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6 FISCAL YEAR 2024

7 DEPARTMENT OF HEALTH AND HUMAN SERVICES BUDGET

8 WEDNESDAY, MARCH 29, 2023

9 House of Representatives,

10 Subcommittee on Health,

11 Committee on Energy and Commerce,

12 Washington, D.C.

13

14 The subcommittee met, pursuant to call, at 10:03 a.m.,
15 in Room 2123 of the Rayburn House Office Building, Hon. Brett
16 Guthrie [chairman of the subcommittee] presiding.

17

18

19 Present: Representatives Guthrie, Burgess, Latta,
20 Griffith, Bilirakis, Johnson, Bucshon, Hudson, Carter, Dunn,
21 Pence, Crenshaw, Joyce, Harshbarger, Miller-Meeks, Obernolte,
22 Rodgers (ex officio); Eshoo, Sarbanes, Cardenas, Ruiz,

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23 Kuster, Barragan, Blunt Rochester, Craig, Schrier, Trahan,
24 and Pallone (ex officio).

25

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26 Staff Present: Alec Aramanda, Professional Staff
27 Member, Health; Sean Brebbia, Chief Counsel, Oversight &
28 Investigations; Jolie Brochin, Clerk, Health; Sarah Burke,
29 Deputy Staff Director; Corey Ensslin, Senior Policy Advisor,
30 Health; Kristin Flukey, Professional Staff Member, Health;
31 Seth Gold, Professional Staff Member, Health; Grace Graham,
32 Chief Counsel, Health; Nate Hodson, Staff Director; Tara
33 Hupman, Chief Counsel; Peter Kielty, General Counsel; Emily
34 King, Member Services Director; Chris Krepich, Press
35 Secretary; Molly Lolli, Counsel, Health; Clare Paoletta,
36 Professional Staff Member, Health; Olivia Shields,
37 Communications Director; and Michael Taggart, Policy
38 Director; Lydia Abma, Minority Policy Analyst; Jackquelyn
39 Bolen, Minority Health Counsel; Waverly Gordon, Minority
40 Deputy Staff Director and General Counsel; Tiffany Guarascio,
41 Minority Staff Director; Stephen Holland, Minority Senior
42 Health Counsel; Saha Khaterzai, Minority Professional Staff
43 Member; Una Lee, Minority Chief Health Counsel; Juan Negrete,
44 Minority Professional Staff Member; Rick Van Buren, Minority
45 Senior Health Counsel; and C.J. Young, Minority Deputy
46 Communications Director.

47

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48 *Mr. Guthrie. The subcommittee will come to order.

49 Mr. Secretary, welcome. A former colleague, welcome
50 here today.

51 The chair will recognize himself for an opening
52 statement.

53 Today we are here to discuss the fiscal year 2024 budget
54 for the U.S. Department of Health and Human Services.

55 First I want to say I have great concerns about the
56 budget. After driving up inflation and Federal spending, the
57 President put forth the largest budget request in our
58 nation's history of almost \$7 trillion. In the HHS budget
59 specifically, the Centers for Disease Control and Prevention
60 gets a significant increase in funding. And the question we
61 have to ask is, why should taxpayers give higher levels of
62 funding to the CDC when public trust has been eroded in the
63 CDC due to politicized responses to the COVID-19 pandemic?

64 The CDC -- and we all need to work together to give
65 serious reforms to restore the public trust, and need to get
66 back to its core mission.

67 The HHS budget also has unfunded mandates on state
68 Medicaid programs.

69 The President also touts his budget increases Medicare

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70 solvency for another 25 years. This will be done through
71 increases in taxes on American households and more price
72 controls to forcibly set prices for pharmaceutical drugs.
73 These efforts will ultimately backfire, and lead to even
74 fewer lifesaving cures for our seniors.

75 On fentanyl, the President recently stated, and I quote,
76 "MAGA House Republicans proposals would slash funding for
77 border security, a move that could allow nearly 900 pounds of
78 fentanyl into our country.'" Clearly, the President has
79 failed to check the Customs and Border Patrol's website
80 before releasing his budget proposal.

81 Under the President's watch, Customs and Border Patrol
82 has seized over 11,000 pounds of illicit fentanyl at our
83 southwest border. That is just in the first six months of
84 this fiscal year, and represents nearly the total amount
85 seized in all of fiscal year 2022. These are just fentanyl
86 seizures, not what is actually being trafficked without being
87 seized by the Customs and Border Patrol. At the same time,
88 drug overdoses eclipsed 107,000 in 2021, the highest ever in
89 the United States. More than 70,000 of these deaths were
90 from synthetic opioids, such as fentanyl.

91 The President's budget uses the word "fentanyl" twice,

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92 compared to the -- in the HHS budget, compared to 42 times it
93 mentions climate change. This is unfair to the thousands of
94 families across the country who have lost loved ones to
95 fentanyl poisoning. I call on the Administration to join us
96 in supporting a class-wide ban on fentanyl-related
97 substances. The HALT Fentanyl Act would do this, and it was
98 passed out of this committee less than a week ago with
99 bipartisan support. It is long past time we permanently
100 schedule all fentanyl-related substances in schedule I.

101 The Administration also has -- talks about working on
102 health equity. Well, however, the Centers for Medicare and
103 Medicaid Services recently declined to cover an entire class
104 of FDA-approved Alzheimer's treatments for Medicare patients.
105 This significantly reduced access to care for minority and
106 rural patient populations with no other options to treat this
107 treacherous disease.

108 The Biden Administration has also proposed cutting
109 health care benefits for millions of Americans who receive
110 health insurance through ACA exchanges. And most recently,
111 the Biden Administration proposed slashing Medicare payments
112 for drugs approved through the accelerated approval pathway,
113 which have significantly improved access to care for cancer

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114 patients over the past decade.

115 I was hoping that this budget might offer a focus on
116 policies where we can work together. This committee held a
117 bipartisan, very informative hearing yesterday on health care
118 affordability, and most -- and transparency, and highlighting
119 the ways we can improve and empower patients through greater
120 price transparency. This budget fails to mention price
121 transparency. It is a real missed opportunity, considering
122 all the bipartisan support for greater transparency across
123 the health care system. I invite the Secretary to work on
124 (sic) all of us on this committee on this issue.

125 In closing, I thank you for being here. I know that we
126 may disagree on some of the things that we are talking about
127 today, but we do agree that we want people to have access to
128 better health care. And to that end, I believe we can work
129 together on these pressing issues in a bipartisan fashion,
130 and I hope that we can work together.

131 [The prepared statement of Mr. Guthrie follows:]

132

133 *****COMMITTEE INSERT*****

134

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135 *Mr. Guthrie. And I will yield back. The chair now
136 recognizes the ranking member of the subcommittee, Ms. Eshoo
137 of California, for five minutes for an opening statement.

138 *Ms. Eshoo. Thank you, Mr. Chairman.

139 Good morning, Secretary Becerra. Welcome back to the
140 Health Subcommittee. You are always welcome here.

141 My thanks to you, to the Biden Administration for your
142 work over the past year to improve our nation's health care
143 system. Premiums under the Affordable Care Act are at an
144 all-time low, and enrollment is at an all-time high. So I
145 say bravo. A record-breaking 16.3 million Americans signed
146 up for health coverage under the ACA, including more than 3.6
147 million Americans who are newly insured. And 4 out of 5
148 enrollees qualify for plans that cost \$10 or less a month.
149 These are stunning figures.

150 And while there may not be applause on one side of the
151 aisle here, I think there is applause across the country with
152 the American people. We are very proud of that.

153 We have also made progress on fighting the fentanyl
154 overdose crisis. The number of providers able to prescribe
155 buprenorphine for opioid use disorder has increased by 19
156 percent, and naloxone prescriptions filled in pharmacies has

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157 increased by 37 percent in the past year alone. For six
158 months in a row there has been a steady decrease or
159 flattening in overdose deaths. They are -- no one can be
160 satisfied with whatever the number is, but that the number is
161 decreasing is an improvement. Why? Because access to
162 treatment saves lives.

163 President Biden's fiscal 2024 budget request builds on
164 these achievements, and addresses the remaining gaps in our
165 health care system. To continue lowering costs, the budget
166 proposes making permanent the enhanced premium tax credits
167 that were extended to 2025 in the Inflation Reduction Act;
168 expands surprise billing protections to ground ambulances;
169 and caps the monthly cost of insulin at \$35 for Americans
170 with group and individual market coverage. We got that
171 through. Everyone in the country, whether they are young,
172 middle-aged, or Medicare beneficiaries will enjoy that
173 critical benefit of capping insulin at \$35 a month.

174 Importantly, the budget provides a historic \$46.1
175 billion to address the overdose crisis. This funding will go
176 toward efforts to get people like -- to get people the
177 evidence-based care they need, reduce the supply of illicit
178 drugs like fentanyl, and go after drug traffickers to stop

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179 overdose deaths.

180 The President's budget outlines a strategy to use over
181 \$13.8 billion to improve our nation's mental health,
182 including increasing the availability of crisis care and
183 achieving full parity, which we have struggled, with between
184 physical and mental health care coverage.

185 The budget also invests \$50.5 billion in pandemic
186 preparedness, including \$20 billion in mandatory funding to
187 prevent and address current and emerging public health
188 threats.

189 Finally, President Biden has proposed increasing the
190 Medicare tax rate to 5 percent for those making over \$400,000
191 a year, and closing loopholes. These reforms will make the
192 Medicare trust fund solvent beyond 2050 to ensure older
193 Americans can really retire with dignity and security.

194 Instead of looking toward the future, I -- what I hear --
195 -- the House Republican leadership reportedly want to cut 2024
196 discretionary spending back to the 2022 level. These cuts
197 would decrease access to the essential government functions
198 each of our constituents rely on.

199 So I look forward to hearing from you -- we all do --
200 Mr. Secretary, both on the impact of these cuts and working

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201 with you and your team to build on the progress of the last
202 two years to improve our nation's health and our overall
203 well-being. When people are healthy, we have a stronger
204 nation. So we have a responsibility to keep investing in
205 that.

206 So thank you for what will be, I am sure, your
207 instructive testimony.

208

209

210 [The prepared statement of Ms. Eshoo follows:]

211

212 *****COMMITTEE INSERT*****

213

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214 *Ms. Eshoo. And I yield back, Mr. Chairman.

215 *Mr. Guthrie. Thank you. The gentlelady yields back.

216 The chair now recognizes the chair of the full committee,

217 Chair Rodgers, for five minutes for an opening statement.

218 *The Chair. Thank you, Mr. Chairman. Today's hearing

219 on the President's budget for the Department of Health and

220 Human Services comes at a time when we need to return hope

221 and optimism to America again so people can leave -- live

222 fuller, happier, and healthier lives.

223 We need to come together to stop the fentanyl crisis and

224 save lives.

225 We need to rein out-of-control government spending to

226 reverse President Biden's inflation crisis, so people can

227 afford health care.

228 We need to help build and support strong communities so

229 people are less lonely, less anxious, and restore a sense of

230 purpose and belonging for our children.

231 There must be accountability from the Administration,

232 too, for too many ways that they have made the crisis worse,

233 especially the authoritarian COVID-19 policies.

234 Secretary Becerra, the President's budget should reflect

235 the solutions we need to make people's lives better.

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236 Unfortunately, that is not what we are seeing.

237 Regarding fentanyl, as Mr. Guthrie said, the President's
238 budget only mentions this twice. It is unacceptable, given
239 more people are dying from fentanyl poisoning in America, the
240 number-1 killer of 18 to 45-year-olds.

241 This committee has heard from several parents, such as
242 Molly Cain, who emphasize their children are not suffering
243 from a substance use disorder, but that their teenager
244 purchased a pill off of Snapchat or bought cocaine, not
245 knowing it was laced with fentanyl, and died. Your budget
246 request for increased funding for medication-assisted
247 treatment, while important, doesn't seem like it would have
248 prevented these individuals from dying from fentanyl
249 poisoning. This is perhaps the greatest threat facing our
250 communities. But your budget doesn't reflect all aspects of
251 the terrifying reality of this crisis.

252 Regarding health care cost, this committee came together
253 just yesterday in a bipartisan way to explore ways to lower
254 health care costs with more price transparency and more
255 competition. This is a top priority for those we serve, yet
256 your budget says nothing regarding bipartisan efforts to
257 implement and enforce the transparency efforts brought forth

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258 during the Trump Administration.

259 In addition to lowering cost, this Administration needs
260 to take restoring trust in public health agencies more
261 seriously. The buck stops with you. You oversee our public
262 health and preparedness policies under CDC and NIH. As I
263 have said, these agencies need to do the hard work of
264 restoring trust with the American people and comply with our
265 oversight before they ask for more money and more authority.

266 The NIH, in many cases, has failed to be a steward of
267 the American taxpayer dollars or ensure lab safety. It has
268 stonewalled this committee's request for information that we
269 are constitutionally entitled to, and it refuses to
270 completely answer questions about what sort of risky gain-of-
271 function research it may fund, or what role the National
272 Science Advisory Board for Biosecurity is playing to keep
273 Americans safe.

274 Similarly, the CDC has created a crisis of confidence,
275 so much so that the CDC Director Walensky, has undertaken a
276 full-scale reevaluation and reorganization of the agency.
277 This is because its guidance was used to justify mandates
278 that have more parents now questioning routine vaccination.
279 Its guidance, influenced by teachers unions, kept schools

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280 closed to justify mask mandates on kids. We know these
281 weren't decisions based upon the best science, data. Now our
282 children are paying the price academically, physically,
283 emotionally. Like NIH, the CDC does not need more authority.
284 It needs robust oversight.

285 Secretary Becerra, let me be clear. We expect better.
286 The American people are eager for a brighter future. We
287 expect a high degree of cooperation from you on policies that
288 will help improve their health and their quality of life.
289 And I hope that you leave today with a greater sense of the
290 urgency, the urgency that I feel and every member of this
291 committee feels to address these problems and do it in a
292 bipartisan fashion.

293 We are committed to bringing the Republicans and
294 Democrats together, together to address fentanyl, together to
295 address the need for public health -- trust in our public
296 health agencies like CDC and NIH, and together, as we did
297 yesterday, on price transparency that would really help
298 restore the doctor-patient relationship, and bring down the
299 cost of health care. That is our goal. We are committed to
300 doing it together, and we thank you for being here today, and
301 there is more to come. Thank you.

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302 [The prepared statement of The Chair follows:]

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304 *****COMMITTEE INSERT*****

305

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306 *Mr. Guthrie. Thank you. The gentlelady yields back.
307 The chair now recognizes the ranking member of the full
308 committee, the gentleman from New Jersey, Rep. Pallone, for
309 five minutes.

310 *Mr. Pallone. Thank you, Chairman Guthrie. I want to
311 thank Secretary Becerra for being with us today to discuss
312 the President's fiscal year 2024 budget request for
313 Department of Health and Human Services.

314 But I have to start out by saying I hear my GOP
315 colleagues criticize the President's budget, but they don't
316 have one. They don't have one. There is all -- every reason
317 to believe that we are never going to see one from them.
318 And, you know, they talk -- they criticize the fact that --
319 they talk about Alzheimer's research, fentanyl, price
320 transparency. Well, why don't you go to the House Republican
321 leadership and say that they should put a budget together
322 that has more money for Alzheimer's research, or more money
323 for fentanyl enforcement, or price transparency?

324 I mean, I have to say, I don't really think you should
325 be criticizing something without an alternative. And there
326 isn't one. And there is a lot of reasons there isn't going
327 to be one.

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328 So thank you for being here and defending something that
329 exists. And if the criticism is that they don't like
330 something that is in it, then let -- you know, I know you are
331 not going to do that, but I am going to say, well then, let
332 us see what you have as an alternative, Republicans, which
333 were not seeing.

334 Let me just say -- I don't want to repeat all the great
335 things that the Biden Administration and congressional
336 Democrats delivered for the people in the last year. But
337 thanks to the -- but I am going to say a few things. Thanks
338 to the Inflation Reduction Act, we finally allowed Medicare
339 to negotiate prescription drug prices. We have the Medicare
340 -- the cap on insulin. We built on the ACA. We have now
341 16.5 million Americans who signed up for coverage through the
342 ACA marketplaces. Expanded subsidies are driving costs down.
343 An average family is saving \$2,400 a year in premiums.

344 The President's budget also increases the number of
345 drugs Medicare selects for negotiation, extends the \$35
346 monthly cap for insulin to people with private insurance, and
347 makes permanent the ACA-enhanced premium subsidies. So this
348 Administration is addressing the affordability issue, which
349 is so crucial to the -- to Americans.

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350 The Biden budget also proposes to finally ensure that
351 all low-income individuals have access to the benefits and
352 protections of Medicaid, regardless of the political
353 decisions made by the governors and legislatures. North
354 Carolina just became the latest state to recognize that
355 Medicaid expansion is not only morally necessary, but also a
356 sound economic decision.

357 And I am also pleased to see that the budget would
358 expand access to home and community-based services, because
359 if people stay at home and out of hospitals and out of
360 nursing homes, we save money.

361 The budget would also require all states to provide
362 Medicaid coverage to all low-income women for 12 months
363 postpartum. We have a maternal mortality crisis. We need to
364 do that.

365 There is a lot of progress in other areas, such as
366 enhancing public health programs. I am encouraged to see
367 that the budget prioritizes funding for important public
368 health and workforce programs. It invests in pandemic
369 preparedness and biodefense to ensure that we are prepared
370 for future challenges.

371 Now, the Biden Administration lays all this out, but I

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372 don't know what the other side is doing because they have no
373 budget. But there is a leading Republican proposal that
374 would cut trillions of dollars from Medicaid, including
375 repealing Medicaid expansion. It would rip away health
376 insurance from 17 million people by doing that. And these
377 proposed Medicaid cuts are going to hurt everybody.

378 The Republicans have also talked about eliminating the
379 ACA expanded tax credits and subsidies, and more people would
380 then be uninsured.

381 Now, let me explain. The burden on the health care
382 system when states don't expand Medicaid, or when the Federal
383 Government ACA subsidies are cut is severe. Red states that
384 have not expanded Medicaid are seeing their hospitals starved
385 for funding because of the number of patients receiving
386 uncompensated care. Medicaid isn't just important to cities.
387 It is important to hospitals and nursing homes or community
388 health centers in rural areas, in Republican districts.

389 So all these things that we are hearing -- we don't
390 really know if they are -- you know, what they are doing
391 because there is no budget. But all the things that we are
392 hearing are going to hurt that they want to cut: Medicaid,
393 in particular; ACA. So these are going to starve the health

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394 care system.

395 And I know that, you know, on the one hand we hear the
396 Republicans say, oh, we have to reduce spending, but then on
397 the other hand they talk about more spending for other
398 things. So unless I actually see something as what the
399 Administration has proposed that really reduces the deficit
400 and expands coverage and makes things more affordable, I have
401 no reason that a Republican proposal would accomplish any of
402 those things. And I fear, from what I hear, that, in fact,
403 it does the opposite, if it ever -- if we ever even see it.

404

405

406 [The prepared statement of Mr. Pallone follows:]

407

408 *****COMMITTEE INSERT*****

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410 *Mr. Pallone. So thank you again for being here.

411 And I yield back, Mr. Chairman.

412 *Mr. Guthrie. The gentleman yields back.

413 The chair reminds members that, pursuant to committee
414 rules, all members' opening statements will be made part of
415 the record.

416 Are there further opening statements?

417 The chair recognizes Dr. Burgess for three minutes for
418 an opening statement.

419 *Mr. Burgess. Thank you, Mr. Chairman.

420 And Mr. Secretary, thank you for being here this
421 morning. Several times since the beginning of this year I
422 have reached out to your office, hoping that we could get a
423 chance to talk about more than the things I can discuss in
424 the five-minute question period. Unfortunately, I have not
425 been able to secure such a meeting. The comment from your
426 office is you are unavailable for the foreseeable future. I
427 hope that we can, in fact, get together at some point and
428 talk about a number of these things, because they are
429 absolutely critical.

430 One of the things that has come up over and over again
431 in my world is what is happening to -- it is one thing to

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432 have coverage, but if you have got no one to deliver the care
433 it becomes extremely problematic. So some of the things that
434 are happening to our providers, to our doctors based on
435 reimbursement is really going to set us up for big-time
436 failure down the road, regardless of the state of coverage.

437 So price-setting provisions in the Inflation Reduction
438 Act, physicians are going to see a reimbursement cut as the
439 maximum fair price replaces the average sales price in Part
440 B. Part B-administered medicines primarily affect --
441 affecting oncologists, neurologists, rheumatologists, infused
442 drugs that are given in a doctor's office. Those
443 reimbursement rates are going to be significantly cut under
444 the maximum fair price. No one really knows what that is.
445 It is actually set by you, which is another reason I would
446 very much like to have a conversation about it.

447 But at a time when the country is facing physician
448 shortages, policies that result in physicians being
449 reimbursed less for the care they are already giving, that is
450 not going to lead to appropriate physician interaction.

451 I don't know that this Administration realizes the
452 circumstances that doctors are facing every day. It is not
453 just that they have seen reimbursement cuts year over year

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454 over year. It is now that they have got six, eight, nine
455 percent inflation to deal with. They still have to pay their
456 office staffs. They still have to pay their rent. Their
457 electricity bills are going up. The cost of living for them
458 is going up, and they simply cannot afford to stay in
459 practice.

460 So what happens is doctors will say, "I cannot afford to
461 see a Medicare patient.'" That is a tragedy. And then, of
462 course, some doctors are simply saying, "This has become too
463 difficult. The government has made the practice of medicine
464 too hard, and I am going to stop.'" And that is a real
465 tragedy. We are in a position in this country where we
466 cannot afford to lose additional providers.

467 So again, the policies of the Administration, policies
468 of your agency are actually adding to this. So at the end of
469 the day, I hope that you will continue to engage with the
470 physician community on this. I hope you and I will be able
471 to have further conversations on this. And beyond that, I
472 look forward to today's conversation.

473 [The prepared statement of Mr. Burgess follows:]

474

475 *****COMMITTEE INSERT*****

476

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477 *Mr. Burgess. Thank you, Mr. Chairman. I yield back.

478 *Mr. Guthrie. The gentleman yields back. Anybody on
479 the Democratic side?

480 The chair recognizes Mr. Cardenas from California for
481 three minutes.

482 *Mr. Cardenas. I am glad we have the opportunity to
483 discuss these important issues on this committee today, and I
484 want to thank you, Chairman, and the ranking member, as well.
485 I want to welcome the opportunity for us to have a nice,
486 honest, robust discussion with Secretary Becerra, and I just
487 look forward for us to getting to the real issues.

488 It sounds like some people think that we are going to
489 solve all the world's problems in this hearing, and that is
490 not going to happen. But we are going to cover some good
491 ground, and hopefully we can have some robust, honest
492 discussions.

493 [The prepared statement of Mr. Cardenas follows:]

494

495 *****COMMITTEE INSERT*****

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497 *Mr. Ruiz. Yield to me.

498 *Mr. Cardenas. I will yield to Dr. Ruiz.

499 *Mr. Ruiz. Yes, I appreciate the moment. The pandemic
500 was mentioned, and I think it is important to highlight the
501 differences that occurred during the Trump Administration and
502 the Biden Administration.

503 We definitely need to have a comprehensive approach to
504 examining actions taken in the earliest days of the public
505 health crisis. From the beginning, President Trump and his
506 Administration did not act with the urgency needed to reduce
507 transmission, communicate honestly with the American people,
508 and equip our schools with the resources they needed.
509 Instead of working to efficiently manufacture PPE, scale up
510 testing, promote basic public health measures like masking
511 and social distancing, President Trump chose to politicize
512 this virus, calling it a hoax and downplaying its severity,
513 saying it would go away like the flu.

514 But as the coronavirus reached pandemic proportion,
515 public officials of all political persuasions had to act to
516 suspend in-person learning, and social distancing, and
517 promoting the mask wearing. And so President Biden took a
518 different approach: swift action to develop evidence-based

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519 guidance for schools, and work, and throughout our society,
520 and all hands on deck, and to get schools back safely and
521 responsibly, and the results speak for themselves.

522 For example, in schools alone, one year after President
523 Biden was sworn into office, our efforts more than doubled
524 the number of schools open for full-time, in-person learning
525 to 95 percent. And schools didn't just reopen, they stayed
526 open. Today more than 99 percent of schools in the United
527 States have safely and responsibly reopened for in-person
528 learning. This is a direct result of the American Rescue
529 Plan's targeted investments in childhood education to keep
530 students healthy and safe while they learn.

531 In fact, key funding from the American Rescue Plan is
532 already at work -- since schools were mentioned -- rebuilding
533 schools, crumbling infrastructure, upgrading their
534 ventilation systems, and getting students the resources they
535 need. And so this is a key component that I know that the
536 all-hands-on-deck government response by President Biden and
537 often times led by Secretary Xavier Becerra with the equity
538 focus to make sure that the hardest hit, the hardest-to-reach
539 communities were front and center to do the outreach
540 necessary to save lives, reduce transmission was a key

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541 component of why we are back to where we are now.

542 And so, with that, I applaud the Administration. There
543 is a lot of work to do. There is -- a lot of the pandemic
544 experience weighs heavy on a lot of people's experiences, and
545 we need to help our children now with solutions.

546

547 [The prepared statement of Mr. Ruiz follows:]

548

549 *****COMMITTEE INSERT*****

550

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551 *Mr. Ruiz. And with that, I yield back my time --

552 *Mr. Cardenas. I yield back. Thank you, Mr. Chairman.

553 *Mr. Guthrie. The gentleman yields back. Any other
554 opening statements on the Republican side?

555 Any further on the Democrat side?

556 Seeing none, our witness today is the Honorable Xavier
557 Becerra, Secretary of Health and -- Department of Health and
558 Human Services.

559 I appreciate you being here. I know you understand the
560 lighting system, so I won't explain that.

561 We will now recognize you for five minutes for your
562 opening statement.

563

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564 STATEMENT OF THE HON. XAVIER BECERRA, SECRETARY, U.S.

565 DEPARTMENT OF HEALTH AND HUMAN SERVICES

566

567 *Secretary Becerra. Chairman Guthrie, Ranking Member
568 Eshoo, Chairwoman Rodgers, and to Ranking Member Pallone, and
569 to all the members of this committee, thank you for the
570 invitation.

571 A lot has happened in a year since I last spoke to you
572 about budgets. More than 16 million Americans have secured
573 -- and Congresswoman Eshoo, 16.4 million. We added that 0.4
574 instead of 0.3 -- 16.4 million Americans have secured health
575 insurance through the Affordable Care marketplaces. That is,
576 as you have heard, an all-time high. Altogether, more than
577 300 million Americans today now carry insurance to cover
578 their health care. That, too, is a historic high.

579 The President's new lower-cost prescription drug law has
580 capped insulin at \$35 per month and made preventative
581 vaccines like the flu, COVID, shingles, which I hear about a
582 lot, available for free under Medicare. Moving forward, this
583 new law gives us the right to finally negotiate lower
584 prescription drug prices for Americans.

585 To cap it off, the Biden-Harris Administration has

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586 safely and effectively executed the largest adult vaccination
587 program in U.S. history, achieving nearly 700 million shots
588 in arms during the COVID pandemic without charge.

589 The fiscal year 2024 budget proposes \$144 billion in
590 discretionary funding, and \$1.7 trillion in mandatory funding
591 for HHS. It positions us to tackle the urgent challenges we
592 face, including a growing behavioral health crisis and future
593 public health threats.

594 It also funds operations and mission-critical
595 infrastructure needed to build a healthier America, moving
596 the nation from an illness care system to a wellness care
597 system.

598 An illness care system leaves our most vulnerable
599 families behind; a wellness care system invests in providing
600 the full spectrum of health care to all Americans.

601 Illness care allows the price of prescription drugs to
602 skyrocket; wellness care starts by prescribing fruits,
603 vegetables, and exercise. It treats food as medicine.

604 Illness care requires you to get a referral by your
605 family physician to see a specialist for mental health
606 services; wellness care, well, it lets you get mental health
607 care the minute you walk through the door of your family

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608 physician's office.

609 Illness care forces hard-working Americans deplete their
610 life savings in order to get long-term care that they need;
611 wellness care invests early in long-term care, like in-home
612 care, so our older adults and Americans with disabilities can
613 thrive at home and in their communities.

614 Our budget, the President's budget, invests in wellness
615 care. It includes funding for health centers, the National
616 Health Service Corps, teaching health centers, and other
617 areas that provide critical support to Americans. And it
618 should continue without interruption.

619 We also invest more than \$330 billion to prepare us for
620 the next COVID or public health crisis, including \$1 billion
621 to replenish our nation's strategic national stockpile.

622 On behavioral health, too many of our loved ones are
623 dying from suicide or overdose. So we increase access to
624 crisis care, we grow the behavioral health workforce, and we
625 beef up substance use services.

626 We are also gearing up to handle more than six million
627 additional contacts from people who are experiencing mental
628 health crisis. We do that through 9-8-8, the three-digit
629 suicide prevention lifeline we stood up last year.

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630 This budget covers two million adults left out of
631 Medicaid by their home states, and extends tax credits that
632 make health care more affordable for millions of Americans.

633 It would also ensure that expanded postpartum Medicaid
634 coverage for a new mom and her baby is here to stay.

635 The President's budget not only strengthens Medicare for
636 our -- today's seniors, but protects and strengthens it for
637 the next generation.

638 We also take care of our family members in this budget
639 we -- by investing \$600 billion in child care and preschool
640 programs and \$150 billion to strengthen Medicaid home and
641 community-based services.

642 This budget funds Cancer Moonshot and ARPA-H. It
643 invests in title 10 family planning programs so essential to
644 so many of our families. And it delivers on commitments made
645 as part of the National Strategy for Hunger, Nutrition, and
646 Health.

647 And important to me as a former attorney general, it
648 bolsters our health care fraud and abuse detection and
649 enforcement work.

650 Finally, the President's budget honors our
651 responsibilities to Indian country, with more than \$2 billion

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652 in new resources in 2024.

653 This budget reflects the President's values. It
654 reflects our values and commitments. It helps begin to move
655 from a nation focused on illness care to one about wellness
656 care. And most importantly, it ensures health and wellness
657 are within reach for all Americans.

658 On behalf of the women and men of HHS, we look forward
659 to working with you.

660 [The prepared statement of Secretary Becerra follows:]

661

662 *****COMMITTEE INSERT*****

663

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664 *Secretary Becerra. And with that, Mr. Chairman, I
665 yield back.

666 *Mr. Guthrie. Thank you. The gentleman yields back.
667 We will now move to questions.

668 And before we get started, to respect the Secretary's
669 time -- I think at 1:00 you have a hard stop -- and to
670 respect our members -- everybody have the opportunity to ask
671 a question -- at five minutes I am going to gavel. So
672 everybody understand -- don't ask your question with three
673 seconds left, because we are going to respect everybody's
674 time to move forward.

675 So having said that, we will get started now, and I will
676 recognize myself for five minutes.

677 So, Mr. Secretary, last year when you were here we
678 talked about scheduling fentanyl, and you said, and I quote,
679 "I wouldn't" -- I asked you if you were for permanently
680 scheduling fentanyl analogues, and you said, "I wouldn't get
681 ahead of the agencies that actually do the science."

682 So the Drug Enforcement Agency has testified before this
683 committee. We had our hearing, and they said their number-
684 one priority this session is scheduling of illicit fentanyl,
685 making it permanent scheduling, their number-one legislative

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686 priority. Do you agree with the DEA that this should finally
687 -- we should finally permanently schedule fentanyl-related
688 substances as schedule I drugs?

689 *Secretary Becerra. The FDA has spoken on this. And
690 yes, we do want to see it scheduled. We don't want to have
691 to continue to see Congress reauthorize this. And so we hope
692 that we will be able to work with you on that --

693 *Mr. Guthrie. And subject to mandatory minimums?

694 *Secretary Becerra. Well, that is where we can have
695 that conversation, because we are interested in discussing a
696 comprehensive approach on how we deal with fentanyl and drug
697 overdose.

698 *Mr. Guthrie. We want to as well, but I just don't
699 understand why somebody selling a derivative of fentanyl
700 should be treated less than somebody selling fentanyl. I
701 can't understand that.

702 *Secretary Becerra. I -- we can discuss --

703 *Mr. Guthrie. I -- no, go ahead.

704 *Secretary Becerra. Yes, and the Department of Justice
705 would be more than willing, I think, to discuss some of these
706 issues about mandatory sentencing and mandatory minimums.

707 What I can tell you is from HHS's perspective. What we

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708 need to do is make sure we are helping do the research that
709 will help us find the cures, the treatments that are
710 necessary.

711 You probably heard the news today that the FDA has now
712 announced that Narcan will now be provided over the counter,
713 so any consumer can go in and purchase it. That will save
714 lives. So we are doing the things that will help keep people
715 alive, and we look forward to working with you on a
716 comprehensive approach.

717 *Mr. Guthrie. Well, thanks. Thanks. I want to move to
718 the IRA.

719 On -- we had H.R. 19, which -- it wasn't bipartisan, I
720 won't say, but every provision in it had a bipartisan
721 solution, because we all want lower drug prices. We had a
722 hearing yesterday on drug -- on health care costs. We want
723 to deal with it.

724 When the IRA passed last year, one of our main concerns
725 was the innovation, and CBO said that it would lead to 15
726 fewer cures over the next 30 years in a modest estimate
727 compared to others. But the official CBO score -- and we
728 have already seen examples, I think, of a couple of -- in
729 four months already -- drugs in phase one and phase three, I

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730 believe, an eye -- a rare eye disease, and also a cancer drug
731 have an R&D cut.

732 And so our concern -- do you believe that -- so my
733 question is, do you believe that CMS should consider the
734 divestment in certain therapies that could eventually lead to
735 the development of cheaper alternatives as the agency makes
736 decisions on setting the price of certain therapies?

737 *Secretary Becerra. And CMS will be having further
738 conversations with the Hill on exactly how we are going to
739 move forward on the price negotiation.

740 What I think you are going to find is that they are
741 going to try to move towards a more competitive system that
742 allows us to get the best price for those drugs, but not let
743 drug companies gouge the American consumer. There is no
744 reason why we should continue to see Americans paying two to
745 three times more for drugs here in America, when those same
746 drugs are sold in other parts of the world for so much less.

747 *Mr. Guthrie. We agree. That is why we want to expose
748 the price that people pay, the price it takes to make it, the
749 price that goes to the system. So we agree on that.

750 But we are concerned about -- and we have already heard
751 that there are big pharmaceutical companies -- and people

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752 point out they have made billions of dollars over the last
753 couple of years, and we are not here defending that.

754 What I am saying, though, most innovation comes from
755 small businesses, a lot of them from Stanford in California,
756 small people who make -- start businesses, they are
757 researchers and they start their own businesses, and they
758 really need venture capital to move forward. I am not
759 talking about a handful of pharmaceutical companies. They
760 really come up with our -- moving forward.

761 And so they have already talked to us and said the
762 venture capital is concerned about the 13-year, 9-year -- the
763 small molecule and the other, and now you are talking about
764 going to 5, and expanding more drugs.

765 So when you were talking about that in your discussion
766 in making this proposal, did the idea of lack of innovation
767 -- we had a hearing on it last year, and people -- and we
768 have had people in this committee say, "We are willing to
769 trade some innovation for cheaper prices.'" Did you all
770 discuss the lack of innovation when you had these hearings?

771 *Secretary Becerra. Mr. Chairman, without a doubt.
772 Everyone has discussed innovation. Everyone wants to make
773 sure that we have a competitive industry. Everyone wants to

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774 make sure that we have a domestic production of the best
775 drugs that the world can produce. And so all of that is part
776 of this process.

777 The legislation that passed actually provides a safe
778 harbor for a lot of those innovative companies, so they can
779 continue forward. It makes sure that we don't take on every
780 particular prescription drug for price negotiation right
781 away. And what we are going to try to do is make sure that
782 not only do we stimulate more innovation and more production,
783 but we do it in a way that keeps the price fair so that there
784 is still a profit for the company producing the drug. They
785 deserve to earn a profit.

786 But gouging is not acceptable. And -- would agree that
787 there is gouging going on. And that was the purpose of this
788 new prescription drug law to lower the price of those
789 prescription drugs that we know -- there is no reason why we
790 couldn't have had insulin for \$35 a month 10 years ago, 20
791 years --

792 *Mr. Guthrie. We just have to expose the price. You
793 are right. So I am calling myself down, I guess, on that.

794 [Laughter.]

795 *Mr. Guthrie. I yield back to myself, and my time is

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796 expired. I recognize the gentlelady from California for five
797 minutes.

798 *Ms. Eshoo. Thank you, Mr. Chairman. And not to
799 mention the games that are played with patents by the drug
800 industry. I just have to throw that in there.

801 It is great to see you here, Mr. Secretary. Yesterday
802 our subcommittee held an important bipartisan hearing on
803 transparency in health care. It has been mentioned. Our
804 expert witnesses testified on the importance of shedding
805 light on fraud, on waste, on abuse that really poisons the
806 health care industry and hurts patients. So based on their
807 remarks, I think that -- I assume that all of my colleagues
808 should be able to support your agency's actions to audit
809 Medicare Advantage plans to recover over-payments.

810 Now, I remember years and years and years ago at this
811 committee on the issue of waste and fraud that there were
812 individuals whose cases had been adjudicated. They were on
813 their way to prison. This was the private sector ripping off
814 the public sector in Medicare. It was billions and billions
815 of dollars. And they testified as to how they did that. It
816 was so highly instructive, obviously, I still recall it very
817 well today.

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818 So you mentioned in your testimony that you are doing
819 audits to save taxpayer dollars. There are ads on TV saying
820 that President Biden is cutting payments to Medicare. Can
821 you set the record straight on this, and how much you
822 estimate those audits are going to cost?

823 I know it is something in the -- there is money in your
824 budget for that.

825 *Secretary Becerra. Congresswoman, thank you for the
826 question.

827 The reason we are doing the audits is because now we
828 have collected enough data to actually show us how some of
829 this -- the money that we provide, taxpayer money, in
830 Medicare is being spent. And what we are finding is that
831 there is a lot of over-billing. And we are trying to recoup
832 that money, because when we recoup it we put more money into
833 the Medicare program to put back into the services and
834 benefits that Medicare beneficiaries will receive.

835 The program will cost us a fraction of the billions of
836 dollars that we will recoup in these audits. And so we are
837 hoping to move forward. But the difficulty we have is that
838 there are millions being spent to date -- tens of millions of
839 dollars are being spent to date on these commercials,

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840 deceptively speaking to Medicare beneficiaries -- scaring
841 them, quite honestly -- because there are billions at stake.
842 And that is a pretty wise investment, if you think about it.
843 They are trying to save billions of dollars in returning
844 money to the Medicare program, and it is only going to cost
845 them some millions of dollars in commercials.

846 *Ms. Eshoo. Yes. So in other words, let's be for fraud
847 and abuse because it is my plan. Hell of a line.

848 *Secretary Becerra. Yes. We are going to continue
849 forward, and --

850 *Ms. Eshoo. Good, good.

851 *Secretary Becerra. We have to.

852 *Ms. Eshoo. I am with you 1,000 percent on that.

853 It has been reported that the House Republican
854 leadership plans to cap 2024 -- fiscal year 2024
855 discretionary spending. What I would like to know is how
856 many fewer grants would that mean that NIH would be able to
857 support?

858 *Secretary Becerra. Congresswoman, we estimate that if
859 some of these proposed cuts -- and again, we have not seen
860 the budget, but what we have heard are some of the proposed
861 cuts -- NIH probably would face a cut of about, well,

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862 billions that would cost us about 5,000 grants that are done
863 by NIH researchers.

864 *Ms. Eshoo. Five thousand NIH grants?

865 *Secretary Becerra. Five thousand.

866 *Ms. Eshoo. Would that include funding for Alzheimer's,
867 for instance?

868 *Secretary Becerra. It could include Alzheimer's, cures
869 for different diseases. The research that is being done by
870 NIH is to fund and find cures for diseases. So some 5,000
871 grants would probably have to be rescinded or not put out.

872 *Ms. Eshoo. You know, this debate about how much money
873 -- and it is a worthy debate, it is a very important one -- I
874 would link the dollars to keep building on the progress that
875 the United States of America continues to make. And when you
876 pull back, it pulls back on the progress.

877 So this is not just an accounting exercise, this is
878 about our collective society and what kind of a -- you know,
879 what the progress is, and what we need to invest in.

880 Bravo on ARPA-H. I am thrilled. That was a bipartisan
881 effort here, and I am glad they are up and running and doing
882 business.

883 *Mr. Guthrie. The --

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884 *Ms. Eshoo. Thank you.

885 *Mr. Guthrie. The gentlelady's time is expired. The
886 chair now recognizes Dr. Burgess from Texas for five minutes
887 for questions.

888 *Mr. Burgess. Thank you, Mr. Chairman.

889 Again, Mr. Secretary, welcome. Good morning. Yes,
890 ARPA-H, important. I hope you will look favorably on the
891 State of Texas to locate it at an area that has already
892 proven an ability to provide what you are looking for with
893 some of the work the state has done on cancer prevention and
894 research.

895 So you have had a busy week, and you have been to a fair
896 number of committees, both on this side of the Hill and the
897 other side of the Hill. There seems to be a narrative
898 emerging that HHS is attempting to convince Congress that
899 there has been a much higher volume of claims under the No
900 Surprises Act, a higher volume of claims submitted for
901 independent dispute resolution than anyone could have
902 predicted.

903 So your responses to Senator Harris -- I am sorry, Dr.
904 Harris of Maryland, Senator Bennet from Colorado, and Dr.
905 Wenstrup of Ohio, and you cited the sheer volume of claims,

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906 and asserted that some were frivolous, implying that
907 providers are not acting in good faith. Now I have providers
908 calling me literally every day, and stating that they are
909 winning much more often than they lose during the arbitration
910 process. Their win rate is over 75 percent. Unfortunately,
911 because of the HHS backlog, only three percent of the
912 submissions have made it through the process.

913 So what is the deal here? Are the claims that are being
914 submitted really not actually necessary? And it is hard to
915 square that with the fact that so many are decided in favor
916 of the intervener.

917 *Secretary Becerra. And Congressman, thank you for
918 asking the question, because I am going to connect the final
919 dots to the -- what you just said.

920 Those physicians who are having success are, as you
921 said, they are going to start to see a slowdown in the
922 adjudication of those claims. The reason they are going to
923 see a slowdown is because neither you nor I or anyone who
924 actually had the wisdom to propose and enact the No Surprises
925 Act believed that we were going to have the volume of
926 submissions of claims.

927 I guarantee you, you did not believe that in the first 8

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928 months we would have 164,000 claims submitted.

929 *Mr. Burgess. Yes. If I could just reclaim my time,
930 first off, I want to point out I voted against the No
931 Surprises Act because I was worried about this exact thing.

932 But when Texas -- Texas, as you know, had their own
933 version of the No Surprises Act that was passed in the State
934 of Texas. The first year they saw 45,000 claims in the first
935 year. In the first 6 months of 2021, the very 6 months where
936 you all were beginning to implement the No Surprises Act at
937 the agency, they had another 50,000 claims.

938 And, Mr. Chairman, I am going to ask that the Texas
939 Senate bill -- evaluation of the Texas Department of
940 Insurance be inserted for the record.

941 *Mr. Guthrie. So ordered.

942 [The information follows:]

943

944 *****COMMITTEE INSERT*****

945

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946 *Mr. Burgess. But your Department estimated -- so that
947 is 100,000 claims, basically, in the first year. And your
948 Department estimated the annual number of submissions would
949 be 17,000 nationwide for the whole year. I mean, did you not
950 look at the data that had already been accumulated in a
951 single state that had implemented a similar law in the year-
952 and-a-half before yours started?

953 I mean, I can only draw the conclusion that you didn't
954 look at the data that was available. And then to turn around
955 and blame providers for your Department not being prepared
956 for the volume of claims -- it just doesn't square with me.

957 And for everything I have heard so far this week, I
958 believe that to the extent that this process is a failure, it
959 is a failure because of poor planning on the part of HHS and
960 mismanagement of the law passed by Congress. So instead of
961 blaming providers for the Department's mistakes, I hope going
962 forward we can focus on resolving the backlog. When 75
963 percent are decided in favor of the person who brought the
964 claim, but 3 percent are getting through, we got a real
965 problem. And again, it comes back to keeping doctors
966 involved.

967 Let me just shift gears and ask you a question, because

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968 it came up in other testimony. You stated you were
969 unfamiliar with statistics reported by The New York Times
970 that HHS has been able to contact over 85,000 unaccompanied
971 alien children who have been released from HHS custody. Are
972 you now familiar with that 85,000 figure? And are you aware
973 of where it -- from where it comes?

974 *Secretary Becerra. Congressman, I am aware of where it
975 comes. It is not a statistic. It is a number that New York
976 Times came up with.

977 *Mr. Burgess. But the fact remains there are children
978 that you cannot identify where they are that have gone
979 through your system. And it seems to be the throughput is
980 the critical thing, not the child. And that is bothersome to
981 a lot of us on this committee.

982 *Secretary Becerra. No, see, there is a
983 misunderstanding about what we are supposed to do, and what
984 we are then able to do once a child is placed.

985 If you take a look at the law that was passed by
986 Congress, Congress gave HHS the responsibility, the authority
987 to provide the custody and care of a unaccompanied child --

988 *Mr. Guthrie. I know you want to answer. We are out of
989 time. I need to move --

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990 *Mr. Burgess. I look forward to your answer.

991 *Secretary Becerra. I look forward to clarify the
992 misunderstanding. Maybe I will have a chance later on.

993 *Mr. Guthrie. Absolutely.

994 *Mr. Burgess. I will submit that to you in writing,
995 because it is important.

996 [The information follows:]

997

998 *****COMMITTEE INSERT*****

999

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1000 *Mr. Burgess. Thank you, Mr. Chairman.

1001 *Mr. Guthrie. Mr. Sarbanes, you are recognized for five
1002 minutes for questions.

1003 *Mr. Sarbanes. Thank you very much, Mr. Chairman.

1004 Secretary Becerra, welcome. As you know, a strong,
1005 well-trained workforce is critical to ensuring a high-quality
1006 health care delivery system that can deliver all the
1007 necessary care for all patients today, and be prepared for
1008 future public health crises.

1009 While nearly every industry is facing workforce
1010 challenges across the country, I want to focus today on how
1011 President Biden's budget addresses those faced by the health
1012 care workforce. According to HRSA's most recent workforce
1013 estimates, current demand for health care providers,
1014 especially primary care physicians and mental and behavioral
1015 health providers, far outpaces supply. And without
1016 meaningful action to turn the tide, this gap is only
1017 projected to widen over the next decade.

1018 We have already seen how shortages at every level can
1019 impact access to care for individuals in Maryland. For
1020 example, we are facing long emergency room wait times and a
1021 mental and behavioral health care crisis that is particularly

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1022 acute for pediatric patients. While these are complex
1023 problems that require comprehensive solutions, a key part of
1024 those solutions is addressing shortages in primary mental
1025 health and skilled nursing care, so that every patient can
1026 access the level of care they need at the time they need it
1027 most.

1028 The President's budget certainly reflects an
1029 understanding of the importance of these investments in a
1030 health care workforce, and would provide robust funding for
1031 programs that have a proven track record of strengthening our
1032 health care provider pipeline and delivery system.

1033 For example, the budget includes, as you know, \$2.7
1034 billion for HRSA's workforce programs, including a \$548
1035 million increase in funding for the National Health Services
1036 Corps; additional resources for graduate medical education
1037 and other training programs; and \$28 million for a new
1038 program to address health care workforce shortages.

1039 Mr. Secretary, can you speak a bit more about these
1040 investments, particularly the new program to address
1041 workforce challenges, and how they will work together to
1042 build a stronger provider base that can meet the needs of
1043 every community?

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1044 *Secretary Becerra. Congressman, thank you for the
1045 question, and thank you for championing the ability for
1046 Americans to stay in the health care workforce and to
1047 increase the numbers.

1048 We are doing what we can in the budget to actually
1049 support the -- an increase in our workforce, whether it is
1050 the health care workforce or, as you see in the President's
1051 budget, for the child care workforce, because we know that
1052 the needs are dire.

1053 What we also are trying to do is figure out how to best
1054 direct the next generation of health care workers. So our
1055 National Center for Health Care Workforce Analysis is trying
1056 to collect some of that information, the data that will tell
1057 us where the shortages are, not just geographically, but by
1058 profession. And so we are going to do everything we can to
1059 give states the best guidance because they are the ones that
1060 ultimately certify and license individuals, and we want them
1061 to know where their needs will be, coming into the future.

1062 *Mr. Sarbanes. Thank you very much. And I appreciate
1063 you talking about the data, the importance of collecting
1064 information on where the shortages are. That can inform
1065 recommendations about a national policy to address shortages

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1066 within the health care workforce.

1067 Congressman Blunt Rochester and I again have led a
1068 letter this year to the House Appropriations Committee
1069 requesting \$11 million for the National Center on Health
1070 Workforce Analysis that you mentioned for fiscal year 2024.
1071 And as you know, that center releases a lot of really
1072 critical information about the supply and demand challenges.
1073 And increasing its funding is, I think, very critical to help
1074 this committee to help your Department and agency make the
1075 smartest decisions we can possibly make when it comes to
1076 investing in our health care workforce.

1077 Building upon the American Rescue Plan and the Inflation
1078 Reduction Act's historic reforms to lower health care costs
1079 for Americans, we have got to look at this workforce
1080 shortage. Let me freestyle a little bit with you here right
1081 now a bit more on this. Do you think we could put together a
1082 kind of broad, national health workforce strategy that brings
1083 various partners together who may not have collaborated
1084 previously?

1085 For example, we look in Maryland at these shortages
1086 around nursing. We know that we even are lacking instructors
1087 for nursing programs. So we have got some community colleges

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1088 that provide nursing. They are now going to hospitals and
1089 saying, "Can you give us some of your nursing supervisors on
1090 a part-time basis to come in and be instructors?" All hands
1091 on deck. What can that look like, as a national policy, from
1092 your perspective in the health care arena?

1093 *Secretary Becerra. Congressman, we are already looking
1094 at it. HRSA is undertaking a number of efforts. They are
1095 talking to states and those in the profession about best
1096 practices. We are also using SAMHSA --

1097 *Mr. Guthrie. You are going to have to wrap up. I am
1098 sorry. We are trying to keep your -- on time, so our members
1099 can ask questions.

1100 *Mr. Sarbanes. We will continue the conversation.

1101 *Mr. Guthrie. I gaveled myself down, so I am going to
1102 -- Chair McMorris Rodgers, you are recognized for five
1103 minutes.

1104 *The Chair. Thank you.

1105 Mr. Secretary, last week this committee advanced my
1106 bill, the Protecting Health Care for All Patients Act, which
1107 would ban QALYs and other similar measures in Federal health
1108 care programs. And I am grateful for the hard work of your
1109 team to modify the bill language to resolve all outstanding

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1110 issues, and help us towards a shared goal of removing
1111 discrimination in Federal health programs.

1112 Prohibitions on QALYs and other similar measures already
1113 exist in Medicare and the Inflation Reduction Act. Since we
1114 already have an additional ban in place for Medicare, do you
1115 think it would be appropriate to ban these measures in all
1116 other Federal care programs like Medicaid?

1117 *Secretary Becerra. Madam Chair, can -- ban what?

1118 *The Chair. QALYs.

1119 *Secretary Becerra. Oh, I know that we already have
1120 them banned in Medicare. We do not use them.

1121 *The Chair. Thank you.

1122 *Secretary Becerra. And I believe that there is an --

1123 *The Chair. Thank you. I am going to take back --
1124 reclaiming my time -- I have a lot to get through here.

1125 Some questions were raised about Equal Value Life Years
1126 Gained. Do you view the Equal Value Life Years Gained metric
1127 as discriminatory?

1128 *Secretary Becerra. Congresswoman, we don't use those
1129 kinds of measures.

1130 *The Chair. Okay, thank you.

1131 *Secretary Becerra. I am not sure what the reference is

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1132 to.

1133 *The Chair. Okay, very good. Thank you. Secretary
1134 Becerra, can you tell me how many additional resources you
1135 provided to, in the words of President Biden's executive
1136 order on promoting competition, "support existing price
1137 transparency initiatives for hospitals, other providers, and
1138 insurers"?

1139 *Secretary Becerra. I think my answer is probably going
1140 to go longer than you would like, but we are engaged in quite
1141 a few activities with regard to price transparency, and I
1142 could go through a list of them.

1143 I could also tell you how we are trying to engage real
1144 soon with companies on price negotiation to get the best
1145 price for pharmaceutical drugs.

1146 *The Chair. Okay, just reclaiming my time, if it is a
1147 priority, why has there only been two penalties issued to
1148 hospitals in more than two years, despite numerous academic
1149 third-party studies, your own agency demonstrating
1150 significant non-compliance?

1151 *Secretary Becerra. Are you talking about the price --
1152 I mean, the -- yes, the price transparency laws that are in
1153 effect?

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1154 *The Chair. Yes.

1155 *Secretary Becerra. Madam Chair, as you recognize, that
1156 that law was only implemented recently by this
1157 Administration. It is taking a while. The industry has to
1158 come forward and come up with plans on how they are going to
1159 show their prices.

1160 *The Chair. Okay.

1161 *Secretary Becerra. It differs by region --

1162 *The Chair. Okay, thank you, thank you. We are going
1163 to go to work on this, and we are going to work on this
1164 together, and we are going to get it done. Okay.

1165 I wanted to move on to Medicare. The Administration
1166 recently proposed Medicare Advantage changes that will reduce
1167 risk adjustment payments to plans. You have characterized
1168 these changes as reducing overall over-payments to plans. Do
1169 reductions in these types of Medicare payments constitute a
1170 cut to Medicare?

1171 *Secretary Becerra. These insurance companies will get
1172 more money this year than they got last year. That is not a
1173 cut.

1174 *The Chair. Okay, thank you. In my opening statement I
1175 alluded to site-neutral payments, a bipartisan policy that

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1176 would reduce Medicare spending in what seniors pay by having
1177 Medicare pay the same for services, regardless of location.
1178 If lowering payments to plans isn't a cut, would you
1179 characterize such a policy as a cut to Medicare, site-neutral
1180 payments?

1181 *Secretary Becerra. Obviously, different regions have
1182 different pricing. We have to make sure that what we are
1183 doing is doing a fair evaluation of what the cost of a
1184 service or product is --

1185 *The Chair. Okay.

1186 *Secretary Becerra. -- in health care services.

1187 *The Chair. So thank you, I appreciate that. We found
1188 an area of agreement, I think.

1189 President Biden, Speaker McCarthy, and us were agreeing
1190 on not cutting Medicare. And it appears that we can agree on
1191 some payment reductions that don't constitute cuts. So would
1192 you commit to working with us on bipartisan approaches to
1193 address payments that are higher than they might need to be?

1194 *Secretary Becerra. Absolutely.

1195 *The Chair. Okay, thank you.

1196 Just last week, CDC released 25 newly documented
1197 statistical, numerical errors in its COVID-19 data. Eighty

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1198 percent of these errors exaggerated the severity of the
1199 COVID-19 situation. And it is especially concerning that --
1200 the impact that this had on children. Ninety-four percent
1201 overstated the risk to children. In less than 50 percent of
1202 these instances did CDC ever fully correct the error.

1203 So can you speak to this report on errors, and commit to
1204 specific actions you will take to ensure that these are
1205 corrected?

1206 *Secretary Becerra. The CDC has always attempted to be
1207 as transparent as possible. The information, the data they
1208 provide is essential for --

1209 *The Chair. Okay.

1210 *Secretary Becerra. -- states and our consumers.

1211 *The Chair. Thank you. So we will work on that
1212 together, too.

1213 And then finally, I just want to close by saying I am
1214 concerned about, you know, on one hand we have the
1215 Administration talking a big picture on curing cancers,
1216 fighting Alzheimer's, and yet, unfortunately, we see where
1217 the action contradicts that goal. In an unprecedented action
1218 to restrict Medicare patients from accessing FDA-approved
1219 treatments across the board, no matter the promising data or

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1220 the results, are disappointing to millions of patients with
1221 Alzheimer's and their families who are looking for hope.

1222 And we are going to continue to press you on this,
1223 because when these -- when we finally get these breakthrough
1224 drugs, we must make them available to the people that are
1225 dependent upon these drugs to give them hope.

1226 And I will yield back, Mr. --

1227 *Mr. Guthrie. Thanks. The gentlelady yields back. The
1228 chair yields back, and the chair now recognizes the ranking
1229 member for five minutes for asking questions.

1230 *Mr. Pallone. Thank you, Chairman Guthrie. Before I
1231 get to my questions, I would just ask unanimous consent to
1232 submit to the record the GAO report from August 2018 titled,
1233 "Rural Hospital Closures Number and Characteristics of
1234 Affected Hospitals and Contributing Factors," which analyzed
1235 data from the North Carolina Rural Health Research Center and
1236 CMS and found, I quote, that "from 2013 through 2017, rural
1237 hospitals in states that had expanded Medicaid as of April
1238 2018 were less likely to close, compared with rural hospitals
1239 in states that had not expanded Medicaid."

1240 And this, of course, goes to my point that not expanding
1241 Medicaid or cuts to Medicaid are really going to starve the

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1242 health care systems in rural areas, and impact red states in
1243 a major way.

1244 *Mr. Guthrie. Without objection, so ordered.

1245 [The information follows:]

1246

1247 *****COMMITTEE INSERT*****

1248

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1249 *Mr. Pallone. Thank you, Mr. Chairman. I am very proud
1250 of the historic achievements included in the Inflation
1251 Reduction Act, which I know Secretary Becerra mentioned,
1252 particularly the authority for the Secretary to negotiate
1253 lower drug prices for certain high-priced, single-source
1254 drugs, as well as to cap drug prices that increase faster
1255 than the rate of inflation in Medicare Part B and D.

1256 Additionally, IRA will cap out-of-pocket costs of
1257 Medicare Part D at 2,000 a year, beginning in 2025, and
1258 beneficiaries are already starting to see the benefits of
1259 capping insulin co-payments at \$35 a month, as well as no-
1260 cost vaccines in Part D.

1261 So a few questions, if you can answer quickly so I can
1262 get to them all: Why are these -- why were these provisions
1263 so important? And are you already seeing the positive impact
1264 of these changes on the ground, such as the savings generated
1265 from the insulin and vaccine provisions, Mr. Secretary?

1266 *Secretary Becerra. Mr. Chairman, we are seeing
1267 immediate impact. I can tell you that every place I have
1268 gone since January 1st I am approached by a senior who has
1269 mentioned how it is incredible that they paid only \$35 for
1270 their insulin. And in December I remember one lady

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1271 specifically, it was about 112 or \$117 that she said she had
1272 paid in December. She was so startled that she went to the
1273 insurer and said, "I think you under-charged me for the --
1274 for my insulin.'" And when they told her, no, that is the
1275 new price, she was ecstatic.

1276 And so that is what I am running into. I have had
1277 people tell me stories about having to pay close to \$200 for
1278 a vaccine on shingles. One in three Americans will at some
1279 point experience shingles. You don't want to experience it.
1280 And it is an expensive vaccine for folks on fixed incomes.
1281 It can -- it takes a big bite out of their budget. And so to
1282 find out that today, as a result of the new prescription drug
1283 law, the Inflation Reduction Act, they are paying nothing, it
1284 is great for -- great news for them.

1285 *Mr. Pallone. Now, can you again talk briefly --
1286 because I have one more question after this -- can you talk
1287 about whether legislation extending the protections from the
1288 Inflation Reduction Act to the commercial market could be
1289 helpful in achieving the goal of, you know, reducing drug
1290 prices, as well?

1291 *Secretary Becerra. Without a doubt. There is no
1292 reason why Americans should be paying two or three times more

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1293 for their prescription drugs than people around the world for
1294 the same drug, and sometimes manufactured in the U.S. And so
1295 the ability to negotiate for a fair price is something that
1296 will reward all Americans.

1297 *Mr. Pallone. Now, the budget notes that additional
1298 savings can be achieved by increasing the number of drugs
1299 selected for negotiation. Can you talk about why the
1300 Administration supports legislation to increase the number of
1301 drugs subject to negotiation, and how this would both
1302 increase savings to Medicare beneficiaries and improve
1303 Medicare solvency?

1304 *Secretary Becerra. The legislation -- we are thankful
1305 for the legislation -- allows us to move forward with the
1306 first 10 drugs. We identified them this year. And by 2024,
1307 2025, negotiate -- by 2026 Americans are receiving the fruits
1308 of that negotiation and lower drug costs. And then every
1309 year after the first year, it will increase another 10 to 15.

1310 The President believes that there are more than 10
1311 drugs. There are, obviously, quite a number of drugs that
1312 are overpriced, and that if we move faster we save Americans
1313 more money, and we also save the Medicare program more money.

1314 *Mr. Pallone. Well, thank you, Mr. Secretary. I am

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1315 very supportive of this. And I believe that negotiating the
1316 price for more negotiating -- negotiation-eligible drugs will
1317 allow more beneficiaries taking high-cost, sole-source drugs
1318 to see the benefits of this law. And I hope to continue to
1319 work with you on these efforts to build on the IRA and expand
1320 savings for seniors, as well as those insured in private
1321 insurance.

1322 And, you know, I know I keep saying the same thing, but,
1323 you know, you are here talking about something that exists,
1324 which is the President's budget. And I know that, you know,
1325 Republicans are talking about increasing spending, cutting
1326 things. But until they actually give us a budget, you know,
1327 it is very -- it is nice that they come here and criticize
1328 you and the President, but there is no alternative for us to
1329 see coming from the other side.

1330 So with that, I yield back, Mr. Chairman.

1331 *Mr. Guthrie. The gentleman yields back. The chair now
1332 recognizes Mr. Latta for five minutes for questions.

1333 *Mr. Latta. Well, thank you, Mr. Chairman, and thanks
1334 for calling today's hearing.

1335 And, Mr. Secretary, thanks for being with us. I would
1336 like to go back to what the chairman had started in his

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1337 opening statements, some questions on fentanyl. My seatmate
1338 and friend from Virginia, we have the HALT Fentanyl Act that
1339 would make sure that -- for once and for all, that fentanyl
1340 is going to be a schedule I drug. And I just want to make
1341 sure that you are on board that fentanyl should be a schedule
1342 I.

1343 *Secretary Becerra. Congressman, as I have said to the
1344 chairman and others, FDA agrees that we need to continue the
1345 scheduling of fentanyl. I leave it to FDA to make those
1346 decisions on how they should be scheduled.

1347 And FDA would also say we need a comprehensive approach
1348 when we deal with either fentanyl or other drugs that are
1349 killing Americans.

1350 *Mr. Latta. Well, that is important because, again, we
1351 had roundtables and hearings in here. I think it is
1352 important to point out that one of the terms I try not to use
1353 anymore is the word "overdoses." It is poisoning,
1354 especially when we are talking fentanyl. When we look at the
1355 over 71,000 people who died last year in this country because
1356 of fentanyl, it is poisoning. We had one sheriff actually
1357 say that when these drug cartels know what they are putting
1358 in these pills and sending them north, it is not poisoning

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1359 any more, it is murder.

1360 And so I would like to just go to a -- some statements
1361 that you have, and just ask a couple of questions.

1362 You said NIH will continue to invest over \$1.8 billion
1363 in research on opioid misuse, addiction, and pain disorders,
1364 including the Helping to End Addiction Long-Term, HEAL,
1365 Initiative. Now, the question I have is -- because again, I
1366 am not sure exactly when this has been put into place, and
1367 how long it has been going. But as we see the trend of
1368 fentanyl poisoning and also all drug overdoses and other
1369 sorts going up in this country to about 107,000 in 2022, that
1370 -- the question then is that -- is this effective?

