



MEMORANDUM

April 25, 2022

To: Subcommittee on Health Members and Staff

Fr: Committee on Energy and Commerce Staff

Re: Hearing on “The Fiscal Year 2023 HHS Budget”

On Wednesday, April 27, 2022, at 10:15 a.m. (EDT), in the John D. Dingell Room, 2123, of the Rayburn House Office Building, and via Cisco WebEx online video conferencing, the Subcommittee on Health will hold a legislative hearing entitled, “The Fiscal Year 2023 HHS Budget.”

I. THE PRESIDENT’S BUDGET REQUEST FOR FISCAL YEAR 2023

On March 28, 2022, the Biden Administration released its fiscal year (FY) 2023 funding request.¹ Overall, the FY 2023 budget requests \$127 billion in discretionary funding, which is a nearly 27 percent increase over the FY 2021 enacted level, and \$1.7 trillion in mandatory funding for the Department of Health and Human Services (HHS) and its agencies, which is a \$190 billion increase from the FY 2022 level. Below is an overview of key highlights of the funding request for agencies within the Subcommittee’s jurisdiction.

A. Assistant Secretary for Preparedness and Response

The budget requests \$3.6 billion in discretionary funding for the Office of the Assistant Secretary for Preparedness and Response (ASPR), an increase of \$483 million above the FY 2022 enacted level. The budget also requests \$975 million for the Strategic National Stockpile, an increase of \$130 million over the FY 2022 enacted level. These funds will be used for expanding capacity and infrastructure, supporting current coronavirus disease of 2019 (COVID-19) stockpile needs, maintenance of warehouses, and addressing pandemic stockpiling gaps for influenza antivirals, antibiotics, and medical supplies.

B. Centers for Disease Control and Prevention

The FY 2023 budget requests \$47.5 billion in mandatory and discretionary funding for the Centers for Disease Control and Prevention (CDC), which is \$32 billion over the FY 2022 enacted level. The discretionary request proposes \$9.9 billion for CDC, an increase of \$1.6 billion over the FY 2021 enacted level. The budget contains increased funding for several

¹ The White House, *Budget of the U.S. Government Fiscal Year 2023* (www.whitehouse.gov/wp-content/uploads/2022/03/budget_fy2023.pdf) (accessed Apr. 11, 2022).

initiatives created by the American Rescue Plan, including data modernization, workforce development, and surveillance and forecasting work. The budget also includes increases for critical programs focusing on diversity, public health infrastructure, global and domestic infectious disease, mental health, and opioid overdose prevention.

The FY 2023 budget includes \$709.8 million in mandatory funding for the World Trade Center Health Program, an increase of \$68.3 million from FY 2022. The request also includes two new mandatory funding programs: (1) \$25 billion over ten years for a program to provide uninsured adults with access to vaccines recommended by the Advisory Committee on Immunization Practices at no cost and (2) \$28 billion over five years in funding for government-wide pandemic preparedness activities and response.

C. Centers for Medicare & Medicaid Services

The budget would require Medicaid coverage of pre-exposure prophylaxis (PrEP) with no cost-sharing and prohibit restrictive utilization management, and would provide the Centers for Medicare & Medicaid Services with additional enforcement tools to better ensure compliance by Medicaid managed care plans. These initiatives are projected to save \$4.2 billion and \$2.1 billion respectively.

The budget expresses support for a temporary extension of broader telehealth coverage under Medicare beyond the public health emergency . The budget includes several proposals to expand access to mental health services under Medicare, such as expanding the types of mental health practitioners eligible for Medicare payment, requiring Medicare to cover up to three behavioral health visits annually without cost sharing, and applying the Mental Health Parity and Addiction Equity Act to Medicare. The budget also proposes consolidating coverage of vaccines under Medicare Part B to make vaccines more accessible and affordable for beneficiaries.

In addition, the budget includes a deficit neutral reserve fund to account for future legislation based on continued discussions with Congress that would reserve revenue from prescription drug pricing reforms to reduce health care costs and expand health insurance coverage for American families.

D. Food and Drug Administration

The budget requests \$8.4 billion for the Food and Drug Administration (FDA), an increase of \$2.1 billion, or 34 percent, above the FY 2022 enacted level. This amount includes \$3.7 billion in discretionary budget authority, \$3 billion in user fees, and \$1.6 billion in proposed mandatory funding.

As part of HHS's overall pandemic preparedness request, the FDA budget requests \$1.63 billion over five years for new mandatory resources to modernize regulatory capacity, information technology, laboratory infrastructure, and the supply chain.

Additionally, the budget proposes several new policies to improve safety and supply chain security in food, drugs, medical devices, and cosmetics. These proposals include requiring

drug sponsors to demonstrate that post-approval studies for accelerated approval drugs will be adequately designed and completed in a timely manner before approval and streamlining withdrawals of accelerated approval for drugs that do not conduct studies with due diligence or that fail to demonstrate a clinical benefit. The budget also proposes requiring medical device manufacturers to include cybersecurity information in applications and report medical device shortage information, in line with what drug manufacturers currently report.

The budget also proposes enhanced oversight of cosmetic products, including requiring cosmetic firms to register with FDA, report adverse events, and follow good manufacturing practices.

To improve food safety and oversight, the budget requests authority to require manufacturers of food for infants and young children to test ingredients or final products for toxic elements and provide information on shortages of infant formula. Additionally, FDA has requested authority to require manufacturers of dietary supplements to list their products with FDA.

E. Health Resources and Services Administration

The budget requests \$13.3 billion for the Health Resources and Services Administration (HRSA), which is \$1.4 billion above the FY 2022 enacted level. This request includes increases to supporting essential programs including \$5.7 billion for health centers, \$2.7 billion for the Ryan White HIV/AIDS Program, and \$502 million for the National Health Service Corps.

The budget dedicates \$276 million across HRSA to improve maternal health and maternal mortality and morbidity, including for implicit bias training for health care providers and grant funding for the Alliance for Innovation on Maternal Health program.

F. Indian Health Service

The budget calls for Indian Health Service (IHS) funding to be reclassified from discretionary to mandatory spending. In total, the budget includes \$9.1 billion for IHS with annual increases tied to population growth and health care costs. This request is an increase of \$2.5 billion over the FY 2022 enacted level.

G. Private Insurance Reforms

The budget proposes to require group health plans to provide comprehensive mental health and substance use disorder benefits and authorizes the Departments of HHS, Labor, and Treasury to regulate behavioral health network adequacy and to issue regulations on standards for parity in reimbursement rates. The budget provides \$125 million in mandatory funding over five years for grants to states to enforce mental health and substance use disorder parity requirements. Finally, under current law, self-insured state and local government-sponsored health plans can opt out of several consumer protection provisions of the Public Health Service Act, including mental health parity. The budget proposes to eliminate the ability of these plans to opt out of these provisions.

H. National Institutes of Health

The budget requests \$49 billion in discretionary funding for the National Institutes of Health (NIH). The FY 2023 budget calls for an additional \$5 billion for the Advanced Research Project Agency for Health (ARPA-H) beyond the \$1 billion Congress provided in the recently passed omnibus bill. The budget states that cancer will be a significant focus of ARPA-H, along with other diseases like diabetes and dementia. The NIH budget includes funding to reignite the Cancer Moonshot 2.0 initiative at the National Cancer Institute with the goal of reducing cancer death rate by at least 50 percent over the next 25 years. The budget also announces an HHS agency-wide effort to remove the word “abuse” from the titles of NIH Institutes and Centers to reduce stigma associated with substance use. This effort includes renaming the National Institute on Alcohol Abuse and Alcoholism to the National Institute on Alcohol Effects and Alcohol-Associated Disorders and the National Institute on Drug Abuse to the National Institute on Drugs and Addiction.

I. Substance Abuse and Mental Health Services Administration

The budget requests \$10.7 billion for the Substance Abuse and Mental Health Services Administration (SAMHSA) in the FY 2023 budget. The vast majority of this request—\$10.137 billion—is discretionary funding, with \$412.5 million in mandatory funding for Community Mental Health Centers (CMHC). In addition, the budget calls for an agency-wide language update to destigmatize substance use and those experiencing substance use disorders by replacing use of the word “abuse” with “use” or “use disorder,” including in the agency’s name, its Centers, and programs.

The budget includes \$1.7 billion for the Community Mental Health Services Block Grant, an increase of \$842 million over the FY 2022 funding level. In addition, the budget proposes a ten percent set-aside for prevention and early intervention in at-risk youth and adults and increases the appropriated five percent crisis-care set-aside to ten percent to support states in building and expanding evidence-based crisis systems to meet the needs of people in mental health crisis. Additionally, the budget would provide \$3 billion, a \$1.09 billion increase over the FY 2022 funding level, for the Substance Abuse Prevention and Treatment Block Grant and proposes establishing a ten percent set-aside for recovery support services such as case management and peer and family support approaches.

It proposes additional resources to support youth-focused activities, including a request for \$64 million, a nearly \$40 million increase over FY 2022 funding, for the Mental Health Awareness Training Program and requests a \$5 million increase to \$11.5 million for the Garrett Lee Smith Youth Suicide Prevention Campus Grants. The budget also proposes a permanent funding extension for CMHCs, building off the \$825 million in funding directed to the centers in the Coronavirus Response and Relief Supplemental Appropriations, by providing \$413 million in FY 2023 and an additional \$4.1 billion over ten years through SAMHSA. