we have in Mississippi.

Senator Hyde-Smith: ([01:19:59](#))

Secondly, I want to thank you for your focus on lowering the cost of prescription drugs for all Americans. Whenever I'm in Mississippi I constantly hear from constituents who are concerned about high out of pocket costs for their prescription drugs, but both you and the president have made this a issue of priority and I certainly thank you for that.

Senator Hyde-Smith: ([01:20:21](#))

Third, I was very pleased to see your budget request include legislative provisions from the Connect for Health Act to help expand telehealth at community health centers, rural health clinics and Indian health services facilities.

Senator Hyde-Smith: ([01:20:35](#))

As one of the six senators on the senate telehealth working group, I was very glad to be able to introduce this bill and I'm working to get it enacted into law. Your support is extremely critical in that.

Senator Hyde-Smith: ([01:20:50](#))

At this hearing last year, you and I discussed struggling rural hospitals in Mississippi. This continues to be a program not only in my state but across the nation. The most recent data just released from 2019 shows that nearly 50% of rural hospitals are still operating in the red. Last year I was so pleased when you testified that, in part and because of some efforts from my office, you had established a rural health taskforce at HHS to find all the ideas to help address the crisis in excess in rural America.

Senator Hyde-Smith: ([01:21:26](#))

I've always been pleased to support some of the early work on the task force including changes to the Medicare wage index. That meant so much to our rural hospitals in Mississippi, but I know the taskforce has been working very hard in recent months to do even more.

Senator Hyde-Smith: ([01:21:42](#))

Can you provide us with an update on the taskforce work and specifically how this subcommittee can help support you and your office in that?

Hon. Alex Azar: ([01:21:52](#))

Thank you, Senator, and yes, on the rural taskforce, we've now matured into the point that rural healthcare is a centerpiece of the president's healthcare agenda and a centerpiece of the budget proposals. There are really four pillars to it. The first is,



rural healthcare has to have a sustainable business model. We can't just patch over it. It's got to be something that economically works in our rural communities.

Hon. Alex Azar: ([01:22:15](#))

Second, we've got to have prevention and health promotion in rural communities. Third, we have to take advantage of telehealth and other innovation, and fourth, we need health professionals, such as PAs, physician assistants, nurse practitioners, and others who are able to practice at the full extent of their training and licensure in these rural communities where we can't often find just doctors to practice.

Hon. Alex Azar: ([01:22:40](#))

We have many proposals in the budget. One of them, which I'm very excited about, that would help with rural hospital closures, would allow critical access hospitals to convert to emergency facilities with an emergency room and outpatient, and not have to bear the burden of continuing inpatient bed facilities, and also get payment supplements on that. I think that could be a real lifeline to our rural communities if we could get that approved. We also have several provisions we've proposed on expanding access to telehealth and compensation both in rural America but also in Indian country for facilities there, and then we also want to modernize our payment for rural health clinics, because our community health centers in rural areas can be an important backbone of our system, also.

Hon. Alex Azar: ([01:23:28](#))

We've got a whole suite of legislative proposals in there for rural health, combined with our budget increases, that we'd love to work with you on.

Senator Hyde-Smith: ([01:23:37](#))

Thank you very much.

Lamar Alexander: ([01:23:39](#))

Thank you, Senator Hyde-Smith. Senator Shaheen.

Senator Shaheen: ([01:23:42](#))

Thank you, Mr. Chairman. Secretary Azar, thank you for being here. I don't have any questions about the coronavirus because I was at the briefing this morning and I appreciated your comments to clarify some things. The question that I have for you and whoever else in the administration or in the senate is, why that briefing was closed. I have met with a number of constituents, in fact, right after the briefing, who were very concerned that they didn't have information, and I think it would be very helpful to the public to be able to hear what's being said, and I didn't hear anything this morning that I haven't read in the newspaper already.

Senator Shaheen: ([01:24:19](#))

I think, to have some of those briefings open so the public can hear them would be a great benefit, and I hope there will be something on websites to help companies prepare their employees to help the public understand what's going on, so I give that to you to take back.

Hon. Alex Azar: ([01:24:36](#))

Actually, if I might, my understanding is Chairman Burr, the chairman of the Senate Intelligence Committee, asked that that briefing be held at the top secret level to ensure complete transparency with members of the senate on any information. I think what was found was in the discussion, we're not relying on classified information. We've tried to have radical transparency, and so I think by the end of it,

it was realized nothing classified had been discussed, and so that label was taken off of it, but yes, we've tried to be completely transparent about what we know.

Senator Shaheen: ([01:25:06](#))  
I think that would be helpful.

Hon. Alex Azar: ([01:25:06](#))  
We absolutely support that kind of public disclosure-

Senator Shaheen: ([01:25:10](#))  
I don't want to cut you off but I'm about out of time, so my clock is running. New Hampshire has been really hard hit by the opioid epidemic, as you know. It has become very clear that the Medicaid expansion has been our best tool in combating the epidemic. According to the most recent data available, 23, 000 Granite Staters have accessed substance use disorder treatment through the Medicaid expansion, but your HHS budget proposal would slash Medicaid funding by 920 billion, including 744 billion in cuts that appear to gut the Medicaid expansion.

Senator Shaheen: ([01:25:48](#))  
On page 112 of your budget, it says that, and I quote, "As part of the president's Health Reform Vision, Medicaid spending will grow at a more sustainable rate by ending the financial bias that currently favors able-bodied working adults." The only way I can read that is that you're suggesting that congress should eliminate the match that is currently provided to states who participate in Medicaid expansion. Am I reading that correctly?

Hon. Alex Azar: ([01:26:18](#))  
We do believe, I've said this for a couple years, that the enhanced match for Medicaid expansion for able-bodied adults actually prejudices against pregnant women, children, aged, blind and disabled in traditional Medicaid, and we think that needs to be corrected, so yes, you are reading that correctly.

Senator Shaheen: ([01:26:34](#))  
Are you suggesting that we should eliminate the match that can go to Medicaid expansion for states to use for treatment for substance use disorders, for example?

Hon. Alex Azar: ([01:26:48](#))  
What we've suggested in the budget is an allowance that would have us work with congress to look at issues like that around what is the appropriate federal matching rate for expansion compared to traditional Medicaid populations. What's a sustainable growth in that expansion population, as well as what flexibility states would require. It's meant to be collaborative with working with congress, but there is a problem here which is, there is a real prejudice in the Medicaid system now in favor of able-bodied adults and state support of them because of the 90% match, versus the average 60% federal match for those core, traditional populations of Medicaid like pregnant women, children, aged and blind and disabled there. It's a real disparity in the system that we need to address.

Senator Shaheen: ([01:27:38](#))  
I hear that. To address it in a way that would eliminate the match, certainly puts at risk those thousands of people in states like New Hampshire across this country where they're getting their treatment for opioid disorders, and without that Medicaid they would not be getting treatment. There is no alternative in states like New Hampshire for providing that treatment. I'm not going to ask you to comment on

that, but I hope that that's something that you will think about and you will share with states like New Hampshire before making any changes, and I'm sure congress will want to weigh in.

Hon. Alex Azar: [\(01:28:13\)](#)

I don't believe we've suggested eliminating but rather regularizing it compared to traditional Medicaid.

Senator Shaheen: [\(01:28:20\)](#)

I'm going to go now to the issue with e-cigarettes and vaping, because I have been very disappointed at the flip flop that we have really seen from the FDA and from the effort to try and scale back on what e-vaping products are available to young people and to the public. I thought, initially, the FDA was pretty clear that it was going to take all flavored vaping products off the market, including menthol, and yet they have failed to do that, so I wonder if you can talk about what you're seeing in addressing vaping.

Hon. Alex Azar: [\(01:29:11\)](#)

I share your passion on the e-cigarette challenge and keeping these away from kids. Just to explain why there was a change in what we initially announced on September, the 11th. We, with our original data set that we had which was the National Youth Tobacco Survey, had tobacco flavor in one category and mint and menthol together, showing mint and menthol as a group was being used by kids.

Hon. Alex Azar: [\(01:29:33\)](#)

That actually troubled our public health people because we have significant menthol combustible users and want to make sure there's an exit avenue for them that's available. We then got, after the announcement, the Monitoring the Future Survey that finally gave us a breakdown of mint and menthol showing it was really mint driving it and menthol was comparable to tobacco flavors. We were able to leave menthol on the market, go after the mint there, and so that was the basis for why we made that change.

Senator Shaheen: [\(01:30:04\)](#)

My time is up, but as I'm sure you know, there's legislation that would mirror what's in the budget with respect to fees on e-cigarette companies, and I hope that we can enact that as part of the budget this year.

Hon. Alex Azar: [\(01:30:16\)](#)

We support that, also. Yeah.

Senator Shaheen: [\(01:30:17\)](#)

Thank you.

Lamar Alexander: [\(01:30:19\)](#)

Thank you, Senator Shaheen. We'll go to Senator Merkley, but on your comment about the briefing this morning, as the secretary said, the request for a briefing, a top secret briefing was made at the request of the chairman of the Intelligence Committee and other senators who wanted to make sure that senators knew there weren't any secrets we weren't being told. We were both there, but as a result of that, I think what we learned was that everything we were told had already been available to the public, so that was the motive. That was the motive for it. Senator Merkley.

Senator Merkley: [\(01:31:02\)](#)

Thank you, Mr. Chairman, and welcome, Mr. Secretary. The administrator has proposed a rule that would scrap the Flores Agreement that sets humanitarian standards for the treatment of refugee children. One of those changes, instead of requiring 72 hours to move a child to the least restrictive setting, would allow the indefinite detention of a child. Isn't indefinite imprisonment of a child a human rights abuse?

Hon. Alex Azar: [\(01:31:35\)](#)

Senator, I appreciate your concern, there. That would be a DHS regulation. The HHS Flores regulation, I believe, largely tracks our requirements under the Flores settlement Agreement, so I can speak to that. I can't really speak to the DHS regulation.

Senator Merkley: [\(01:31:57\)](#)

Okay, we'll leave that there, then, but I'll follow up with you. I want to switch to, my team alerted your team, I was going to ask you about a situation where a child has been trapped in [inaudible 01:32:08] custody for six years now and originally it was approved for her to go to live with her aunt in 2014. She finally, after six years, signed an agreement to be deported without ever being informed that her extended family was still waiting and happy to accommodate her. Too many things about this bother me, but one is that six years in detention is an incredible impact on a child. It's a whole childhood disrupted or destroyed. A second is that, essentially by not informing her that her family wanted her, it was extraordinarily misleading on top of everything she's gone through. She should have at least had the basic information for that decision.

Senator Merkley: [\(01:33:01\)](#)

I'm not asking you to comment on this individual case, but I am asking you, outside of this hearing, to put this case on the top of your stack, because every now and then a situation arises that's so horrific where someone fell between the cracks and been treated in such a manner that none of us would want this for anyone we know or any child anywhere at any time.

Senator Merkley: [\(01:33:24\)](#)

Would you be willing to take a close look at this case and try to make sure that we get some, perhaps, really high level attention and fair treatment for this child?

Hon. Alex Azar: [\(01:33:38\)](#)

Absolutely. In fact, thank you. I had not seen the media report until you and your staff raised this to us about this, and I, of course, can't validate anything in the media report but I have asked the team, I want to dig in on this one, find out what's going on. I completely agree with you. We certainly don't ever want a child to be with us for that length of time but, and I can't speak to this individual circumstance, there are cases where sometimes there either is not family, family may not be willing to take someone in, there may be an unsuitability there, but the shorter time a kid is with us, we've talked about this before, the better it is for the child.

Hon. Alex Azar: [\(01:34:16\)](#)

We want kids with us for as short a time as humanly possible, consistent with their safety, so I will dig in on that personally. I want to make sure she's treated fairly and her family's treated fairly.

Senator Merkley: [\(01:34:27\)](#)

I would like to be able to get weekly updates on where this case stands if that's

something you can commit to.

Hon. Alex Azar: [\(01:34:35\)](#)

I want to make sure I'm able to do that consistent with the child's privacy, individual rights here but we'll work to get you as transparent information as we can about her situation because I do want to make sure she's treated well.

Senator Merkley: [\(01:34:46\)](#)

Okay. I wanted to turn back to the Flores Agreement. One of the proposed rule features in addition to indefinite imprisonment, is to replace a hearing before a Department of Justice immigration judge with a Hearing before an HHS officers, but only if the child requests it. How would any child ever know that they could request such a hearing?

Hon. Alex Azar: [\(01:35:17\)](#)

All of our kids have the right to legal counsel and I believe there actually are phone banks as part of the counseling and case management process at the grantee facilities to ensure connectivity with counsel. This is one of the changes that was made in the regulation compared to the way it's set up in the Flores Agreement.

Hon. Alex Azar: [\(01:35:38\)](#)

I believe it has to do with, we can get you more information about this, but a modification in terms of the Justice Department and what they believe they're actually legally able to do in terms of administering hearings, but we're happy to get you more information about that. It really was, I think, just a response to where DOJ felt they had to be on these hearing processes.

Senator Merkley: [\(01:36:01\)](#)

Okay. I have visited the children ...

Hon. Alex Azar: [\(01:36:03\)](#)

These hearing processes.

Senator Merkley: [\(01:36:03\)](#)

Okay. I have visited the children in the interment camps. I have visited the children and the child prisons. And they have no idea that they would have this kind of right. Most of them did not have access to counsel. Many of them don't speak the same languages. It's a fantasy to think a child would, except in rare circumstances, know to request such a hearing. So that that disturbs me because it strips a fundamental protection in the system away from these children.

Senator Merkley: [\(01:36:33\)](#)

My time is expiring, so I'll just note. This is the thing that the Flores Settlement said it can be replaced by a regulation that implements the Flores Settlement, but this regulation crushes it, strips it, scraps it, shreds it, it doesn't implement it. And thus, as you can imagine, on behalf of these refugee children, I'll be opposing it in every possible way. And I hope that as you study it, you might come to this the same point of view. Thanks.

Lamar Alexander: [\(01:37:05\)](#)

Thank you Senator Merkley. Mr. Secretary Senator Blunt has indicated we should go ahead and wrap up the hearing at this point, which I will do in just a moment. But I want to ask you a question and make a couple of comments and then we'll conclude the hearing.



Lamar Alexander: [\(01:37:24\)](#)

You're familiar with the lower healthcare costs bill that passed this Committee 20 to 3, and I think you're very well aware that the House Energy and Commerce Committee and this Committee worked on an agreement, and we pretty well came together between the House and the Senate Committees on a version of that bill, which includes ending surprise billing, and about 40 more provisions that would lower healthcare costs, focusing on competition, transparency, and prescription drug costs. The House Education and Workforce Committee, chaired by Bobby Scott with Virginia Fox, the ranking member, came up with basically a similar proposal, and now the Ways and Means Committee in the House has also come up with a version that's a little different on ending surprise billing.

Lamar Alexander: [\(01:38:16\)](#)

So we have two House Committees in this Committee in agreement. We have the Ways and Means Committee headed in the same direction. We have the President's support, which is the question I'm coming to. So when you have this Committee, 20 to 3, with the Chairman and Senator Murray, when you have Chairman Palone and ranking member Walden, when you have Bobby Scott and Virginia Fox all agreeing with the President's support, and you have the Ways and Means Committee headed in the same direction, it seems to me that's a good candidate for action to lower healthcare costs, especially since ending surprise billing, the other 40 provisions or so that would encourage competition, transparency and lower drug costs, and save enough money to fully fund community health centers for five years. That could all be done by the end of May when the community health center funding expires.

Lamar Alexander: [\(01:39:22\)](#)

So my question for you. Is this high on the President's priority list and will you continue to work with this Committee and the three House Committees to get a result on ending surprise billing, which includes the ambulance and other provisions, as well as the community mental health centers?

Hon. Alex Azar: [\(01:39:43\)](#)

So as you know, this is a very high priority for the President, ending surprise medical bills. And we're very happy that we actually have consensus about the core, which is protecting the patient from surprise medical bills. And what we're just trying to do is work with the Committees on who then bears that cost, insurers, providers, hospitals, et cetera on the back side. And we want to work with you to try to bridge that, because you're right, it does need to get through. We want to get a bipartisan, bicameral solution passed.

Lamar Alexander: [\(01:40:19\)](#)

Thank you. And now here are my comments and you don't need to respond to these if you don't want to. I see the Chairman is here and I'll let him have his own Committee back. But he made the mistake of giving me the chair, so ...

Lamar Alexander: [\(01:40:36\)](#)

Genomic information of newborn babies, blood taken from them is used importantly in research. And many members think that parents ought to give informed consent to that. Some of the researchers are afraid that will limit the opportunity for research. My own view is I think the researchers are wrong about that. I think when parents go into the hospital and fill out all their forms and one of the forms says, can the blood that we get from your newborn baby be used for research, I think overwhelmingly they're going to agree to that. And I would hope you would take a look at that and try

to help us balance the privacy right, and the research opportunity.

Lamar Alexander: [\(01:41:19\)](#)

I think it helps the researchers to go ahead and do this because that locks in the steady supply of that blood for research, and avoids coming up and having a big problem with it sometime later.

Lamar Alexander: [\(01:41:35\)](#)

And the other issue was interoperability. We dealt with that over in our authorizing committee. We had a whole lot of hearings about medical information blocking, and make it easier for patients to get their own healthcare data. And the two things I'd like to ask you to focus on is the one area where we had a lot of concern. It had to do with third party people getting information from these things without us thinking about that very much. And the final rules need to balance patient access and the privacy that needs to be addressed. In other words, we didn't think the existing federal rules really dealt with that issue very expertly. We want to go ahead and give patients that access, but we want to make sure that we deal with the privacy question. And then the other, and this is my own bias about interoperability, I tried to get the Obama administration to slow down on implementing the various rules expanding about medical healthcare information because I thought it involved too many people and they were going too fast. We all want to get the same place.

Lamar Alexander: [\(01:42:51\)](#)

So I hope that you will not try to do too much too fast. I think our goal with interoperability is to get there, but if we try to go too fast to get there, we may create more problems than we solve. So that's just admonitions from having dealt with this for several years. I just wanted to take this opportunity to mention those two issues to you. Now I'll ask the Chairman if he wants to have his committee back.

Mr. Blunt: [\(01:43:20\)](#)

Let's see. It think we got critical information.

Lamar Alexander: [\(01:43:23\)](#)

And thank him for ...

Mr. Blunt: [\(01:43:25\)](#)

Maybe not. I think I'm good.

Lamar Alexander: [\(01:43:28\)](#)

No, I do. I do have critical.

Mr. Blunt: [\(01:43:32\)](#)

Thank you, Senator Alexander.

Lamar Alexander: [\(01:43:33\)](#)

My pleasure.

Mr. Blunt: [\(01:43:39\)](#)

Well, if you were going to pick any individual on our Committee, you had a wide enough range of interest to keep you answering questions for the time everybody was gone, you would start with Senator Alexander. So thank you. We got a few people that may come back. We're not going to go a whole lot longer here, Secretary.

Mr. Blunt: [\(01:43:59\)](#)

Let me talk a little about mental health. One of the things I've been interested in, as you know, is trying to get mental health on a truly even basis with all other kinds of health. We have a pilot that Senator Stabenow and I worked on establishing a few years ago in eight states. The FY20 Bill included 200 million for certified community behavioral health clinics. You've actually proposed that that be increased by 25 million. I was pleased to see that increase.

Mr. Blunt: [\(01:44:34\)](#)

Also, something that we asked for in that bill was more information about what changes we're seeing in overall health cost when people's mental health is being treated like all other health. My goal with this pilot was not to have the federal government take over mental health, but to try to create a kind of whole health information that would make it more easy for states to determine what this really meant. Are they spending no money extra when they treat mental health like all other health, which I think may be possible? Are they saving money, which may be possible? Or are they spending only a little more money when they treat mental health like all other health? It's just always same as secretary. Totally logical to me that if you're dealing with somebody's mental health problem that you're more likely to be able to deal with any other health problem they have in a much more cost effective way.

Mr. Blunt: [\(01:45:43\)](#)

I do know that on the opioid effort in our state, and the other seven states that have excellence in mental health pilots, that the ability to have mental health assistance unlimited by 14 days or seven days or whatever it would've been, is certainly making a difference in people's ability to deal with their opioid problem. If you don't have a mental health problem when you become addicted to drugs, you certainly have one after you become addicted.

Mr. Blunt: [\(01:46:15\)](#)

So what I really need from you all is as quick a response as you can give. We asked for a response to that in 30 days. It's been about 67 days I think now. But the reason that I'd like to see that is to see if we're headed in the right direction, and if there's another way we need to be compiling information so that you and I both have in the Congress, and state governments have what they need to look at to know the difference it really makes. You want to respond to that a little bit?

Hon. Alex Azar: [\(01:46:49\)](#)

We certainly agree that taking care of mental health is critical to overall health and we'll work on getting you that information as soon as possible. As you know, and I think you alluded to this, the President's budget proposes a major change here, which would be to lift the IMD exclusion at a state option for serious mental illness of inpatient mental health facilities beyond the current IMD limit, and so as we have done for substance use disorder. But actually make it a state option to get into that and that would make it so that I think it would then be exempted from budget neutrality and some other restrictions that we have. So very excited about that possible change for mental health in the United States.

Mr. Blunt: [\(01:47:31\)](#)

I don't know if you've had a chance to talk about the President's HIV initiative much today with everything else that's going on, but Senator Murray and I worked together, we work with our colleagues in the House to fully fund what was believed to be the number that was needed last year. What kind of progress are you making there

in the End HIV initiative, and what should we be thinking about as we look at the number you asked for this year?

Hon. Alex Azar: [\(01:48:03\)](#)

So what we did up until the appropriation came out in December was supporting in the target counties, the preparation activities. So we've got, of course, for half of our new cases are occurring in 57 target jurisdictions. And so we worked there to get their plans in place and ready. We had four jumpstart jurisdictions that we were able to start moving on. Now that you funded it, we're now actually implementing the initiative in terms of diagnosing, treating, preventing and responding.

Hon. Alex Azar: [\(01:48:35\)](#)

The new money, so for 2021 would be year two of the full initiative. That would be 716 million dollars for year two. That's just the scale up, the 450 million dollar scale up as we now implement those plans. So that's expanding for the community health centers that are in the 57 target jurisdictions, expanding their ability to treat as well as to prescribe PrEP and get people on PrEP.

Hon. Alex Azar: [\(01:49:02\)](#)

It involves outreached individuals and adherence programs to ensure people take their PrEP, get on it, stay on it, and that individuals who are diagnosed to get on their antiretrovirals, expanding Ryan White capabilities in the target jurisdictions. Also at CDC, having the rapid response team able to go and deploy into clusters where we see new clusters of HIV coming out.

Hon. Alex Azar: [\(01:49:28\)](#)

So really across that at CDC and HERSA is now its implementation. So with the money you got us in December, we're beginning that state-by-state implementation, and this would be the second year with just full scale up into that.

Mr. Blunt: [\(01:49:40\)](#)

I was in a meeting yesterday in my office where the topic came up on HIV. If you'd said get on their PrEP and stay on it, where this might be an area where some kind of time released medication where you took it once a week or once a month and it released on its own would have some real potential.

Hon. Alex Azar: [\(01:49:57\)](#)

Certainly any kind of long acting on PrEP would be great. I don't know if the manufacturers are pursuing that. I haven't seen if that's a formulation that they're working on. But yes, you would see that if you saw a monthly, for instance, that would be fantastic.

Mr. Blunt: [\(01:50:10\)](#)

Yep. Senator Durbin.

Senator Durbin: [\(01:50:12\)](#)

Thanks Mr. Chairman. Dr Azar, thank you for your patience in waiting with the roll calls. You and I have had so many good conversations about the issue of vaping and e-cigarettes. The President and First Lady in the Oval Office in mid-September of last year made some very strong and encouraging statements about dealing with this.

Senator Durbin: [\(01:50:31\)](#)

Unfortunately, a few months later when the policy was announced, there were some things in there that concerned me. The President's promise to remove all flavored

e-cigarette products from the market within a matter of weeks didn't happen. Instead, the President decided to exempt cheap disposable e-cigarettes like Mr Fog's bubblegum flavor. I can keep up with the names of these things. Puff Bar's OMG flavor and STIG's mango balm flavor. Not necessarily a product for people who are hardened smokers trying to quit. It's a product to attract kids and over 80% of kids are attracted to that kind of junk, and end up with a nicotine addiction.

Senator Durbin: ([01:51:15](#))

I think it was a mistake to exempt these cheap disposable products from the President's so-called flavor ban. I'm concerned about his decision to exempt more than 15,000 flavors in the open tank vaping system. I'd like to get on the record what you've told me personally and privately about monitoring what's going to happen next and what the response would be from you and the FDA if it turns out that the extent of the ban, the extent of the restrictions are not adequate to stop this youth epidemic.

Hon. Alex Azar: ([01:51:46](#))

Yes. First, Senator Durbin, thank you for your partnership on the e-cigarette issue. Really, it's been wonderful to work with you to just keep this focus on keeping these e-cigarettes away from children. In terms of the disposables, as we talked about, NJOY, which I believe is the largest disposable manufacturer did pull off it's flavored disposable products from the marketplace, respecting the spirit of what we were trying to do here.

Hon. Alex Azar: ([01:52:13](#))

These other products, if they're targeted at kids, and if we get data showing that there that kids are using these products, we're going to go after them with enforcement with the full weight that we've got. We've even talked to companies like Google to use advanced analytics that they have to help us get even earlier warning signs than for instance, the National Youth Tobacco Survey, which is more retrospective so we can see trends there.

Senator Durbin: ([01:52:38](#))

Let me ask you this. By court order in May, the FDA is going to receive applications for those who want to keep their devices and flavors on the market. Do you believe that an e-cigarette application should be rejected by the FDA, unless the company proves with scientific and medical evidence that the product actually helps adults quit smoking tobacco cigarettes, does not cause youth to start smoking and does not harm the user?

Hon. Alex Azar: ([01:53:08](#))

So on the first part of your question, which is smoking cessation, that would be imposing a drug approval criteria in there, because of course a smoking cessation device is an NDA, a new drug approval that would be a different bar than what the Tobacco Control Act has. And I believe the standard is that it promotes public health. I believe it's something like that in terms of the standard for FDA.

Senator Durbin: ([01:53:32](#))

Not appropriate for the protection of public health is at least one reference.

Hon. Alex Azar: ([01:53:36](#))

Right, right.

Senator Durbin: ([01:53:37](#))



But of course isn't that the marketing message of folks in e-cigarettes and vaping? You can quit tobacco cigarettes?

Hon. Alex Azar: [\(01:53:45\)](#)

If they use a smoking cessation messaging without drug approval for their product, we will enforce against them. And in fact we did issue a warning letter against a major manufacturer that was putting smoking cessation claims or implicit claims connected to their product.

Senator Durbin: [\(01:54:01\)](#)

If I could switch to a much different topic. Thanks for your kind words on DTC. I want to talk about the zero tolerance issue, and the fact that I joined with Senator Murray and others dealing with what happened to the kids who were forcibly separated from their parents at the border. And there was a study done at our request, but it came back and said we can't even find many of these kids or their parents. Can you tell me at this point, how many children are currently still separated from their parents pursuant to that zero tolerance policy or the preceding policy, which had the same impact?

Hon. Alex Azar: [\(01:54:40\)](#)

I want to make sure, and I'll ask if we could get you for the record. I want to be sure of this. But I believe that we do not have in our care at ORR any children that remain as a result of the zero tolerance policies. So I believe that to be the case. I thought we were down to zero of them, but we'll make sure and get you that information for the record.

Senator Durbin: [\(01:55:05\)](#)

And so as you sit there, you believe that every parent whose child was taken into HHS custody has been reunited with their child?

Hon. Alex Azar: [\(01:55:13\)](#)

They've either been reunited or they have not been parents, or they're unfit for reunification or they have disclaimed their rights to reunification. I want to be careful because I know there was one instance where there was an individual, I think in Guatemala that we were still having trouble finding the parent, but I believe that was resolved. That's why I want to be very careful to get back to you on the record to make sure we got every bit correct.

Senator Durbin: [\(01:55:38\)](#)

My closing point, and I hope we look into this, I hope we're sensitive to this. The Remain in Mexico program, which now involves thousands of people and children, there've been reports from human rights organizations about terrible abuse, including sexual abuse of children and adults who are on the Mexican side of the border waiting for some sort of resolution of their status here in the United States. Do you accept some responsibility to monitor that program in terms of its impact on these people?

Hon. Alex Azar: [\(01:56:07\)](#)

So I am not involved in the DHS Mexico migration policy. Our authority doesn't go to that. Our authority really is just the unaccompanied children if they come across by themselves, or if a parent leaves a child here on that returning New Mexico side of things.

Senator Durbin: [\(01:56:25\)](#)

I understand that jurisdictional issue, but I just hope, and I know you're a caring person, that you understand that when we turn away people seeking asylum and leave them in Mexico, we at least have some role in this, and should accept some moral responsibility for the outcome. Thank you, Doctor.

Mr. Blunt: ([01:56:45](#))

Senator Durbin, if you want to for a minute, we're going to wrap up. But if you have another question we could ...

Senator Durbin: ([01:56:50](#))

I'm fine, thank you. Senator Murray.

Mrs. Murray: ([01:56:52](#))

Mr. Secretary, I want to follow up on what Senator Durbin brought up, because I am really frustrated by the department's failure to protect migrant children against harmful policies, especially when it comes to sharing information with the Department of Homeland Security.

Mrs. Murray: ([01:57:07](#))

Over the past couple of months, we have learned from news reports, the White House hatched a plan to embed ICE agents within the Office of Refugee Resettlement, and use information from unaccompanied children's potential sponsors to target them for deportation. And then we heard reports that ICE is implementing a widespread policy to fingerprint unaccompanied children who turn 14 while they're in HHS custody, without legal representation present. And now we are hearing another bombshell that HHS has been sharing migrant children's confidential therapy notes with ICE, who has then used them to weaponize that information to deny silent claims.

Mrs. Murray: ([01:57:50](#))

Now I'm extremely worried about this. In the past, the care and protection of children was purposely separated from immigration enforcement. And this is really alarming to me that these actions are being taken. So just one question and I'll follow up with you later. I understand children were told that their conversations with their therapists were confidential. Is the department now making clear anything children say in these sessions will be shared with ICE?

Hon. Alex Azar: ([01:58:21](#))

Those notes from therapists or mental health counselors talking to children should not be disclosed absent the child's consent, or the most limited information possible in the event of a threat to themselves or others that's disclosed. The sharing-

Mrs. Murray: ([01:58:40](#))

Who decides that?

Hon. Alex Azar: ([01:58:41](#))

So that would be the therapist. The sharing of that information that occurred, we discovered this in August of 2019, that there had been a problem since a guidance that was issued in 2016, where therapist's notes were being provided over. What should happen properly is limited information about the child's protection or about the child's threat to others should go into a serious incident report in the system. That should be the minimal information needed. We found that some of our therapists were, grantee therapists were cutting and pasting notes, putting them in the SIR's, or incorrectly, the full notes-

Mrs. Murray: (01:59:18)

So are you telling your therapists now that they cannot share information with ICE? Or conversely, are you telling the children that anything they say in those confidential therapies, will be shared?

Hon. Alex Azar: (01:59:28)

No. So, as of August 2019, we clarified our instructions that these notes should not be shared with anybody absent a child's consent, and that any- Of course there are, but that's not-

Mrs. Murray: (01:59:41)

How do you ask a child is it okay if I share with somebody you'd never met?

Hon. Alex Azar: (01:59:45)

No they don't. I wouldn't hang up on that. They're not being shared unless a child were to consent. The information in the serious incident report would be if they threaten themselves or others.

Mrs. Murray: (01:59:56)

How do you ask a child if [crosstalk 01:59:56].

Hon. Alex Azar: (01:59:56)

That would be put in the SIR and that would go over. That's a legal requirement.

Mrs. Murray: (01:59:59)

I'll just tell you, saying to a child that this may be shared means nothing to them.

Hon. Alex Azar: (02:00:06)

No, we're not saying it may be shared. We're saying it's the standard mental health professional requirements that if you threaten yourself or others, that fact is disclosable, and that would be disclosed.

Mrs. Murray: (02:00:17)

Well, I'm deeply concerned about this.

Hon. Alex Azar: (02:00:17)

But we stopped this. This was in error that those notes were going over, and that was stopped in August of 2019 long before it became a media story.

Mrs. Murray: (02:00:25)

Okay. I hear that. But you also said that if the child consents then they will be shared. How can a child consent? I'd asked my attorney over here.

Senator Durbin: (02:00:34)

It's been a long time since I practiced law, but if you're a child and don't have the capacity, how are you going to make this consent? And what does it mean to a child?

Hon. Alex Azar: (02:00:43)

Well, our children have legal counsel, that we pay for, and so it would be working with them on that. I'll be get back to you about that issue.

Senator Durbin: (02:00:50)

Would you please?

Hon. Alex Azar: (02:00:52)

Certainly.

Senator Durbin: (02:00:52)

I think you may have misspoken.

Hon. Alex Azar: (02:00:53)

But the most important issue is that this was a mistake. It should not have been happening. As it was identified, it was stopped. We do respect the privacy of these mental health conversations. As Chairman Blunt knows, I'm very passionate about access to mental health care. We want to make sure this happens and its kids are protected. And it was a mistake, we fixed it. And on a going forward basis it shouldn't be happening.

Mrs. Murray: (02:01:13)

Okay. Can you get back to Senator Durbin and I as quickly as possible what the policy is, how you ask a child, and when they're shared?

Hon. Alex Azar: (02:01:20)

You bet.

Mr. Blunt: (02:01:24)

Secretary, thank you for staying with us. Thank you for the time you spent today in your leadership at the agency. The record will stay open for one week for additional questions. I'd like to be included on any response on that last question. I think that probably is something that when you look back at your answer, we need some clarification on that. The Committee will stand in recess.

Mr. Blunt: (02:01:51)

(silence)