1371 Because, again, in this committee, because we do have
1372 broad jurisdiction, when we talk about things that is online
1373 and drugs that are coming into this country, we are being
1374 told by law enforcement and the DEA and everyone else that
1375 when drugs are coming across this border, that the cartels
1376 are making a fentanyl-laced pill for a dime that are killing
1377 Americans, and they are making 30 to \$40 off each of these
1378 pills.

1379 And so, as was pointed out earlier, that when you have
1380 18 to 45-year-olds as the leading cause of death now is --

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1381 looking at the either fentanyl poisoning or some other type
1382 of a drug overdose, are the initiatives of this \$1.8 billion
1383 being effective right now?

1384 *Secretary Becerra. Congressman, thank you for the
1385 question.

1386 I think \$1.8 billion is a major investment. If in the
1387 wisdom of this body you wish to give us more resources, I
1388 guarantee you we will make good use of them. But I
1389 understand that there is a conversation about cutting, not
1390 increasing on your side of the aisle. So I hope that what
1391 you are --

1392 *Mr. Latta. Well, let me ask -- because again, we had
1393 testimony from, you know, parents of lost loved ones. And
1394 the question -- and the problem is, again, as I said, these
1395 pills are flowing across the border, and then they are
1396 getting in on -- through the Internet. And pretty soon we
1397 can't even track where they came from.

1398 But when somebody buys one of these pills, a younger
1399 person, they are thinking they are getting, you know, X, Y,
1400 Z, and it turns out a fentanyl-laced pill, what is the
1401 Department doing to warn Americans?

1402 Because again, with that \$1.8 billion, you could do a

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1403 lot of information out there as to what is going on, warning
1404 people, kids especially, don't buy anything on the Internet.

1405 And the reason I bring this up -- it has been a few
1406 years ago, but I sponsored the track-and-trace legislation.
1407 And what that legislation did was to make sure, from the time
1408 that a drug was manufactured to the time it was delivered, we
1409 would know every stop that it was -- that it wasn't
1410 counterfeited or adulterated along the way. So, you know,
1411 that is -- and that is, hopefully, for a prescription drug or
1412 something else that is flowing naturally and legally through,
1413 that people know what they are going to get.

1414 But how -- warning people online -- that are online
1415 today buying these pills that it is not a counterfeit or a
1416 knockoff, this drug could have -- or this pill could have
1417 fentanyl in it that will kill you. And this is the problem,
1418 when you see the numbers going up.

1419 And so that is my question on this, you know -- we -- on
1420 research and misuse and addiction and pain disorders, but how
1421 are we getting the word out that, people, don't do this?

1422 *Secretary Becerra. Congressman, much of that work is
1423 actually done not by NIH, but by SAMHSA, our substance use
1424 and mental health agency which deals with that. And they are

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1425 working with states and local entities that are actually
1426 doing the work on the ground to support some of those efforts
1427 to inform and to do the surveillance.

1428 They are also taking on best practices using evidence-
1429 based practices. For example, fentanyl strips are now being
1430 made available. We are finally supporting that at a national
1431 level, because we know it saves lives.

1432 You heard the news today that Narcan is now going to be
1433 available over the counter. The FDA has made that
1434 announcement. So we are doing the things that we can at the
1435 Federal level to support the work that is done on the ground
1436 at the local level.

1437 *Mr. Latta. My time is expired. I yield back.

1438 *Mr. Guthrie. The gentleman yields back. The chair now
1439 recognizes Mr. Cardenas for five minutes for questions.

1440 *Mr. Cardenas. Thank you, Chairman Guthrie, and also
1441 Ranking Member Eshoo, for having this important hearing. And
1442 I appreciate the opportunity to discuss in front of the whole
1443 world, Secretary Becerra, what we are doing proactively in
1444 many areas, and I really appreciate the budget that the
1445 President has put forth.

1446 And I am thrilled to see that the President has

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1447 emphasized in his budget request -- placed on funding for 9-
1448 8-8, and the broader continuum of crisis care in America.
1449 The 9-8-8 Suicide and Crisis Lifeline is saving lives by
1450 providing urgent and timely responses to individuals in
1451 crisis. It is a key starting point for the crisis continuum.

1452 But it is not enough to just have someone to call --
1453 when you call -- when someone calls 9-8-8, we also need
1454 someone to come and somewhere to go when an individual
1455 requires greater mental health support. I am particularly
1456 excited to see requests for robust funding for mobile crisis
1457 response grants so that trained mental health professionals
1458 can be the first responders to mental health emergencies.

1459 And I would imagine that -- I would hope that my
1460 colleagues who represent much of rural America are excited
1461 about the opportunity to have mobile crisis response grants
1462 put out in every corner of this country, especially in rural
1463 America.

1464 Secretary Becerra, why maybe, in your opinion, is it so
1465 critical to have a robust crisis care infrastructure in our
1466 country?

1467 *Secretary Becerra. Congressman, thanks for the work
1468 that you have done over the years on this issue.

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1469 The reason it is so important to have a crisis care
1470 system is because people don't have a mental health crisis
1471 just from the hours of 9:00 to 5:00. There has to be a place
1472 for them to go after hours. They have to know that when it
1473 hits, there will be someone there to catch them. And the --
1474 a 24/7 crisis care center is the best way to make sure not
1475 only do we save lives, but keep people from harming
1476 themselves.

1477 *Mr. Cardenas. And I want to make it clear. I think
1478 you and I are talking a little bit inside baseball. When you
1479 and I are talking about crisis, we are talking about mental
1480 health crisis.

1481 Right now in America -- or before last year -- if there
1482 was a crisis moment in America, maybe somebody was off their
1483 meds and their mother called 911, who would show up? Maybe
1484 there would be a health care professional show up. But 99
1485 percent of the time it was the law enforcement officer who --
1486 even they and we all agree they are not trained to deal with
1487 mental health issues. We need mental health professionals to
1488 show up to the moment, so that we can actually help the
1489 situation instead of, unfortunately, have a critical moment
1490 where it even gets worse.

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1491 So when it comes to mental health in America, we are
1492 making improvements, and 9-8-8 is, in fact, a big step in the
1493 right direction. And hopefully, Americans will take 9-8-8
1494 for granted, like people expect that when they call 911 --
1495 and it happens everywhere in the country -- someone comes
1496 when they call 911, and that is what 9-8-8 is about.

1497 What resources are still needed to build out our crisis
1498 infrastructure when it comes to mental health, and ensure
1499 that everyone, regardless of circumstance, can access crisis
1500 services, including the LGBTQ-plus community, and individuals
1501 and people with disabilities, and those whose primary
1502 language is not English?

1503 *Secretary Becerra. Congressman, on 9-8-8 I will just
1504 mention we need to get states further invested in it, because
1505 this is not a national program. Only because the President
1506 and Congress has been so willing to help the states have we
1507 been able to make it work so well. But if the states have to
1508 make commitments to have permanent, stable funding for 9-8-8
1509 in their jurisdiction -- and so that means a lot of work.

1510 We need -- we are expanding access under 9-8-8 in
1511 languages other than English, because we know a lot of folks
1512 need that communication. We are doing a call that is

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1513 specific -- a line that is specific for veterans. And so we
1514 are going to try to make sure we are approaching as many
1515 people as we can, including our LGBTQI-plus community, as
1516 well.

1517 Crisis care, we need to fund further crisis care so that
1518 it is available 24/7. We have to make sure that there is
1519 follow-up service when someone does reach out and make the
1520 call. And so we are working as hard as we can to make sure
1521 certified community behavioral health centers receive the
1522 support to be able to expand.

1523 *Mr. Cardenas. Locally in every community, correct?

1524 *Secretary Becerra. That is correct.

1525 *Mr. Cardenas. Okay. So when somebody calls 9-8-8,
1526 they are not in California talking to somebody in -- five
1527 states over, or what have you. Make it local, make it
1528 robust.

1529 And you are absolutely right, 911 is, in fact, a local-
1530 funded program supported by the Federal Government.

1531 *Secretary Becerra. Yes.

1532 *Mr. Cardenas. But it is primarily supported by locals.

1533 *Secretary Becerra. By -- the workforce, as well. We
1534 are working to expand the workforce because, if there is a

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1535 shortage in the health care workforce, it is even more acute
1536 in the mental health and substance use workforce.

1537 *Mr. Cardenas. Absolutely. And in order for us to have
1538 more mental health force workers ready and to fill those
1539 positions and do that work, we need to make sure that the
1540 local schools and the local activities are actually educating
1541 people, so they can actually be in that position.

1542 My time having expired, thank you so much, Mr.
1543 Secretary.

1544 I yield back.

1545 *Mr. Guthrie. Thank you. The gentleman yields back.
1546 The chair now recognizes Mr. Griffith for five minutes for
1547 questions.

1548 *Mr. Griffith. Thank you, Mr. Chairman.

1549 Thank you, Mr. Secretary. Mr. Secretary, many of us on
1550 both sides of the aisle are concerned about the workings of
1551 the Office of Refugee Resettlement, ORR.

1552 When the Oversight and Investigations Subcommittee holds
1553 a hearing on ORR to address our questions and our concerns
1554 and looking for answers, are you willing to come to the
1555 subcommittee to testify, yes or no?

1556 *Secretary Becerra. Absolutely. Absolutely,

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1557 Congressman.

1558 *Mr. Griffith. Thank you very much.

1559 *Secretary Becerra. Hopefully we can work out a good
1560 time. Just make sure I am available.

1561 *Mr. Griffith. Yes, sir, and we will work on that.

1562 Also, Mr. Secretary, on another subject, the President
1563 recently signed into law a bill that passed unanimously in
1564 both the House and the Senate to declassify information
1565 related to COVID-19 origins and the Wuhan Institute of
1566 Virology. When do you think HHS will be able to comply with
1567 the law?

1568 And I am not saying to anybody -- I don't want anybody
1569 to misinterpret that I think you all are tardy, because this
1570 has been, like, a week.

1571 *Secretary Becerra. Yes.

1572 *Mr. Griffith. But I am just curious as to what kind of
1573 a timeline there is.

1574 *Secretary Becerra. Thank you. Thank you for
1575 clarifying. We will try to move swiftly, because we are as
1576 anxious to get information out there as you are. There are a
1577 lot of entities around the world who aren't being
1578 transparent. We want to make sure we are transparent.

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1579 *Mr. Griffith. Let's switch gears and talk about some
1580 of the entities that aren't being so transparent.

1581 According to an article in the May 20th, 2021 China
1582 Daily, Minister Ma Xiaowei of the National Health Commission
1583 of the People's Republic of China said during a phone call
1584 with you that China was willing to deepen cooperation with
1585 the United States in fighting against COVID-19 -- the
1586 COVID-19 pandemic. What cooperation has China's National
1587 Health Commission provided?

1588 *Secretary Becerra. Congressman, what I can tell you is
1589 I hope that those words ring true, that they will try to be
1590 more transparent and more collaborative, because we still are
1591 seeking information from China and -- about their research
1592 and about the information they have about the first
1593 infections that they saw of COVID in their country.

1594 *Mr. Griffith. Yes, this is very critical, and it is
1595 not just because we want to beat up on the lab, or beat up on
1596 anybody else, but we have to have this data to try to figure
1597 out what we can do to try to prevent a future problem of a
1598 similar nature. Would you agree?

1599 *Secretary Becerra. There is no way you are going to
1600 trace the origin, or figure out how to address these and find

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1601 remedies unless you have all the comprehensive information
1602 that lets you determine what is driving this.

1603 *Mr. Griffith. In that regard, have you had
1604 communications with Minister Ma since May of 2021?

1605 *Secretary Becerra. I have not, and it has been
1606 difficult to keep those communications going. We have made
1607 requests. We have done it directly and through the World
1608 Health Organization, and we are hoping that we will continue
1609 to see words that talk about doing more together.

1610 *Mr. Griffith. And speaking of the World Health
1611 Organization, have they been cooperative? Because early on,
1612 it looked like they were kind of running interference on
1613 behalf of the Chinese, and I am just wondering if that has
1614 gotten any better.

1615 *Secretary Becerra. I would say that the WHO and the
1616 director general have been making efforts to try to secure
1617 information from China. And I believe that they have tried
1618 to be as transparent as they can. They have done a good job
1619 of bringing so many countries together to deal with COVID.

1620 And all of us are seeking as much information from
1621 whatever the source is -- not just from China -- that we can
1622 get, so we can figure out where we go from here from -- with

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1623 COVID.

1624 *Mr. Griffith. All right. I appreciate that. Mr.
1625 Secretary, last year Republican leaders McMorris Rodgers, Mr.
1626 Guthrie, and myself wrote to you asking you to provide more
1627 transparency about your meeting calendar. You declined to
1628 provide the information.

1629 However, other cabinet secretaries have publicly posted
1630 their calendars on the websites of their departments to
1631 dispel questions about your level of engagement on HHS
1632 matters and to build public confidence. Will you commit to
1633 making your work calendar publicly available, like other
1634 cabinet secretaries do?

1635 *Secretary Becerra. Congressman, we will provide the
1636 information like my work schedule and so forth as those
1637 requests come in and as the law requires.

1638 *Mr. Griffith. Yes. And I look forward to the ORR
1639 meeting that I referenced earlier, because there are a lot of
1640 questions that we want to get to. The New York Times article
1641 is concerning.

1642 Further, as you know, last year I raised issues about
1643 the vetting process for where we are sending these children.
1644 I want to look into that more because I think on both sides

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1645 of the aisle we want to make sure -- we may not agree on how
1646 they got here, how they crossed the border, but once they are
1647 here we have an obligation to make sure these children are in
1648 safe environments, where they are not being abused or
1649 exploited. You would agree with that, would you not?

1650 *Secretary Becerra. A hundred percent.

1651 *Mr. Griffith. All right. And I look forward to
1652 working with you to try to make ORR better, and to figure out
1653 what we can do to live up to at least a minimal standard of
1654 security for these children.

1655 Thank you, Mr. Chairman. I yield back.

1656 *Secretary Becerra. Thank you.

1657 *Mr. Guthrie. The gentleman yields back. The chair
1658 recognizes Dr. Ruiz for five minutes for questions.

1659 *Mr. Ruiz. Thank you.

1660 Mr. Secretary, it is good to see you. Thanks for being
1661 here today.

1662 As you know, I am committed to protecting Medicare for
1663 seniors in my district and across the country, and to build
1664 on the policies that we passed last Congress to make health
1665 care more affordable. This includes the Inflation Reduction
1666 Act, which lowers drug prices for American seniors.

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1667 The President's budget discussed today further improves
1668 seniors' access to lifesaving care by further lowering
1669 prescription drug costs for our seniors. On the contrary,
1670 Republicans have repeatedly tried to cut Medicare, and
1671 leading Republican plans have proposed to slash Medicare
1672 funding and increase the age for Medicare eligibility. Under
1673 the Republican plan, seniors would be subject to thousands of
1674 dollars in additional out-of-pocket costs.

1675 Secretary Becerra, can you briefly discuss how slashing
1676 Medicare funding would harm seniors?

1677 *Secretary Becerra. Congressman, I think everyone knows
1678 how much Medicare has lifted seniors out of poverty, how
1679 Medicare has saved lives. And to now see the chance of that
1680 progress eroded would be devastating. That is why the
1681 President came out with a budget that actually not only
1682 protects all those benefits, all those services for today's
1683 seniors, but assures that it will be there for the next
1684 generation, as well.

1685 *Mr. Ruiz. Thank you. And so can you expand on how the
1686 Administration intends to protect seniors and lower their
1687 health care costs?

1688 *Secretary Becerra. Well, first, you have -- everyone

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1689 now is aware of the \$35 cap per month of insulin. That is a
1690 tremendous saving. I mentioned earlier the money that is now
1691 being saved by no out-of-pocket costs for preventative
1692 vaccines. That is saving a lot of Americans a lot of money.

1693 We are now beginning to watch the pricing that the drug
1694 companies put out for their drugs if they go beyond the rate
1695 of inflation. The law that you help pass, Congressman, lets
1696 us tell those companies, "You owe back money to the Medicare
1697 system, because you charged more than the rate of inflation
1698 for your prescription medication."

1699 And as you know, in the next coming years we will be
1700 able to negotiate the prices of prescription medication.

1701 *Mr. Ruiz. Thank you.

1702 You know, in addition to affordability, I am also
1703 concerned with access. Medicare physician pay and its impact
1704 on patient access to care remains a major issue for my
1705 constituents. In fact, adjusted for inflation in practice
1706 costs, Medicare physician pay actually declined 26 percent
1707 from 2001 to 2023, or by 1.8 percent per year, on average.

1708 Non-partisan government stakeholders are recognizing the
1709 damaging impact these cuts are having on patient access to
1710 care. The 2021 Medicare Trustee Report states that "Absent a

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1711 change in the delivery system or level of update by
1712 subsequent legislation, the trustees expect access to
1713 Medicare participating physicians to become a significant
1714 issue in the long term.''

1715 To help address this growing problem, I am working with
1716 my friend and colleague, Dr. Bucshon, on legislation to
1717 provide an annual Medicare payment update tied to inflation,
1718 as measured by the Medicare Economic Index, the MEI.

1719 Even the March 2023 MedPAC report to Congress includes
1720 recommendations that Congress increase the 2024 Medicare
1721 physician payment rate above current law with an inflation-
1722 based payment update tied to the MEI.

1723 It is critical that we move away from a system where
1724 every year there is uncertainty over potential cuts,
1725 threatening access for seniors across the country.

1726 Secretary Becerra, can you discuss the pressing
1727 financial instability facing physician practices, including
1728 the threat of yearly cuts combined with rising costs?

1729 *Secretary Becerra. Congressman -- and I know you know
1730 this well, as a physician -- my wife, who is a physician
1731 also, will talk to me about this, and I know several members
1732 of this committee are physicians. It is tough. I mean, the

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1733 workforce is strained. That is not different for doctors or
1734 nurses or other health professionals.

1735 We want to encourage people to go into these
1736 professions. We saw with COVID how important it is. And
1737 what I will tell you is I now will speak to you as a former
1738 member of this chamber, going through this exercise every
1739 year of trying to figure out physician payments. It is not
1740 just a headache, it is a real threat to how physicians can
1741 plan their life forward.

1742 And so I hope Congress is able to work in a way that
1743 gives us a -- some certainty for physicians and others moving
1744 forward of what they can expect in terms of payment. You
1745 know, I wish I could tell you we could do more, but we are
1746 constrained because we have to be budget-neutral in whatever
1747 we do. So if we are going to increase payments in one place,
1748 we have to decrease them in another place.

1749 And so I think physicians around the world -- around the
1750 country will tell you, come up with a better system.

1751 *Mr. Ruiz. I agree. Thank you, and I look forward to
1752 continuing our work together on these important issues.

1753 *Mr. Guthrie. Thank you. The gentleman yields back,
1754 and I recognize Mr. Johnson for five minutes for questions.

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1755 *Mr. Johnson. Well, thank you, Mr. Chairman, and thank
1756 you, Secretary Becerra, for joining us today.

1757 You know, fiscal responsibility is an issue that,
1758 unfortunately, is easily forgotten here in the Beltway --
1759 inside the Beltway. It is too easy to spend money that
1760 doesn't belong to you. And the idea of small government and
1761 not spending outside of your means is a sentiment in very
1762 short supply these days here in this city.

1763 Earlier this month, President Biden released a \$1.7
1764 trillion budget that does nothing to change the frightening
1765 debt track that the United States is on. In fact, the
1766 Administration continues to tout the fact that they are
1767 cutting roughly 10 billion in mandatory spending over the
1768 next year. But what is the catch? It is spending that is
1769 solely related to the COVID emergency.

1770 So I hate to bust the bubble, but you don't get to take
1771 credit for cutting spending on a pandemic that the President
1772 has personally claimed is already over. This spending should
1773 have ended a long time ago, but facts never seem to stop this
1774 White House from continuing its spending addiction.

1775 Today I am going to focus my questions and comments on
1776 the East Palestine train derailment and chemical fire that

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1777 has upended the lives of my constituents in this small, rural
1778 Ohio village. A little less than two months ago a train
1779 carrying hazardous materials derailed in East Palestine,
1780 Ohio, in my district, resulting in a controlled release of
1781 toxic chemicals, evacuation, and massive environmental
1782 cleanup. No family should ever be faced with this type of
1783 hardship caused through no fault of their own.

1784 And right now the biggest concern for these residents
1785 and for me is the long-term health and viability of their
1786 community. So Secretary Becerra, earlier this month you said
1787 the Administration would have a whole-of-government -- I
1788 quote, whole-of-government -- response to the train
1789 derailment. Could you explain how that involves HHS, and
1790 what you are doing on the ground in East Palestine?

1791 *Secretary Becerra. Congressman, thank you. And if
1792 there are other things that we can do on this issue for the
1793 people of East Palestine, please let us know.

1794 *Mr. Johnson. Thank you.

1795 *Secretary Becerra. We want to be there as much for you
1796 and your constituents as we can.

1797 *Mr. Johnson. Okay.

1798 *Secretary Becerra. But we know those families need --

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1799 *Mr. Johnson. Tell us what you are doing. I am sorry
1800 for interrupting you, but he is going to gavel me down in
1801 five minutes.

1802 *Secretary Becerra. We were one of the first on the
1803 ground. CDC was on the ground. We were doing the
1804 assessments, going door to door to find out what people were
1805 experiencing. That information we compiled in the data,
1806 because we wanted to find out what the health effects might
1807 be for the families there. So we were on the ground quickly,
1808 talking to hundreds of people there that were surrounding the
1809 incident.

1810 We also knew that there was a community health center
1811 that was providing most of the health care immediately to
1812 some of those families that needed help. We provided an
1813 emergency grant of \$250,000 to that health center so they
1814 could continue to provide that extra care that they were not
1815 expecting to have to do.

1816 And so we continue to be on the ground. We work with
1817 the EPA and others within the Federal Government. I have
1818 been in touch with the health director at -- for the State of
1819 Ohio, for the state of Pennsylvania. We will be in touch,
1820 but please let us know if there is more we can do. We are

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1821 ready.

1822 *Mr. Johnson. It is my understanding our local health
1823 department is continuing its own response efforts. And you
1824 just mentioned that you are coordinating with them to ensure
1825 there is no duplication of efforts, right?

1826 *Secretary Becerra. We work with them. We don't do the
1827 -- we try to support what they do.

1828 *Mr. Johnson. Okay. What is the process your agency is
1829 using to communicate information to health care providers,
1830 particularly in regards to highly vulnerable populations such
1831 as children, pregnant women, and the elderly?

1832 *Secretary Becerra. We work with the state's health
1833 department and with your local health departments, because we
1834 are not the ones that are on the ground all the time, and we
1835 respect the work that they do and the relationship they have
1836 with the community. So we try to support in whatever ways
1837 they ask.

1838 *Mr. Johnson. Okay. And finally, currently there has
1839 been only one SAMHSA and one HRSA grant provided to on-the-
1840 ground efforts there in East Palestine. Are you using HRSA's
1841 already existing current emergency authority to issue these
1842 grants?

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1843 *Secretary Becerra. That is how we got some of the
1844 immediate funding to that community health center. And as I
1845 said, we put out the call, we have let them know, "Let us
1846 know if we can be more helpful.'" I say that directly to the
1847 health director for the state, and we are ready to try to do
1848 what we can.

1849 *Mr. Johnson. Okay, thank you very much.

1850 Mr. Chairman, let it be noted I answered your call; 30
1851 seconds I am yielding back.

1852 *Mr. Guthrie. Thank you. The gentleman yields back.
1853 The chairman recognizes Ms. Kuster for five minutes for
1854 questions.

1855 *Ms. Kuster. Thank you, Mr. Chairman.

1856 And welcome, Secretary Becerra. Great to be with you
1857 today.

1858 The Department of Health and Human Services plays a
1859 pivotal role in protecting the well-being of our country, and
1860 this budget proposal reflects that. We all know COVID-19
1861 took a harsh toll on the health care workforce, and I was
1862 glad to see the fiscal year 2024 budget support for workforce
1863 programs across HRSA and the CDC supporting the current
1864 workforce and investing in the future.

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1865 We expanded the capacity of health care workers
1866 throughout the pandemic by adopting telehealth as an
1867 important tool. Telehealth not only allows a patient to
1868 receive care in the comfort of their own home, but it also
1869 empowers providers to use their skills in communities that
1870 need it most. And it is particularly important in a rural
1871 district like mine.

1872 Secretary Becerra, how can telehealth be used beyond the
1873 public health emergency to work across state lines, expanding
1874 access to rural and under-served areas?

1875 *Secretary Becerra. Congresswoman, thank you for your
1876 work in this area, because it has become so essential to have
1877 access to health care through telehealth.

1878 Perhaps some of the greatest gains we have seen in COVID
1879 is behavioral health. We were having a lot of folks who, for
1880 reasons of stigma and other reasons, were not using services
1881 for mental health. And what we found is that having access
1882 to a physician or a provider at your home through telehealth
1883 made you more likely to participate, more likely to make your
1884 appointment. And so we hope that people recognize at a time
1885 when 9 in 10 Americans believe that America is experiencing a
1886 mental health crisis, that telehealth is indispensable.

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1887 We need to continue to work with you because those
1888 authorities for flexibility on telehealth which you extended
1889 to the end of 2024, you can't have that cliff and all of a
1890 sudden have all those flexibilities expire. And so we need
1891 to work with you. We need to work with states to make sure
1892 we figure out if there is a possibility of having a cross-
1893 state provision of health care services, because right now a
1894 physician license in one state doesn't have a license to
1895 practice in another state. Telehealth has no borders. And
1896 so we have to figure that out, as well.

1897 *Ms. Kuster. Thank you. The budget also reflects this
1898 Administration's commitment to ending the mental health and
1899 substance use disorder crisis. We made great strides last
1900 Congress, passing the bipartisan Restoring Hope for Mental
1901 Health and Wellbeing Act with a vote of 402 to 20. I think
1902 it was probably the most bipartisan vote we took.

1903 While this was important progress, we know that there is
1904 still a lot of work to be done, particularly in better
1905 serving the hard-to-reach populations. I look forward to
1906 working with my colleagues on reintroduction of my bipartisan
1907 bill, the Humane Correctional Health Care Act, that will end
1908 the Federal rule that prohibits Medicaid from paying for care

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1909 for people who are incarcerated.

1910 I am also excited that Representative Tonko is
1911 reintroducing the Medicaid Reentry Act to allow for Medicaid
1912 coverage for 30 days prior to release, and I look forward to
1913 supporting Mr. Trone's legislation to allow Medicaid to cover
1914 pre-trial detainees in the Due Process Continuity of Care
1915 Act.

1916 Medicaid is the largest public payer of behavioral
1917 health care, and it is essential that we defend the integrity
1918 and funding for this essential program as a bedrock of the
1919 Federal budget. Right now, people across New Hampshire are
1920 rallying behind the Medicaid program as the state considers
1921 making expansion permanent on a bipartisan basis. And I know
1922 there are a number of Republican states that have just made
1923 Medicaid expansion.

1924 Medicaid expansion has been an unqualified success. It
1925 has extended health insurance to millions of low-income
1926 people, helping to make them healthier and more economically
1927 secure. I am concerned about how some of the discussed cuts
1928 to Medicaid would affect deeply vulnerable individuals,
1929 particularly people with disabilities, seniors, and children
1930 with complex medical conditions.

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1931 Could you describe what some of the consequences would
1932 be if the Federal Government suddenly cut funding for
1933 Medicaid expansion?

1934 *Secretary Becerra. Well, Congresswoman, Medicaid has
1935 become the provider of health care for not just low-income
1936 Americans, but for many middle or lower to middle-income
1937 Americans who can't afford sometimes health care on their
1938 own.

1939 And if we were to see cuts to Medicaid, well, let's just
1940 put it this way. There were 8 -- close to 19 million
1941 Americans who received health care through Medicaid that was
1942 expanded. Forty of the fifty states have expanded their
1943 Medicaid program. That is about 19 million Americans. If we
1944 were to cut those things, you would quickly see millions of
1945 Americans return to the rolls of the uninsured.

1946 And I mentioned how we have never seen so many Americans
1947 have access to health care through their own insurance as we
1948 see today, more than 300 million. It would be devastating to
1949 move backwards instead of trying to get the rest of the
1950 country, the 30 or so million Americans who still are not
1951 covered.

1952 *Ms. Kuster. Secretary, my time is up, but I just want

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1953 to point out that that would have a devastating impact on our
1954 workforce, as well.

1955 *Secretary Becerra. Yes.

1956 *Ms. Kuster. So I yield back.

1957 *Mr. Guthrie. The gentlelady yields back.

1958 *Ms. Kuster. Thank you so --

1959 *Mr. Guthrie. The chair now recognizes Ms. Harshbarger
1960 for five minutes for questions.

1961 *Mrs. Harshbarger. Thank you, Mr. Chairman, and thank
1962 you, Secretary, for being here today. I want to delve right
1963 in and touch on a couple of issues which we have common
1964 ground on, and then some where there may be some
1965 disagreement.

1966 In one of our previous conversations we have talked
1967 about how pharmacy benefit managers have exploited the lack
1968 of transparency, created conflicts of interest, distorted
1969 competition, reduced choices for consumers, and ultimately
1970 increased the price of drugs. They are really putting the
1971 screws on independent pharmacists, by the way, and you know
1972 that, sir.

1973 Is there anything in the President's budget that would
1974 address or reform the PBM industry to make prescription drugs

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1975 more affordable? And that is just a yes or a no.

1976 *Secretary Becerra. It is -- I have to qualify, because
1977 most of that reform would not be done through the budget. It
1978 would be done through the rules that we set. But we are
1979 absolutely trying to do reform and transparency.

1980 *Mrs. Harshbarger. Well, I think we could work together
1981 on that, because there is strong bipartisan support in
1982 Congress --

1983 *Secretary Becerra. Great.

1984 *Mrs. Harshbarger. -- to do that, especially on this
1985 committee.

1986 *Secretary Becerra. I look forward to it.

1987 *Mrs. Harshbarger. Let me turn to another topic that,
1988 to me, is an immediate threat, and it is about mail order of
1989 oncology drugs.

1990 Recently HHS, through frequently asked questions,
1991 implemented a prohibition on community cancer clinics from
1992 mailing their patients medicines directly, forcing patients
1993 to come into the clinic. Now, HHS waived this restriction
1994 through the public health emergency, but it is set to take
1995 effect again in May. And this is extremely disruptive to
1996 cancer care, and I have talked to these oncologists

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1997 personally.

1998 And I want to follow up with more details in a written
1999 letter, but do I have your commitment to work with me and
2000 other concerned Members in Congress to resolve this issue?

2001 *Secretary Becerra. Absolutely, you have my commitment.

2002 *Mrs. Harshbarger. Okay, fantastic. We will get that
2003 letter to you.

2004 Now let me move on to something you might not -- well,
2005 you are probably familiar with, and I want to ask you a
2006 couple of things about the Federal workforce under your
2007 Department. Now you have about 83,000 Federal employees
2008 under the Department. Is that correct?

2009 *Secretary Becerra. I am sorry?

2010 *Mrs. Harshbarger. You have about 83,000 Federal
2011 employees --

2012 *Secretary Becerra. Correct.

2013 *Mrs. Harshbarger. -- under your Department.

2014 *Secretary Becerra. That is correct.

2015 *Mrs. Harshbarger. And about 4,000 of those employees
2016 work at CMS headquarters in Woodlawn, Maryland, correct?

2017 *Secretary Becerra. I would have to check the number,
2018 but I will assume that you have a correct number.

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2019 [Slide]

2020 *Mrs. Harshbarger. Okay. Well, I have -- I want to
2021 show you this photo, and I am sure that you are absolutely
2022 familiar with this photo. It is an empty parking lot at CMS
2023 headquarters in Woodland, Maryland. This photo was taken on
2024 a Monday, March 20th at 10:40 a.m.

2025 And Mr. Secretary, I assume that a good number of people
2026 will drive to the headquarters at CMS. And why is the
2027 parking lot empty, and on a Monday morning at 10:40 a.m.?

2028 My question is, do you have a breakdown of how many
2029 employees at CMS do telework on a regular, consistent basis,
2030 sir?

2031 *Secretary Becerra. Congresswoman, we are working full
2032 time. We have been working full-time since the pandemic.
2033 The fact that so many Americans have a vaccine that they have
2034 been able to use to save their lives --

2035 *Mrs. Harshbarger. Well, can I stop you just a second?
2036 Would you give me the data on that?

2037 *Secretary Becerra. I can certainly get you data on --

2038 *Mrs. Harshbarger. Yes, that would be --

2039 *Secretary Becerra. -- on the workforce, and we will --

2040 *Mrs. Harshbarger. Absolutely.

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2041 *Secretary Becerra. -- can try to respond to some of
2042 those questions.

2043 *Mrs. Harshbarger. I would love to know how many people
2044 are working from home.

2045 I see in the President's budget CMS is requesting
2046 thousands more dollars for office rent. And my question to
2047 you is, why should we even consider more funding for office
2048 rent when you don't know how many people are showing up at
2049 the office?

2050 And there is also other areas in your Department that --
2051 you are potentially looking to get rid of property. You
2052 know, and this is -- let me tell you this. This is what the
2053 American people see. They see an image, or a situation that
2054 does not resemble good government. And it is not only
2055 outrageous to many Members in Congress, but it also is like a
2056 slap in the face to the Americans and the taxpayers that are
2057 coming to work and showing up, day in and day out, sir,
2058 because it is -- that is their job, is to be on site. And we
2059 know, we have looked at studies, people are more productive
2060 when they show up in person. And I am a health care
2061 provider, and I have been for 37 years. I have to show up to
2062 do my job.

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2063 So let me turn to one other thing. And -- well, I may
2064 have a little bit of time -- and it is about the future of
2065 Medicare. In a recent Washington Post editorial called
2066 "President Biden's Medicare Solvency Plan," and I quote,
2067 "Political messaging, rather than a serious approach," and
2068 it places the entire burden of ensuring Medicare solvency on
2069 popular -- on unpopular drug companies and high-income --
2070 implying incorrectly that structural reforms are unnecessary.

2071 And I will just say this. When a Democratic
2072 Administration loses the faith of the Washington Post
2073 editorial board, you know things are not going in the right
2074 direction, sir.

2075 Would these Medicare proposals do anything to prevent
2076 Medicare costs from growing at a far faster rate than GDP?

2077 *Secretary Becerra. Congresswoman, the fact that the
2078 President not only maintains benefits and protects them, but
2079 also can do that for the next generation will be a great
2080 savings for all Americans who can have guaranteed health care
2081 when they need it.

2082 *Mrs. Harshbarger. Well, I am out of time, sir, and I
2083 have a few other questions, but I will get those to you in
2084 writing.

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

2085 [The information follows:]

2086

2087 *****COMMITTEE INSERT*****

2088

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2089 *Mrs. Harshbarger. Thank you, sir, and I yield back.

2090 *Mr. Guthrie. I now recognize the gentlelady from
2091 California, Ms. Barragan, for her five minutes.

2092 *Ms. Barragan. Thank you, Mr. Chair.

2093 Thank you, Mr. Secretary, for being here today to
2094 testify. Thank you for all of your work, and thank you for
2095 joining the Congressional Hispanic Caucus on the road to talk
2096 about youth mental health and everything in the
2097 Administration that you are doing to address youth mental
2098 health. I am sure we will be seeing you to continue on the
2099 road to talk about all of the accomplishments that we have
2100 been able to do in the last two years that were -- the people
2101 are going to barely start to feel. So thank you for that.

2102 There is an area which we have talked about before, and
2103 I want to take a moment here to recognize the amazing
2104 advocates that are sitting in purple behind you with the
2105 Alzheimer's Association. I stand with them in support of
2106 improving access to FDA-approved Alzheimer's drugs. And I
2107 know that you have heard it from me before, but I disagree
2108 with CMS's coverage decision to tightly restrict coverage for
2109 an entire class of FDA-approved Alzheimer's drugs. And I
2110 continue to just say I think there is a huge disconnect when

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2111 the FDA can approve a drug, and that CMS will not cover that
2112 drug.

2113 Just recently the VA also announced that they were going
2114 to cover one of the drugs that CMS won't cover, which is
2115 lecanemab. And so it seems to me there is just some real
2116 disconnect that we are trying to get to the heart of to see
2117 how we can fix that. It is one of the reasons that my
2118 colleague, Dr. Joyce, and I introduced the Access to
2119 Innovative Treatments Act. Our bill would ensure CMS fairly
2120 considers coverage for innovative drugs and therapies.

2121 And so this is an issue I am going to continue to work
2122 on. My mother has Alzheimer's. She is 82.

2123 We also know Alzheimer's is one of the biggest threats
2124 that we have, especially in our Latino communities who are at
2125 risk of developing this. And I think when we talk about
2126 budgets and we talk about cost, it is also going to have a
2127 huge dollar impact, you know, on our budget, and access to
2128 care and health care.

2129 One of the good things, I think, that came out of what
2130 Democrats were able to do in the last couple of years is
2131 investing over \$100 billion over 10 years for Medicaid home
2132 and community-based services. I want to thank you for that.

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2133 That is something that Congress needs to continue to do, so
2134 that people like my mother, who have Alzheimer's, can stay in
2135 their home, which they know is the most familiar place, which
2136 helps them in their development.

2137 Mr. Secretary, I want to move on to a topic that is in
2138 the public now and is so critical, and that is the Medicaid
2139 unwinding. I want to thank you for your leadership on this,
2140 and thank you for your leadership in keeping Americans
2141 covered. As a result of your hard work, more Americans have
2142 health care coverage today than ever before. Uninsured rates
2143 are at an all-time low.

2144 However, this achievement may be at risk. In just a few
2145 days, states will resume reviewing all Medicaid enrollees'
2146 eligibility, a process called Medicaid unwinding, on April
2147 1st. Last August, HHS estimated that 15 million people could
2148 lose their Medicaid if the program operates as it did in the
2149 past, including nearly 5 million Latinos who are at risk.
2150 More than half of the people of color estimated to lose
2151 coverage will remain eligible for Medicaid.

2152 In response to these staggering numbers, Congress
2153 enacted strong beneficiary protections, required additional
2154 transparency from states, and authorized powerful new

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2155 enforcement tools for HHS to use to protect our most
2156 vulnerable citizens.

2157 Furthermore, more than 60 members of the Congressional
2158 Tri-Caucus, which is made up of the CHC, the CBC, and the
2159 Asian American Caucus, sent you a letter urging you to
2160 protect access to health care coverage during the unwinding.

2161 My question, Mr. Secretary, how do you plan to oversee
2162 states to ensure that they are complying with the law?

2163 And how will you commit to act swiftly to protect
2164 Medicaid beneficiaries if it is clear that a state is
2165 improperly disenrolling individuals?

2166 *Secretary Becerra. Congresswoman, first, thank you for
2167 the work you are doing on this. We -- I look forward to the
2168 partnership, because you are right. There is no reason why
2169 someone who is eligible to receive insurance should lose it
2170 and not have access to medical services simply because they
2171 did not get connected in time.

2172 A year ago -- I think about -- maybe even more than a
2173 year ago, I wrote a letter to all the governors in our
2174 country, saying at some point we are going to be moving on
2175 from the public health emergency, and Medicaid will have to
2176 unwind, and people may lose their coverage, so let's start

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2177 working together to prepare, because states, as you know,
2178 administer the Medicaid program for the Federal Government.

2179 We have since been following up with those governors. I
2180 now write them every month, so they know where they stand.
2181 We don't want any governor to say, oh, I didn't realize that
2182 hundreds of thousands or millions of my residents were going
2183 to lose their coverage.

2184 I am holding a copy of the letter I sent to our governor
2185 in California, Governor Newsom. That was dated March 7th.
2186 This is a letter that every governor -- very similar -- gets
2187 to tell them where they stand. We are going to bird dog
2188 this, and I want to say especially to those of you who
2189 supported the law that gives us more authority to oversee
2190 how --

2191 *Mr. Guthrie. The time is expired.

2192 *Secretary Becerra. -- that unwind occurs to make sure
2193 that every state is responsible --

2194 *Mr. Guthrie. Sorry, Mr. Secretary, the time is
2195 expired. So we are about almost a minute over, I apologize.
2196 So the chair now recognizes Mr. Bilirakis for five minutes
2197 for questions.

2198 *Mr. Bilirakis. Thank you, thank you, Mr. Chairman. I

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2199 appreciate it very much.

2200 Mr. Secretary, I want to talk to you today about the
2201 health concerns plaguing the youth of our nation. We have
2202 seen an influx of illicit fentanyl and other dangerous
2203 illicit substances coming across the southern border, all
2204 while we have an unprecedented mental health and substance
2205 abuse crisis.

2206 Our children are being poisoned by drugs that flood
2207 across our southern border. And I always say that fentanyl
2208 is a weapon of mass destruction. Many of these children do
2209 not realize that they are even encountering illicit fentanyl.
2210 Many utilize social media platforms to purchase pills that
2211 they believe are pharmaceutical grade, but in fact are laced
2212 with fentanyl. And I know this has been mentioned before,
2213 but it is worth being mentioned again, that is for sure.

2214 The HHS budget suggests expanding the CDC's -- and I
2215 quote -- What Works in Schools Program, centered around
2216 health education for middle and high school students. In
2217 this program the CDC has provided health education curriculum
2218 tools for schools to utilize -- to help meet the health needs
2219 of students. This 940-page document never mentions fentanyl
2220 or opioids, not a single time. For that matter, illicit

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2221 fentanyl is only mentioned once in your HHS budget document,
2222 only twice in the President's budget. And I know that the
2223 chairman mentioned this, as well.

2224 Is there confusion at HHS about the deadly impact of
2225 illicit fentanyl when it comes to drug overdose deaths?
2226 Please, sir.

2227 *Secretary Becerra. Congressman, I have heard the
2228 mention of a reference once or twice in the budget. I would
2229 say to you that we are addressing fentanyl not once or twice
2230 in the budget, but 10 billion, 900 million times, because
2231 that is the amount of money that we are committing to fight
2232 drug overdose and fentanyl and opioids. And so we are in
2233 that mix. We don't have to say the word to be in the mix.

2234 And what we are trying to do is work with our
2235 communities locally to make sure they know that they will be
2236 supported by the Federal Government when it comes to
2237 addressing drug overdose, whether it is opioids, whether it
2238 is fentanyl. We want to be there with them.

2239 *Mr. Bilirakis. Okay, I will get on to the next
2240 question.

2241 Last year you told me, when I asked about the status of
2242 Medicare's transitional coverage of emerging technologies

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2243 rule and also expressed concern about CMS acting as a second
2244 gatekeeper to the FDA, particularly due to the agency's
2245 misguided NCD decision on Alzheimer's treatments, you told me
2246 that the two agencies have two separate but distinct
2247 missions, but they were committed to working together to help
2248 provide seniors with new potential treatment options.

2249 Unfortunately, in the year since, we saw you -- that
2250 exact opposite. Unfortunately, the exact opposite has
2251 occurred. And I know my colleagues have mentioned this, as
2252 well. CMS doubled down on its policies and blocked coverage
2253 for the entire class of these treatments when it comes to
2254 Alzheimer's.

2255 How is it possible for CMS to pre-judge an entire class
2256 of drugs as not being reasonable and necessary for seniors
2257 after the FDA approves these very drugs to treat a safe and
2258 effective -- for Medicare patients with Alzheimer's, the
2259 primary audience for these drugs?

2260 And this is hope for Alzheimer's patients. It is hope
2261 for our families and caregivers. So please, sir, answer the
2262 question, and let's reverse this ruling by CMS. I mean,
2263 isn't FDA responsible for making these decisions?

2264 *Secretary Becerra. Yes, Mr. Chairman, thank you very

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2265 much.

2266 And for all Americans who are interested in this
2267 subject, not just because a family member has Alzheimer's,
2268 but just because this is the kind of thing that could hit
2269 their family at any time, I want to make sure we are clear.
2270 We are following, Congressman, the law that you all have
2271 passed -- maybe not you today or in the last few years. But
2272 the law that is in the books treats FDA and CMS differently.
2273 The standards that apply to FDA are different from the
2274 standards that CMS must apply.

2275 And so it wasn't that CMS pre-judged, or that it didn't
2276 follow what FDA did and said, it is that the CMS is not, by
2277 law, under the laws that Congress passed, supposed to just
2278 follow FDA or judge based on what FDA does. CMS, like FDA,
2279 must collect the evidence to make decisions.

2280 FDA makes the initial decision: Is this a drug that
2281 should be put out into the market for American consumers to
2282 have access to? Is it safe and effective?

2283 CMS has a different standard by law, established by
2284 Congress --

2285 *Mr. Bilirakis. What is that standard?

2286 *Secretary Becerra. Reasonable and necessary is

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2287 probably the shortcut way of saying what CMS must look at for
2288 purposes of determining whether it will provide access to a
2289 particular treatment or medication.

2290 *Mr. Guthrie. Great, thanks. Time has expired. I let
2291 you go on because we are all interested in that, and I know a
2292 lot of people in this room are interested in that, as well.
2293 So we appreciate it.

2294 Dr. Schrier, you are now recognized for five minutes.

2295 *Ms. Schrier. Thank you, Mr. Chairman.

2296 And thank you, Secretary Becerra. Thank you for being
2297 here today. Thank you for the work you have done to make
2298 health care more affordable and accessible for the American
2299 people. And thank you specifically for coming to my district
2300 to visit a school-based health clinic, which is pretty
2301 remarkable. And I want to thank you for including support
2302 for school-based health centers in your budget.

2303 Today there are so many things to focus on, I thought I
2304 would focus on health care access from a couple of
2305 perspectives.

2306 First, in your testimony you discussed the importance of
2307 expanding and retaining the health care workforce. In the
2308 wake of the pandemic we have seen early retirements,

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2309 resignations, mostly in doctors and nurses, and these
2310 shortages are already being felt in rural areas and
2311 under-served areas.

2312 I saw that there is funding in the budget for innovative
2313 approaches to train up some other parts of our health care
2314 system, which is great. But I just want to focus on the
2315 importance of graduate medical education needing a bigger
2316 pipeline in order to respond to physician shortages. And I
2317 know it is a lengthy training, but you have got to start
2318 somewhere.

2319 I have been working on bipartisan efforts to enhance
2320 both the rural and pediatric workforces. One of my recent
2321 bills with my colleague, Representative Harshbarger, is the
2322 Rural Physician Workforce Protection Act, which aims to put
2323 more providers in residency programs in rural areas because
2324 where people train, as you know, they stay.

2325 I was wondering if you could talk about your plans to
2326 strengthen GME, and also if you could touch on pediatric
2327 graduate medical education.

2328 *Secretary Becerra. First, I have to say what you just
2329 said is music to our ears at HHS. We believe that, where a
2330 physician trains probably will determine where that physician

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2331 practices. And so, therefore, to the degree that we can
2332 drive through the Graduate Medical Education programs these
2333 graduate slots, these residency slots into communities like
2334 rural communities, low-income communities, we have a chance
2335 of ensuring that they will stay there to practice. And so we
2336 support that.

2337 Our Public Health Service Corps, we are sending more
2338 people into communities that are disadvantaged. We pay your
2339 education for four years of medical school or nursing school,
2340 and then you commit to five years of service in a under-
2341 served area, a rural community, otherwise. So we are going
2342 to try to --

2343 *Ms. Schrier. Thank you. Music to my ears.

2344 *Secretary Becerra. Yes.

2345 *Ms. Schrier. You know, I wanted to -- just this week
2346 in a meeting I heard that there are some new restrictions on
2347 residency funding so that that cannot be used to have
2348 residents, say, at an urban hospital do some of their
2349 rotations in rural areas unless there is special set-aside
2350 funding. So if you could just take a look at that, that
2351 would be counter to what we want to do in rural America.

2352 *Secretary Becerra. Okay.

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2353 *Ms. Schrier. Let's see. I also wanted to talk about
2354 retaining the workforce that we have. I want to associate
2355 myself with the comments made by Dr. Ruiz about the
2356 continuing threats of Medicare cuts, and how that impacts the
2357 workforce. And we just ask that, at a minimum, we don't cut
2358 and, ideally, have it keep up with inflation, because there
2359 is definitely a squeeze.

2360 *Secretary Becerra. And Congresswoman, recognize that
2361 we have to live with a neutral process.

2362 *Ms. Schrier. Yes.

2363 *Secretary Becerra. So if we increase in one place, we
2364 have to decrease somewhere else. We don't have a choice. We
2365 need you to change that.

2366 *Ms. Schrier. Maybe that neutrality is the problem. I
2367 am happy to talk with you about that, and to work on that.

2368 Let's see. I also wanted to talk about Medicaid
2369 reimbursement, which is even lower than Medicare
2370 reimbursement. And I have a bill, the Kids Access to Care
2371 Act, which boosts Medicaid to Medicare reimbursement, which I
2372 am working on. And I hope you will pay attention to that,
2373 too.

2374 And lastly, this is a big thank you, just about the

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2375 importance of the Affordable Care Act and the subsidies that
2376 we included in the Inflation Reduction Act that have really
2377 made a difference at the kitchen table for my constituents.
2378 Premiums are at an all-time low. Enrollment is at an all-
2379 time high. In part of my district in a rural area, 82
2380 percent of people on ACA plans saw their premiums reduced by
2381 an average of \$450 a month, and that matters at the kitchen
2382 table. So I want to thank you.

2383 I am short on time, but if you want to touch on the
2384 importance of making those subsidies, those tax credit
2385 enhancements permanent, I would love to hear a couple of
2386 words.

2387 *Secretary Becerra. Congresswoman, it is all about
2388 peace of mind. If you know that you can take your child to
2389 the hospital when it is necessary and you don't have to fear
2390 going bankrupt or not being able to pay the mortgage, it is
2391 peace of mind. And every American should have that. There
2392 is no reason why some families in America can't make that
2393 decision the right way, which is give my child the care he or
2394 she needs.

2395 *Ms. Schrier. Thank you.

2396 *Secretary Becerra. Thanks.

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2397 *Ms. Schrier. I yield back.

2398 *Mr. Guthrie. I thank -- the gentlelady yields back.

2399 The chair recognizes Mr. Hudson for five minutes.

2400 *Mr. Hudson. Thank you, Chairman.

2401 Mr. Secretary, thank you for joining us today. I have a
2402 number of questions, so I think I will jump right in.

2403 For the last several years, FDA has allowed certain
2404 e-cigarettes and vaping products with pending Pre-Market
2405 Tobacco Application to be sold. Unfortunately, FDA has
2406 failed to publicly communicate in a transparent manner which
2407 of these products have filed a PMTA, and therefore are
2408 allowed to remain on the market. The result is marketplace
2409 confusion, and a related proliferation of illegal vapor
2410 products on store shelves.

2411 In addition to the agency's failure to provide
2412 regulatory clarity to consumers and retailers on what
2413 products may be lawfully on the market, FDA's Center for
2414 Tobacco Products is also facing an unprecedented backlog in
2415 new product applications.

2416 While I understand that CTP is still in the process of
2417 reviewing applications for both PMTAs and non-tobacco
2418 nicotine products, some applicants are experiencing historic

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2419 wait times on hearing back from the center on the status of
2420 their applications. This does affect consumer and industry
2421 confidence in the Administration's ability to bring
2422 innovative, next-generation products to the market.

2423 Mr. Secretary, does the Administration have any plans to
2424 use your enforcement discretion to remove these illegal
2425 e-cigarette and vapor products, a majority of which come from
2426 China, from the market?

2427 And additionally, will this Administration commit to
2428 ending the confusion surrounding the legality of these
2429 products?

2430 *Secretary Becerra. Congressman, I look forward to
2431 working with you on this subject, because if I were to ask
2432 you how many applications do you think FDA received to put a
2433 vaping product on the market, what would you say?

2434 *Mr. Hudson. Hundreds.

2435 *Secretary Becerra. Hundreds? Over -- I think it was
2436 five million.

2437 *Mr. Hudson. Wow.

2438 *Secretary Becerra. And so that has been the issue. We
2439 have -- we were flooded with applications, some really not
2440 worth the paper they were written on. But this way they

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2441 could try to escape having direct action taken against them,
2442 enforcement action.

2443 And so what I can tell you is FDA has disposed of well
2444 over 90 -- I think close to 98 percent of all of those
2445 claims. They are moving hard. It is just that you haven't
2446 seen that, because so many of them they had to dispose of
2447 were essentially frivolous. Now we are being sued, because
2448 there are companies that don't like the determinations we
2449 have made.

2450 So I would look forward to working with you, because we
2451 are doing everything we can to get some of these products,
2452 which you and I know have no reason to be on that shelf, a
2453 grocery shelf, we need to take them off. So I look forward
2454 to working with you on that.

2455 *Mr. Hudson. Absolutely. I commit to working with you
2456 on that. Thank you.

2457 What is CTP's plan to mitigate the current backlog,
2458 though? I mean, I realize it is larger than I thought it
2459 would be, but do you -- what is your plan for --

2460 *Secretary Becerra. The backlog -- there is no -- the
2461 backlog is not so much a backlog, it is we are being delayed
2462 by litigation. We can't move forward on a particular

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2463 product.

2464 The larger companies are the ones that are putting lots
2465 of attorneys in front of us and suing us. They are the ones
2466 that have the majority of the products. And because we are
2467 in litigation, because we are being sued, we are -- it
2468 essentially puts a halt on a lot of our enforcement. But we
2469 have taken recent enforcement actions. We are working with
2470 the Department of Justice to help us enforce on those
2471 actions.

2472 And as I said, I would love to have that conversation
2473 with you, because we could use some help in letting the
2474 public know what is really going on out there.

2475 *Mr. Hudson. Yes, great.

2476 Well, switching gears in the little bit of time I have
2477 left here, I had the honor to work with my colleague, Anna
2478 Eshoo, on reauthorization of the Pandemic and All-Hazards
2479 Preparedness Act, and we look forward to working with you in
2480 a bipartisan manner on this important reauthorization.

2481 A recent GAO analysis tracking COVID-19 funding and
2482 spending found Congress has appropriated nearly 350 billion
2483 to the Public Health and Social Services Emergency Fund, also
2484 known as PHSSEF. This funding was intended to support and

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2485 improve the nation's preparedness and response for COVID-19
2486 and other public health emergencies. According to the
2487 report, as of January 31st there remains about 20 billion in
2488 unexpired and unobligated funds within this fund.

2489 Just this morning, the Bloomberg reported, based on a
2490 breakdown directly from the White House, that over 98 percent
2491 of the money from COVID relief bills, including this fund,
2492 had been committed, leaving about 4.5 billion. I then
2493 learned from the Appropriations -- my Appropriations
2494 counterparts this morning that there is actually
2495 approximately 5 to 6 billion unobligated as of March 20th.

2496 Could you help us provide a little bit of clarity here?
2497 I think this committee deserves a little bit more information
2498 on an accounting, a summary of what is obligated, what is
2499 not, and what HHS's plans to allocate and distribute all this
2500 unspent money is.

2501 *Secretary Becerra. Yes, and Congressman, I commit to
2502 follow up with you on this, because I know we are going to
2503 run out of time.

2504 But what I will say is, first, thank you for the
2505 leadership you have shown on the -- because I think what we
2506 are trying to do is build that infrastructure.

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2507 We can get back to you on the actual dollars that are
2508 left; 96 percent of all of the COVID dollars have already
2509 gone out the door. The four or so percent that remain, four
2510 to six percent that remain, are unobligated, but are in the
2511 pipeline to be, you know, signed on the dotted line. So
2512 there is not a lot of money that is uncommitted. Unobligated
2513 makes it sound like it is not yet committed. It really is.

2514 But I can talk to you. We can go through the numbers.
2515 But what I would really love to talk to you about is how we
2516 follow up because what we need to do is strengthen our
2517 domestic production. We have to secure our supply chains.
2518 And I suspect you know all of these things, so I would be
2519 interested in soliciting your support.

2520 *Mr. Guthrie. Thanks --

2521 *Mr. Hudson. Absolutely. I look forward to working
2522 with you.

2523 And Mr. Chairman, thank you. I yield back.

2524 *Mr. Guthrie. The gentleman yields back. The chair
2525 recognizes Ms. Blunt Rochester for five minutes.

2526 *Ms. Blunt Rochester. Thank you, Mr. Chairman.

2527 And thank you, Secretary Becerra. Good to see you.

2528 Thank you for joining us in Delaware to focus on child mental

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2529 health, and for joining us today to discuss the President's
2530 fiscal year 2024 budget for the Department of Health and
2531 Human Services.

2532 I am pleased that a few of my colleagues have touched on
2533 workforce issues, which underscores how important we think
2534 this is. But I want to focus specifically on the nursing
2535 workforce.

2536 With over five million people nationwide, nursing is the
2537 nation's largest health care profession. Therefore, a robust
2538 nursing workforce is critical for improving health, economic
2539 security, and equity in our country. During the COVID-19
2540 pandemic, the already over-stretched nursing workforce
2541 struggled with a host of new and intensifying challenges.
2542 And now they are leaving the profession in record numbers.

2543 Secretary Becerra, the President's budget outlines
2544 several proposals to reduce healthcare workforce shortages,
2545 including the nursing workforce. Can you discuss why
2546 innovative approaches to strengthen retention and address
2547 healthcare workforce shortages are necessary?

2548 *Secretary Becerra. Congresswoman, it is hard to have
2549 good health care if you can't find a good health care
2550 professional. And we have already had lots of discussion

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2551 about how it has become tough, whether physicians, nurses,
2552 other health care professionals. And so we are going to be
2553 in this game for a while because we need to support these
2554 efforts.

2555 We are providing additional funding for the National
2556 Health Service Corps, which, as you know, helps put
2557 professionals in some of our most disadvantaged communities.
2558 We are increasing Graduate Medical Education funding. We are
2559 providing scholarship and loan repayment programs for
2560 clinicians who return to practicing in under-served areas.
2561 We are beefing up primary care physicians. We are doing
2562 quite a bit.

2563 *Ms. Blunt Rochester. Great, thank you. I am concerned
2564 that the nursing landscape is evolving more rapidly than our
2565 current methods of data collection and analysis. And I am
2566 also concerned that we don't have a centralized, dedicated
2567 body to study and advise on ongoing nursing workforce trends
2568 as they occur.

2569 What is the Administration proposing to ensure that
2570 policy-makers, health care leaders, and educators have up-to-
2571 date and actionable information on emerging nursing trends?

2572 *Secretary Becerra. We are in the process of fielding

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2573 the National Sample Survey of Registered Nurses, which will
2574 give us the data we need to figure out where we are, what we
2575 need to do. We are going to work with HRSA to try to make
2576 sure that we put resources into those areas that help us beef
2577 up the workforce, and we look forward to working with you.

2578 *Ms. Blunt Rochester. And how is the Administration
2579 working with and supporting state-based entities like nursing
2580 workforce centers that use a local lens to address the
2581 nursing shortage within their respective states?

2582 *Secretary Becerra. Well, they are our principle
2583 guides, because they know where we have to put the resources,
2584 where folks have to be. And so we intend to work closely
2585 with them.

2586 *Ms. Blunt Rochester. Thank you for that answer. I
2587 believe that improved Federal and state coordination is
2588 needed to monitor nursing shortages, coordinate strategies to
2589 alleviate the pressures on the nursing workforce, and advise
2590 stakeholders. I am glad to share that Congresswoman Young
2591 Kim, Senator Merkley, and Senator Tillis and I introduced the
2592 bipartisan Nursing Workforce Shortage -- Nursing Workforce
2593 Center Act to do just that. I look forward to working
2594 together with you on this and other health care issues.

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2595 Switching gears, health centers are a critical part of
2596 the healthcare safety net, treating a sicker, poorer and more
2597 diverse population than most other health care providers.
2598 The President's budget includes several proposals to improve
2599 the reach of health centers by expanding mental health and
2600 substance use disorder care, increasing hours of operation,
2601 and funding new access points for high need areas.

2602 Can you describe the President's proposal, and explain
2603 to us why enhanced funding will increase access to
2604 affordable, comprehensive, and high-quality primary care
2605 services?

2606 *Secretary Becerra. Congresswoman, as you know, some of
2607 the real champions and stellar performers during COVID were
2608 our community health centers. They stepped forward and
2609 provided care to people who didn't have insurance, who
2610 couldn't access regular care through a physician's office or
2611 a hospital. And they did the large work when it came to
2612 saving lives in COVID.

2613 We have put additional resources, quite a bit of money
2614 into these centers, the 1,400 or so health centers around the
2615 country. They service tens of millions of Americans, and
2616 they are proven, they are successful. We are going to

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2617 continue to fund them. We are increasing funding. We want
2618 them to get more into behavioral health. They are limited in
2619 their funding, so sometimes they can't do certain services,
2620 but we hope we can help them get there.

2621 *Ms. Blunt Rochester. I am really pleased, again, to
2622 see the expansion of also hours and access, because that is
2623 really important, too.

2624 And I want to thank those who are here today from the
2625 Alzheimer's, our patient advocates, and others. We look
2626 forward to continuing the partnership.

2627 Thank you, Mr. Chairman, and I yield back.

2628 *Mr. Guthrie. Thank you. The gentlelady yields back.
2629 The chair recognizes Dr. Bucshon for five minutes.

2630 *Mr. Bucshon. Thank you, Mr. Chairman.

2631 Thank you, Mr. Secretary. As my colleagues heard
2632 yesterday, one of my legislative priorities is to increase
2633 transparency and accountability in the 340B program. In a
2634 letter from 2020, you described the 340B program as, and I
2635 quote, public "for public hospitals, community health
2636 centers, and others serving indigent patients.'" Do you
2637 still believe that?

2638 *Secretary Becerra. I do.

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2639 *Mr. Bucshon. Great. I am sure you may have read the
2640 New York Times article -- and there is other articles and
2641 other sources from -- this was from last September --
2642 describing how certain large hospital systems have bought up
2643 340B-eligible entities in low-income areas, and then used
2644 this location to obtain 340B eligibility in their facilities
2645 in more prosperous areas, and essentially pocket the profits
2646 with -- and fail to use this money to help the patients, as
2647 the program was intended.

2648 Do you agree that the 340B program participants should
2649 be accountable for how they use savings from the program?

2650 *Secretary Becerra. Absolutely.

2651 *Mr. Bucshon. In 2018, as attorney general for
2652 California, you sued Sutter Health, one of the largest
2653 hospital systems in the state, alleging that Sutter
2654 aggressively bought up hospitals and physician practices and
2655 exploited that market dominance by raising prices. Certain
2656 Sutter hospitals, including Sutter Davis, Sutter Medical
2657 Center Sacramento, and Alta Bates Summit Medical Center
2658 participate in the 340B program. If Sutter was failing to
2659 meet your expectations as a -- and I quote -- "public
2660 hospital community health center or other provider serving

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2661 indigent patients, '' should it continue to be a 340B-
2662 designated facility?

2663 *Secretary Becerra. I --

2664 *Mr. Bucshon. That is complicated question, I
2665 understand.

2666 *Secretary Becerra. Yes, yes, but I am glad you asked
2667 it, because what we don't want is to find that there is
2668 opaqueness, there is little transparency in how money is
2669 being used, that 340B doesn't have the transparency we need.

2670 What I will tell you, with Sutter Health we found that
2671 they were engaged in practices that were stifling
2672 competition --

2673 *Mr. Bucshon. Sure.

2674 *Secretary Becerra. -- increasing prices.

2675 *Mr. Bucshon. Yes.

2676 *Secretary Becerra. What we -- that is not what we
2677 want. And we want to make sure that, on 340B, we are not
2678 driving pharmacists out of business. We are making sure
2679 community clinics can receive the medicines they need. We
2680 are going to do what we can to make it more transparent.

2681 *Mr. Bucshon. Yes. I mean, the whole point of that
2682 line of thought right there that I had was to show that you

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2683 really just don't know whether they should -- whether they
2684 are acting well in 340B or not, because there is no
2685 transparency, right?

2686 *Secretary Becerra. That is right.

2687 *Mr. Bucshon. In 2014, Kathleen Sebelius, then
2688 Secretary of the Department of Health and Human Services for
2689 the Obama Administration, testified before the Senate Finance
2690 Committee on the President's fiscal year 2015 budget. In
2691 response to a question on 340B she said -- and I quote -- "It
2692 had been expanded beyond its bounds."

2693 At that point there were 9 billion in sales in the 340B
2694 -- at the 340B price. In 2021 there were 44 billion in sales
2695 at the 340B price. The number of covered entity sites has
2696 more than doubled since 2014 to 50,000 sites. And now more
2697 than half of all hospitals in America participate in the 340B
2698 program, according to MedPAC.

2699 I do want to say, though -- I failed to mention that --
2700 I am a huge supporter of 340B, if done properly. My
2701 community hospitals need this program. My intent is to make
2702 it transparent, so that it doesn't continue to struggle and
2703 jeopardize their participation.

2704 But it seems to me that, logically, such an expansion

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2705 would also mean exponential growth in the amount of charity
2706 care and other patient benefits. You would think. That was
2707 how the program was intended, right? But that is just not
2708 the case that we have seen over the last eight years. So
2709 what are your thoughts on that?

2710 *Secretary Becerra. So we are trying to do reforms in
2711 340B. We need your help to have statutory authorities to
2712 make some of these changes. We know that there has been a
2713 lot of lawsuits filed because of 340B.

2714 What I will simply say to you, compliance, transparency,
2715 two crucial aspects of making sure --

2716 *Mr. Bucshon. You need legislative action for most of
2717 that, some of that?

2718 *Secretary Becerra. A great deal of it.

2719 *Mr. Bucshon. Yes, well, I am working on that.

2720 I want to talk briefly about the No Surprises Act. As
2721 you know, this took the patients out of the picture. They no
2722 longer get surprise medical bills from out-of-network
2723 providers, which is a tremendous success.

2724 However, as you probably might imagine, I was
2725 disappointed in the implementation from the agency, which I
2726 feel didn't follow congressional intent. I know the people

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2727 on Capitol Hill that didn't get their way tried -- now are
2728 trying to do it through the agencies. I know that. So I
2729 would just -- I don't have much time, but, you know, I would
2730 hope that, you know, the intent of the law was to have a
2731 balanced approach between the providers and the insurance
2732 companies.

2733 And I recently heard in the IDR situation the -- you
2734 know, the dispute resolution, that even though providers are
2735 winning those cases, we still don't have insurance companies
2736 actually paying after they have lost. So we need to see what
2737 we can do to make sure that that happens.

2738 With that, I yield back.

2739 *Mr. Guthrie. Thank you. The gentleman yields back.
2740 The chair recognizes Ms. Craig for five minutes for
2741 questions.

2742 *Ms. Craig. Thank you so much, Mr. Chairman, and thank
2743 you so much, Secretary Becerra, for taking the time to answer
2744 our questions about HHS's proposed budget. It is so good to
2745 see you again.

2746 I had to step out for a few minutes of our hearing, but
2747 I am just wondering, did my colleagues on the Republican side
2748 of the aisle issue a budget while I was away?

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2749 *Secretary Becerra. No, Congresswoman.

2750 *Ms. Craig. Okay. Okay, good. I just want to make
2751 sure I was up to date.

2752 I want to use my time today to discuss the mental health
2753 and substance use disorder crisis currently facing our
2754 nation.

2755 I represent the 2nd congressional district of Minnesota.
2756 Our state is home to some of the most recognizable names in
2757 health care, including the Mayo Clinic and a host of medical
2758 technology companies. We consistently rank in the top 10 of
2759 all states for access to and quality of care, and we have
2760 recently emerged as a beacon of reproductive and gender-
2761 affirming care in a country where states have grown
2762 increasingly hostile toward the concept of individual choice
2763 and freedom.

2764 In short, in Minnesota we have a lot to be proud of.

2765 But as -- even as Minnesota operates on the cutting edge
2766 of health care, I am hearing from my constituents that mental
2767 health and substance use disorder-related crises are only
2768 rising. Often our law enforcement officials, our health care
2769 workers, and our teachers are being forced to intercede
2770 outside of their areas of expertise to de-escalate dangerous

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2771 situations. And it is causing a malicious cycle of mental
2772 stress for both them and the people in their care.

2773 According to a recent analysis published in the
2774 Minneapolis Star Tribune, which I would like to ask to be
2775 entered into the hearing record --

2776 *Mr. Guthrie. Without objection, so ordered.

2777 [The information follows:]

2778

2779 *****COMMITTEE INSERT*****

2780

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2781 *Ms. Craig. The number of behavioral and mental health
2782 patients transferred from hospitals in the Twin Cities area
2783 to out-of-state facilities more than doubled from 66 in 2017
2784 to 154 in 2021.

2785 Further, hospital-based mental health care workers are
2786 in short supply, with 80 percent of Minnesota counties
2787 designated as areas with a mental health shortage.

2788 From 2011 to 2021, the age-adjusted death rate due to
2789 opioid overdose in Minnesota increased from 5.3 per 100,000
2790 to 17.9 per 100,000, more than threefold.

2791 I am proud of the bipartisan work we have done on the
2792 Energy and Commerce Committee to improve mental health across
2793 the nation. I believe we have to attack these overlapping
2794 national crises head on through a comprehensive, whole-of-
2795 government approach.

2796 So Secretary Becerra, can you describe how the
2797 Department coordinates with other agencies like the Office of
2798 National Drug Control Policy and the Drug Enforcement
2799 Administration?

2800 *Secretary Becerra. Congresswoman, thank you for the
2801 question and for the work that you have done on this issue.

2802 Because drugs fall under the jurisdiction of Health and

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2803 Human Services as medicines, and because they fall under the
2804 jurisdiction of the Department of Justice when it comes to
2805 enforcement of our laws, drug laws, we have a joint effort
2806 that takes place on some of these matters.

2807 Often times we find that, in trying to move in a
2808 direction -- for example, making medications more available,
2809 that it might be listed as harmful drugs or drugs that can be
2810 abused, we find that law enforcement and the health sector
2811 don't always see eye to eye. DoJ, DEA, ONDCP, Office of
2812 National Drug Control Policy, all of us working together with
2813 HHS and others, we try to make sure that we are consistent in
2814 the way the Federal Government handles this.

2815 For HHS, we want to make sure we are concentrating on
2816 health, and making sure that whatever we do with our policy
2817 on drugs, it provides for the best outcome, healthcare-wise.
2818 And so we work with our different agency partners to make
2819 sure we can move forward. That is why, for example, on the X
2820 waiver, we were able to make it possible for physicians to
2821 actually prescribe treatments that could help someone survive
2822 an addiction -- at the same time, wouldn't put themselves in
2823 jeopardy of being accused of actually trying to feed a drug
2824 habit.

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2825 *Ms. Craig. Mr. Secretary, I just want to end with I am
2826 incredibly pleased to see -- request 190 million in increased
2827 funding for 18,000 new behavioral health providers and expand
2828 Medicare coverage of and the payment for additional
2829 behavioral health professionals. We appreciate your
2830 continued focus on these areas that are going to help support
2831 under-served communities and, in particular, rural areas.

2832 So appreciate it, and thank you for coming.

2833 *Secretary Becerra. Thank you.

2834 *Ms. Craig. I yield back.

2835 *Mr. Guthrie. Thank you. The gentlelady yields back.

2836 The chair now recognizes Mr. Carter for five minutes.

2837 *Mr. Carter. Thank you, Mr. Chairman.

2838 Thank you, Mr. Secretary, for being here. It is always
2839 good to see you. Mr. Secretary, as you are aware, we have
2840 had quite a bit of consolidation in health care --

2841 *Secretary Becerra. Yes.

2842 *Mr. Carter. -- here in the recent years, including and
2843 certainly not limited to in pharmacy and in drug pricing.
2844 And I am very concerned about that. I am very concerned that
2845 now we have 3 PBMs, 3 PBMs that control 80 percent of the
2846 market. And those PBMs, all three of those, are owned by an

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2847 insurance company. The insurance company not only owns the
2848 PBM, but it also owns the pharmacy. That vertical
2849 integration is something that I have been asking in the eight
2850 years that I have been in Congress for the FTC to look at.
2851 Finally, last summer, they agreed to do 6(b) study, and they
2852 are looking at that now.

2853 But it is not just in drug pricing. It is in health
2854 care altogether. It is also with hospitals. There have been
2855 almost 1,800 hospital mergers between 1998 and 2021, leading
2856 to about 2,000 fewer hospitals in this country than we had
2857 before. This consolidation in health care is such a problem.

2858 We had the CBO here before us and before this committee,
2859 before the Energy and Commerce Committee. We had the
2860 director of the CBO, the Congressional Budget Office, as well
2861 as about 20 of his staff members. And I asked them pointedly
2862 the question, "Give me one example, one example of where
2863 consolidation has saved money." Nothing. None of them
2864 could give me one example of where consolidation had saved
2865 money.

2866 Now, look, you have been a member of this August body,
2867 and you understand we all want the same thing, regardless of
2868 which side of the aisle you are on. We want affordable,

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2869 accessible, quality health care.

2870 And I know that the Administration, the Biden
2871 Administration, has repeatedly said that competition -- they
2872 want more competition across all industries in America.
2873 Given that, can you tell me what HHS's proposed budget does
2874 to address health care vertical integration and
2875 consolidation?

2876 *Secretary Becerra. And Congressman, I will mention
2877 that when I was attorney general I took on hospital
2878 consolidation in California. It is a problem. It is not
2879 coordination of care. It is the consolidation which leads to
2880 less care that we are concerned about.

2881 HHS doesn't have the direct jurisdiction to deal with
2882 consolidation as you speak. That is more in the jurisdiction
2883 of the Department of Justice and the FCC. But we do try to
2884 make sure that care is coordinated, but not in a way that
2885 removes competition.

2886 *Mr. Carter. I would submit to you -- and I mean this
2887 sincerely -- I don't know that there has been another agency
2888 in the Federal Government that has failed the American people
2889 more than the FTC has in allowing this consolidation to take
2890 place, not only in drug pricing, not only with the insurance

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2891 companies owning the PBM, owning the pharmacy, with spread
2892 pricing, with everything that is going on -- and you are
2893 aware of it, you know what is going on.

2894 There was a study done by the Berkeley Research Group --
2895 and granted, it is a little bit aged now, but it was last
2896 year, in March of 2022. It showed that only 33 percent, only
2897 33 percent of the price of a drug goes to the pharmaceutical
2898 manufacturer, which begs the question: Where does the other
2899 67 percent go? It goes to the people who -- to the
2900 middleman. We have got to address that. It is so clear, and
2901 such an abuse.

2902 And then we see the egregious practices that are taking
2903 place with the PBMs. I have got a bill now, the Help Copays
2904 Act, that -- they are not allowing a credit from a
2905 manufacturer to go toward their deductible. They do not
2906 allow that. It is just awful.

2907 Let me switch gears for just a second. In October of
2908 2022 on social media -- a social media post, after swearing
2909 in the new director at the National Cancer Institute, you
2910 tweeted, "Cancer knows no bounds, and neither should our
2911 efforts to prevent cancer deaths. Together, we will advance
2912 Cancer Moonshot.'"

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2913 As you know, in the IRA there was a part in there that
2914 dealt with drug pricing. And you are aware of that and, I am
2915 sure, trying to implement it and administer it now. The CBO
2916 has said that that is going to result in 15 fewer cures in
2917 the next 30 years. How can you say that we are going to
2918 advance Cancer Moonshot, when we are eliminating,
2919 potentially, 15 cures in the next 30 years, a cure that could
2920 be the cure for Alzheimer?

2921 *Secretary Becerra. Congressman, I actually disagree
2922 with that. I think you are going to see more than 15 new
2923 cures come on the market over the next several years, as a
2924 result of the legislation that we have.

2925 *Mr. Carter. Then why did CBO say that? I didn't say
2926 it, CBO said it.

2927 *Secretary Becerra. That is a question you would have
2928 to ask CBO.

2929 *Mr. Carter. So you disagree with that?

2930 *Secretary Becerra. I disagree.

2931 *Mr. Carter. Unbelievable. Thank you, Mr. Secretary,
2932 for being here.

2933 *Secretary Becerra. Thank you.

2934 *Mr. Guthrie. The gentleman's time has expired. The

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2935 chair now recognizes Mr. Crenshaw for five minutes.

2936 *Mr. Crenshaw. Thank you, Mr. Chairman.

2937 Thank you, Mr. Secretary, for being here. I want to
2938 follow up on that, because it bugs me.

2939 I thought it was actually 30 drugs that the CBO
2940 estimated would not exist, and plenty of other estimates have
2941 much, much higher. We have already seen -- we have talked to
2942 industry -- we have already seen the dollars drying up from
2943 investing in what they would call higher-risk investments.
2944 That would definitely be Alzheimer's.

2945 So drug companies are going to do -- because of this
2946 price cap rule, what they are going to do is they are going
2947 to invest in "safer investments." So the drug companies
2948 will be fine. They will be fine. Do you know who won't be
2949 fine? Alzheimer's patients who want that cutting-edge drug.
2950 That is a fact. And you guys can sit there comfortably in
2951 your position on this, because you know that we can never
2952 prove the counter-factual, because there is another element
2953 of history that we will never know about. And it is very,
2954 very frustrating.

2955 But I want to talk about your budget. So one thing that
2956 concerns me -- and the chairman mentioned it -- is the

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2957 President's budget mentions climate change 42 times, mentions
2958 fentanyl twice. What is the leading cause of death for
2959 adults aged 18 to 45?

2960 *Secretary Becerra. Congressman, I would mention that
2961 while we may have mentioned the word fentanyl, we put \$10.9
2962 billion more than I think any Administration has to --

2963 *Mr. Crenshaw. All right, let's -- I appreciate that.
2964 I am not sure what that money is going towards, but --

2965 *Secretary Becerra. We can --

2966 *Mr. Crenshaw. It is opioid. I mean, the answer to my
2967 question -- you didn't answer my question, but it is opioids,
2968 so I will just answer it for you. It is opioid overdose,
2969 right? And most of that is fentanyl. We lose about 100,000
2970 people or more to opioid overdose. Almost 80,000 that is
2971 fentanyl directly related. You can't even compare that kind
2972 of number to climate change. Not even close.

2973 If we want to actually compare -- let me ask you,
2974 actually. I mean, is HHS in charge of regulating carbon
2975 emissions? Am I missing something here? Why do you guys
2976 have an Office of Climate Change and Health Equity funded in
2977 this budget?

2978 *Secretary Becerra. Congressman, I think it is a proven

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2979 fact that the impacts of climate change are affecting the
2980 health of Americans and people around the world.

2981 *Mr. Crenshaw. How have you quantified that?

2982 *Secretary Becerra. Excuse me?

2983 *Mr. Crenshaw. How have you quantified that?

2984 *Secretary Becerra. I can get you some of the research
2985 that has been done. I can show you some of the communities
2986 that have been affected. We can do any number of ways to
2987 quantify it that -- you can let me know.

2988 *Mr. Crenshaw. I have a way of quantifying it. Here, I
2989 will help you out.

2990 So in the last -- since 1900, deaths from -- due to
2991 nature have plummeted by over 90 percent. They have actually
2992 plummeted over 70 percent just since Biden took office. So
2993 weather accounts for somewhere around 0.07 percent of
2994 worldwide deaths, 0.01 percent in the United States. And
2995 that is with the -- by the way, with the population
2996 increasing, like, tenfold.

2997 So there is a completely negative correlation there, and
2998 we are pretending like it is a crisis, and we are scaring
2999 people to death about it. And you are telling hospitals that
3000 they should be going to net zero.

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3001 Of all of the locations in America that I would want to
3002 have reliable energy sources because people are on life
3003 support, I think hospitals would be one of them, right? And
3004 if hospitals go to net zero emissions, what kind of effect is
3005 that going to have on our temperature in 100 years?

3006 *Secretary Becerra. A hospital is one of the major --
3007 well, the health care sector is one of the major contributors
3008 to pollution in the world.

3009 *Mr. Crenshaw. What? How did you -- how do you
3010 quantify that?

3011 *Secretary Becerra. We can get you the information that
3012 shows that the health care sector, because of its production
3013 of lots of different -- and uses of lots of different
3014 chemicals, the fact that it is a very widespread industry, it
3015 does have a major impact on the climate.

3016 *Mr. Crenshaw. And so you are just going to get rid of
3017 these chemicals?

3018 Why don't we get rid of plastics, too, the plastics that
3019 are used for medical devices that save people's lives, is
3020 that a good idea?

3021 *Secretary Becerra. I think most people would say to
3022 you that there is a use for plastics, but we don't have to

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3023 have so much plastic in the world that it is causing major
3024 degradation of our environment.

3025 *Mr. Crenshaw. What you are saying is terrifying. What
3026 you are saying will harm people. I mean, high-quality
3027 plastics are used in an extraordinary way for cutting-edge
3028 medical devices. They are used in everything in a hospital.

3029 What percentage do you think our health care sector
3030 contributes to overall carbon emissions?

3031 *Secretary Becerra. Well --

3032 *Mr. Crenshaw. You said it was significant. You said
3033 it is one of the most significant. So what is the
3034 percentage? Do you have a ballpark?

3035 *Secretary Becerra. Of the industry that -- of the --

3036 *Mr. Crenshaw. So you just said the health care
3037 industry is one of the biggest contributors to carbon
3038 emissions. So do you have a ballpark percentage of what that
3039 might be?

3040 *Secretary Becerra. I don't have it in front of me, but
3041 I can get you that information.

3042 *Mr. Crenshaw. I think it is probably less than a
3043 percentage point. I mean, I see these numbers all the time,
3044 especially on this committee. Transportation is a big one,

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3045 right? Power production is a big one. The health care
3046 sector is a big one? That is what you are saying?

3047 *Secretary Becerra. The health care sector is a big
3048 one.

3049 *Mr. Crenshaw. How much money are you guys wanting to
3050 spend on this in your budget?

3051 *Secretary Becerra. Spend on what?

3052 *Mr. Crenshaw. On this office.

3053 *Secretary Becerra. It is a small fraction of the
3054 entire budget. I can tell you the exact amount if you give
3055 me time to look through the book.

3056 *Mr. Crenshaw. I only have seven seconds, but thank
3057 you.

3058 I yield back.

3059 *Mr. Guthrie. The gentleman yields back.

3060 So no one on the Democratic side?

3061 The chair recognizes Dr. Dunn for five minutes for
3062 questions.

3063 *Mr. Dunn. Thank you very much, Mr. Chairman.

3064 Many sectors of our health care industry today are,
3065 frankly, in crisis. Last year the Democrats passed
3066 inflationary spending policies that are squeezing American

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3067 families to their limit. Today they are facing tough
3068 decisions on whether they buy food, gas, or medicine.

3069 Artificially subsidizing the Affordable Care Act
3070 marketplace at the expense of the taxpayers and forcing price
3071 fixing on our innovators are two examples of top-down
3072 government policies that distort the market and fails the
3073 American people.

3074 This next year, White House fiscal year 2024 HHS budget
3075 calls for continued propping up of the ACA. It makes no
3076 mention of expanding health savings accounts or alternative
3077 insurance frameworks that would actually meet individual
3078 needs. So that leaves the ACA as often the only choice for
3079 consumers. I think seeing these top-down price controls mean
3080 that the government bureaucrats will choose which medicine
3081 patients will have access to. So this is taking choices
3082 away, rather than giving choices to patients.

3083 Mr. Secretary, under the IRA small-molecule drugs will
3084 be the first subject to price negotiations after 9 years,
3085 while biologics at 13 years. Economic analysis of this has
3086 suggested -- and we have talked to the pharmaceutical
3087 companies -- that this will eviscerate investment in small-
3088 molecule drugs. Can you look into the crystal ball of the

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3089 future and tell us which diseases and which patients are not
3090 going to get their medicines because of this?

3091 *Secretary Becerra. Congressman, thank you for the
3092 question. And while I won't use a crystal ball, what I will
3093 tell you is that Americans are going to save a lot of money
3094 by having to pay lower prices for the prescriptions that they
3095 need.

3096 *Mr. Dunn. I think they are just not going to have the
3097 medicines to take. That would be my opinion.

3098 But 90 new therapeutics approved just since 2020, 26 of
3099 those were for cancer, and all of those were primarily small
3100 molecules, all right? So therefore, innovation in the cancer
3101 space is going to be hit hard in the future. That is a
3102 prediction that our economic analysis and the pharmaceutical
3103 industry has been making loudly.

3104 Keeping with theme of drug development, Mr. Secretary,
3105 another concern is that we are not producing the drugs that
3106 we need, the drugs we use daily, whether at home or in
3107 doctor's office or hospital here in America. For more than a
3108 decade, China has been the largest producer of APIs in the
3109 world. And I won't go into the statistics of it, but even
3110 before the pandemic, in 2019, the Department of Defense

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3111 acknowledged in testimony before the U.S.-China Economic and
3112 Security Review Commission the national security risk of
3113 Chinese dominance of global API markets.

3114 Mr. Secretary, given how important domestic drug
3115 manufacturing is to ASPR's National Health Security Strategy,
3116 what is the Department doing to incentivize domestic supply
3117 of production of API and API substrates, as well?

3118 *Secretary Becerra. Congressman, thank you for the
3119 question. I think this is one of those issues where there is
3120 bipartisan support.

3121 We are trying to increase the domestic production. We
3122 are trying to make sure the supply chains aren't disrupted.
3123 We make some investments in the budget to make sure that
3124 there is the capacity for us to incent the production of a
3125 lot of the kinds of things that we saw during COVID, basic
3126 things from masks to also having the materials for vaccines,
3127 have that material made available through the U.S. domestic
3128 manufacturing sector, and we are hoping that we will get the
3129 support to do that with Congress.

3130 *Mr. Dunn. Well, so I certainly hope that -- I want to
3131 ask you to go back and take a look at the FDA's approval
3132 process of manufacturing, as well, because it gets bogged

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3133 down. Even if you have a plant, you can't use the plant. It
3134 is -- that is a problem that our industry is facing now.

3135 What is HHS doing to prepare us against future
3136 pandemics, epidemics, biologic attacks?

3137 *Secretary Becerra. We continue, through NIH, to do the
3138 research on the next generation of vaccines and treatments.
3139 We continue to see CDC reach out to our state partners to
3140 make sure that we can collect the information that not only
3141 lets us detect and surveil, but also to spread the
3142 information on best practices. We continue to have ASPR
3143 working to deal with COVID as it stands today, our
3144 Preparedness and Response Agency. They are the ones that are
3145 still tracking what goes on with COVID. And --

3146 *Mr. Dunn. We are running out of time, Mr. Secretary,
3147 but I want to make a comment. I want to add to it.

3148 I saw action -- well, was a doctor in the Army, worked
3149 at the Chemical Biological Warfare Headquarters up at Fort
3150 Detrick, and know something about surveillance of these
3151 organisms all across the -- we did not do a lot of the things
3152 that we can do, that we know how to do, that we are actually
3153 pretty good at in terms of surveillance diagnostics.

3154 And again, I want to say the small molecule

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3155 therapeutics, which are really, really critical, we can't
3156 just depend on vaccines. That is way too one track, one
3157 minded.

3158 So with that, I see my time is expired, and I will yield
3159 back, Mr. Chairman.

3160 *Mr. Guthrie. Thank you. The gentleman yields back.
3161 The chair recognizes Dr. Joyce for five minutes.

3162 *Mr. Joyce. Thank you for yielding, Mr. Chairman.

3163 And Mr. Secretary, I would like to turn to the Orphan
3164 Drug Act and its impact on patients. Rare disease and cancer
3165 patients have benefited from the development of over 600 new
3166 treatments since its enactment. Despite these advancements,
3167 there are still too many patients living with rare diseases
3168 and cancers that still have no treatments available to them.

3169 Unfortunately, Democrats' so-called Inflation Reduction
3170 Act threatens the continued success of the Orphan Drug Act.
3171 Specifically, it does not protect therapies that treat two or
3172 more orphan diseases from the law's price-setting scheme. As
3173 a result, we already know of two companies that have cited
3174 the IRA as a reason not to continue rare disease drug
3175 development.

3176 As a physician, I believe that we must do more, not

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3177 impede the pipeline of new life-altering therapies for
3178 patients living with rare diseases and cancers.

3179 Secretary Becerra, can you please expand on the
3180 commitment from yesterday's hearing at Ways and Means on how
3181 you will specifically utilize the guidance and the rulemaking
3182 process under the IRA to ensure that these patients aren't
3183 robbed of the future of cures?

3184 *Secretary Becerra. Congressman, thank you for the
3185 question. And absolutely, that would -- that is the goal, to
3186 make sure that we are putting as many innovative and curative
3187 medicines out there for Americans to be able to buy.

3188 The difficulty is they are not able to afford so many of
3189 those medicines. And so this law would do nothing to impede
3190 the innovation, the research. What it would simply say is,
3191 once you have got a drug out there, make sure you are
3192 charging a fair price. And a fair price would mean --

3193 *Mr. Joyce. The pharmaceutical --

3194 *Secretary Becerra. -- profit off of your --

3195 *Mr. Joyce. -- have already stopped -- they have
3196 already announced to us that they are going to decrease their
3197 ability to do that research and development into new
3198 lifesaving medicines.

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3199 *Secretary Becerra. Why would they say they are going
3200 to decrease their investment?

3201 *Mr. Joyce. I think my questions will reveal that
3202 answer.

3203 The guidance process for the IRA that you designed
3204 greatly discourages input --

3205 *Secretary Becerra. How does --

3206 *Mr. Joyce. -- patients, and physicians.

3207 *Secretary Becerra. And how does --

3208 *Mr. Joyce. You gave them hardly any time to submit --
3209 no clear direction on treatment alternatives and outcomes
3210 that you are interested in, and then you won't tell them how,
3211 if at all, you consider their input until months after a
3212 final decision, months after a final decision was made.

3213 Will you commit today to use the input that you get from
3214 patients and from doctors?

3215 *Secretary Becerra. Oh, absolutely. But, Congressman,
3216 you have misinterpreted the law. We don't tell any company
3217 what they can and cannot do. We simply say, when it comes
3218 time to put it on market, let's make sure you are charging a
3219 fair price. Let's negotiate for --

3220 *Mr. Joyce. Under your guidance, what is the earliest

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3221 that individuals, physicians, patients will hear from you on
3222 how you use their input?

3223 And would you consider additional steps to engage with
3224 them during the process?

3225 *Secretary Becerra. We will begin the process this
3226 year, where we will announce which are going to be the first
3227 10 drugs that will be negotiated. We will go through a very
3228 public and transparent process, and we hope the
3229 pharmaceutical industry will join us in trying to make that
3230 transition.

3231 *Mr. Joyce. And what about patients? What about
3232 patients? What about physicians?

3233 *Secretary Becerra. The public -- patients are the
3234 public, and we want them --

3235 *Mr. Joyce. And what timeline will your response be
3236 when they submit their concerns to you?

3237 *Secretary Becerra. Ongoing --

3238 *Mr. Joyce. And outline a process that -- they will
3239 receive that before the final decision is made?

3240 *Secretary Becerra. That -- yes, the public --

3241 *Mr. Joyce. Thank you. I appreciate that commitment.

3242 *Secretary Becerra. But Congressman, I don't understand

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3243 how we are stopping a company from making investments. All
3244 we are saying is, once you have created that drug, let's
3245 negotiate to get the best price for Americans.

3246 *Mr. Joyce. Well, I think there is a case in point
3247 right in front of us, and sitting right behind you today.

3248 While testifying last week about CMS's decision to limit
3249 coverage of new Alzheimer's disease therapies to clinical
3250 studies, you made a distinction between the FDA's process and
3251 CMS review process. You responded, quote, "CMS has to remain
3252 consistent in the way it treats any drugs.'"

3253 How many other times has Medicare refused to cover or
3254 impose CED requirements on an FDA-approved drug administered
3255 according to its label, for medically appropriate use?

3256 *Secretary Becerra. Yes, and Congressman, that approach
3257 is misguided, because it doesn't take into account the laws
3258 that you all put in the books that make -- that tell CMS how
3259 to operate. CMS is following the laws that Congress passed.

3260 *Mr. Joyce. Are there any other medications that have
3261 these restrictions?

3262 We both know that the answer is zero. There is no other
3263 medication. In fact, CMS actions are unprecedented,
3264 representing the first time Medicare has refused to cover an

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3265 FDA-approved therapy administered, according to its label,
3266 for medical appropriate use. And the barriers imposed by the
3267 CED mean that people living in rural areas and other
3268 medically under-served communities like my district in
3269 Pennsylvania will face huge restrictions to access.

3270 Mr. Secretary, how many national coverage determinations
3271 have been issued under coverage with evidence development
3272 paradigm, which I understand first came into existence in
3273 2005?

3274 *Secretary Becerra. Congressman, you misrepresented
3275 what CMS has done. CMS did provide a pathway for coverage.
3276 As more evidence comes in, that pathway probably will expand.

3277 And recognize that CMS must follow the laws that
3278 Congress imposed upon it.

3279 *Mr. Joyce. But right now patients in rural areas who
3280 do not have access to tertiary facilities are not eligible to
3281 receive this important life-altering medicine.

3282 *Secretary Becerra. Congressman, I would suggest that
3283 you change the laws that tells CMS how it can operate,
3284 because we are implementing the law that Congress passed.

3285 *Mr. Joyce. But CMS has not done that with any other
3286 approvals.

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3287 *Secretary Becerra. CMS is following the laws that you
3288 all put in the books.

3289 *Mr. Joyce. But why restrict one medicine, which has
3290 such a huge impact on so many American patients and citizens,
3291 families who care for individuals with Alzheimer's, why
3292 exclude this one specific disease?

3293 *Secretary Becerra. It is not excluded. There is a
3294 pathway. It could expand.

3295 *Mr. Joyce. When I go home to the patients in my
3296 community, that pathway has been blocked.

3297 I realize my time has expired, and I would ask you to
3298 take consideration to allow all patients to have access to
3299 FDA-approved drugs.

3300 Thank you, Mr. Chairman, and I yield.

3301 *Mr. Guthrie. Thank you. The gentleman yields back.
3302 The chair recognizes Mrs. Trahan for five minutes for
3303 questions.

3304 *Mrs. Trahan. Thank you, Mr. Chair.

3305 Good afternoon, Mr. Secretary. Thank you for being here
3306 today.

3307 As we navigated the deadliest pandemic of our
3308 generation, the U.S. made tremendous progress in our fight

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3309 against COVID-19. As a founding member of the Congressional
3310 Pandemic Preparedness Caucus, and as this committee prepares
3311 to reauthorize the Pandemics and All-hazards Preparedness Act
3312 this year, it is critically important that we take an all-of-
3313 government approach to expand our pandemic preparedness
3314 efforts.

3315 We must look at our response systems through fresh eyes,
3316 and get creative on how we protect the health of the nation
3317 moving forward. For example, in response to 9/11, Congress
3318 established ASPR, stood up BARDA, and required the
3319 development of a National Health Security Strategy. As we
3320 come out on the other side of COVID, we must again apply the
3321 lessons of a costly crisis by updating our preparedness and
3322 response structures and recalculating the resources necessary
3323 to robustly fund our pandemic preparedness efforts.

3324 HHS has relied heavily on industry to develop medical
3325 counter-measures. These public-private partnerships saved
3326 millions of lives through vaccine development when HHS, with
3327 essential support from the Department of Defense, launched
3328 Operation Warp Speed. However, I am concerned that HHS
3329 doesn't have the capacity to achieve similar success in the
3330 future with current budget constraints. Unless appropriately

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3331 resourced, ASPR can only go so far to support the development
3332 and manufacturing of scale -- at scale for future vaccines
3333 and therapeutics against unknown viral threats that can lead
3334 to a devastating pandemic.

3335 While taking a look at HHS's budget justification for
3336 fiscal year 2024, I am curious to hear why the Administration
3337 generally included funding to address longstanding,
3338 established threats in their discretionary requests, but
3339 concentrated funding to address emerging, unknown threats in
3340 the mandatory request.

3341 So, Mr. Secretary, if we are unable to fund these
3342 mandatory components this Congress, is it fair to say that we
3343 will remain vulnerable against unknown viral threats like we
3344 saw with COVID?

3345 *Secretary Becerra. Without the preparation, without
3346 the resources to prepare, without the resources to employ the
3347 best practices that we know, we are vulnerable for -- to
3348 further attacks from disease, for other ways that could cost
3349 the life of many Americans.

3350 *Mrs. Trahan. Thank you.

3351 In December 2022 the Department of Defense issued a new
3352 approach for research, development, and acquisition of

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3353 medical counter-measures and test products, which moves away
3354 from an acquisition focused on a set list of known threats.
3355 The revised strategy pivots toward a new emphasis on broad
3356 spectrum MCMS as a first wave of protection against novel and
3357 emerging threats, paired with capabilities to rapidly develop
3358 a second wave of narrow spectrum MCM as the threats are
3359 identified and characterized.

3360 Is HHS thinking about the threat to the public at large
3361 in a similar manner?

3362 And if so, does the budget request provide sufficient
3363 funding to provide broad spectrum MCMS to achieve this
3364 flexibility capacity?

3365 *Secretary Becerra. We have a request that would let us
3366 address the public health threats that are coming before us.
3367 It is not all we need. We will need more over the years.
3368 But this at least allows us to continue the work that NIH,
3369 ASPR, our unified effort across the government are working on
3370 to try to have that preparation in place.

3371 We would love to see more domestic preparation done, so
3372 we are ready to deal with it here domestically if we need a
3373 particular material or medicine. We are trying to make sure
3374 that we are prepared with a stockpile, a strategic national

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3375 stockpile that can address needs. We want to make sure that
3376 we are prepared for any supply chain issues that could result
3377 if we have international disruption.

3378 And so the monies that you see in our budget are geared
3379 towards making sure we continue the work that is being done.
3380 But long term, it is going to take much more than that.

3381 *Mrs. Trahan. Thank you. I think I have time to switch
3382 gears for one other question, because you are probably aware
3383 that last Congress I authored the Bio Preparedness Workforce
3384 Pilot Program, and it is a new loan repayment program at HRSA
3385 aimed at incentivizing individuals to enter infectious
3386 disease health care professions in under-served areas. I am
3387 pleased that the pilot was enacted last year as part of the
3388 omnibus, and that the President's budget request included an
3389 increase in funding for HRSA to support the health workforce.

3390 Mr. Secretary, do you believe we need a strong
3391 infectious diseases workforce to improve the nation's
3392 pandemic preparedness?

3393 And will you work with us to fund and implement the Bio
3394 Preparedness Workforce Pilot Program in order to boost
3395 recruitment into infectious disease careers in under-served
3396 communities?

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3397 *Secretary Becerra. I absolutely agree. Thank you for
3398 your leadership on this, and we look forward to your success
3399 and providing the resources.

3400 *Mrs. Trahan. Thank you.

3401 Thank you. I yield back.

3402 *Mr. Guthrie. The gentlelady yields back. We have --
3403 the committee has a bill on the floor, and I understand there
3404 is one member rushing back, if that is okay, because we are a
3405 little ahead of time, if that is okay with you.

3406 *Secretary Becerra. That is fine.

3407 *Mr. Guthrie. Dr. -- we have got a physician coming
3408 back to -- and if she is here in a minute or so -- we won't
3409 hold you up, if not.

3410 But so -- while we are doing that, I have documents
3411 submitted for the record. There has been a list distributed
3412 amongst the minority and majority for documents that both
3413 sides of the aisle want to submit for the record.

3414 And without objection, so ordered.

3415 [The information follows:]

3416

3417 *****COMMITTEE INSERT*****

3418

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3419 *Mr. Guthrie. Thank you.

3420 *Voice. We probably need to call it.

3421 *Mr. Guthrie. Let me see if she is within 30 seconds.

3422 If so, we will we will stay. I appreciate the opportunity --

3423 I appreciate you doing that.

3424 As you know, when you are at the end of the line, you

3425 have got a time when -- you have been there before, right?

3426 *Secretary Becerra. I have been there, Mr. Chairman.

3427 *Mr. Guthrie. Well, thank you. I appreciate the offer.

3428 And while we are waiting, I am not taking more time for --

3429 unless you want time, as well.

3430 We really -- there are some opportunities for us really

3431 to work together, particularly on price transparency. And I

3432 think that we are going to do that. That was an excellent

3433 hearing yesterday, I think, from both sides of the aisle.

3434 And we really want to get to the health care costs and get to

3435 the bottom. And so --

3436 *Secretary Becerra. Mr. Chair --

3437 *Mr. Guthrie. I will give you some time, too, since I

3438 am taking it, but --

3439 *Ms. Blunt Rochester. Well, thank you, Mr. Chairman. I

3440 didn't expect to have additional time, but I will --

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3441 *Mr. Guthrie. I --

3442 *Ms. Blunt Rochester. Well, I will take it, and really
3443 just say thank you again for all of your work and focus on
3444 improving the health outcomes for the American people.

3445 And I now am going to give one second for the
3446 gentlewoman to get herself seated and situated, and doctor to
3447 doctor, I will turn it back over to the chairman.

3448 *Mr. Guthrie. I will turn it back -- and just a point
3449 of personal privilege, we have some guests you see in the
3450 room with us today concerned about the CMS rule. And I could
3451 comment on it, but that gets into a new set of questions. So
3452 I am not going to do that.

3453 But if Congress does have something in the law that is
3454 preventing you from moving forward with that, which I am not
3455 sure that is actually the -- I mean, I understand that the
3456 process is set up, but if we need to improve something, let
3457 us know, and we will --

3458 *Secretary Becerra. Yes, the standards are different,
3459 and that is where I think people don't recognize that FDA and
3460 CMS operate under different standards. And we have to follow
3461 that guidance that we have in the law. Congress could change
3462 that, but we have to follow those different standards for the

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3463 different agencies.

3464 *Mr. Guthrie. Well, I appreciate it. I don't want to
3465 get in more questions on that, so I am going to yield to Dr.
3466 Miller-Meeks, and that will be our last questions for the set
3467 of questions.

3468 Dr. Miller-Meeks, you have five minutes.

3469 *Mrs. Miller-Meeks. Thank you, Mr. Chair.

3470 And Secretary Becerra, thank you for testifying before
3471 the committee today.

3472 HHS's Budget Summary document asks for a 5.2 billion
3473 increase in health care fraud and abuse control program
3474 funding, specifically listing cutting-edge data analytics to
3475 detect trends and outliers. In a Senate Finance Committee
3476 hearing you mentioned that the President's fiscal year 2024
3477 budget request bolsters HHS's health care fraud and abuse
3478 detection and enforcement work.

3479 Furthermore, HHS's OIG, Christi Grimm, stated in her
3480 confirmation hearing that she is committed to expanding HHS
3481 OIG's use of sophisticated data analytics, including
3482 leveraging artificial intelligence and machine learning to
3483 proactively monitor and address fraud, waste, and abuse in
3484 the HHS programs.

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3485 Both in the Healthy Future Task Force for the
3486 Republicans, as chair of the Modernization Committee, I
3487 talked a great deal about artificial intelligence and its use
3488 in detecting waste, fraud, and abuse in the Medicare system.
3489 I am currently drafting legislation that would require
3490 Medicare to use advanced algorithmic technologies such as
3491 artificial intelligence, machine learning, and predictive
3492 modeling to combat fraud, waste, and abuse in the fee-for-
3493 service program.

3494 Estimates of health care fraud range from 50 billion to
3495 300 billion annually. And unfortunately, OMB and GAO have
3496 identified Medicare as an at-risk for improper payments.
3497 According to a 2015 OIG report, every dollar invested in AI
3498 fraud detection yields \$5 of savings, highlighting the need
3499 to invest in this technology.

3500 I support the use of AI in improving program integrity,
3501 but want to ensure that AI technology is not misused to deny
3502 legitimate patient claims. Mr. Secretary, how can we apply
3503 lessons and AI innovations from the commercial and Medicare
3504 Advantage space to root out fraud, waste, and abuse in
3505 Medicare fee-for-service?

3506 And will you commit to working with me to responsibly

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3507 strengthen HHS's fraud reduction capabilities?

3508 *Secretary Becerra. Congresswoman, we would absolutely
3509 look forward to working with you, because everyone is still
3510 trying to figure out how we can make the best use of AI and,
3511 as you said, use it for the right purpose, where we can
3512 probe, but not for the wrong purposes, where we might exclude
3513 people from care.

3514 So I very much would look forward to working with you,
3515 because we know there is a lot of fraud that is going on
3516 within the Medicare system.

3517 *Mrs. Miller-Meeks. Yes. As a provider, there is fraud
3518 within all of our systems, and we don't want to deny
3519 legitimate patient claims, we want them done in a timely
3520 fashion, and we don't want to delay provider reimbursement.

3521 Let me also echo the sentiments of other individuals and
3522 other representatives in this chamber this morning. I took
3523 care of my mother with Alzheimer's the last two years of her
3524 life. And I would say that for CMS to deny coverage of a
3525 medication that has been shown and approved by the FDA that
3526 could benefit those with Alzheimer's, I think there, you
3527 know, we can -- you said that we don't want to cut spending
3528 in Medicare because we want to provide people access to care.

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3529 And I would say we can ration care, and that is another name
3530 for cutting spending.

3531 I also want to, as a physician, express my displeasure
3532 at CMS's rule on surprise billing. We were very specific in
3533 the law. I was not one of those Members of Congress, but
3534 followed that very closely, was very supportive of the
3535 legislation that was passed. And it was done in such a way
3536 to make sure that the rulemaking process followed what we
3537 were passing in legislation.

3538 As a provider, as a doctor, you know, we feel that the
3539 comments we have had back from HHS and CMS have been less
3540 than satisfactory. And I would strongly recommend and
3541 encourage you to revisit the rule on surprise billing, and
3542 make sure we are protecting providers and patients.

3543 Thank you very much. I yield back.

3544 *Mr. Guthrie. I thank the gentlelady for yielding back,
3545 and Mr. Secretary, that concludes all members' questions.

3546 We really appreciate your time and your effort to be
3547 here. I know you have seen it from both sides, and hopefully
3548 you have had a nice morning. We appreciate it very much, and
3549 appreciate you being here and, like I said, look for the
3550 opportunity to work together.

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3551 I will remind members they have 10 business days to
3552 submit questions for the record, and I ask the witness to
3553 respond to our questions promptly. There were several times
3554 when you said you would get back. We just -- we don't want
3555 to be here next year going, "You said last year you would get
3556 back with us," so we would appreciate just prompt response
3557 for that. And I know you will do that, and we appreciate it.

3558 And members should submit their questions by the close
3559 of business on April the 12th.

3560 And without objection, the subcommittee is adjourned.

3561 [Whereupon, at 12:56 p.m., the subcommittee was
3562 adjourned.]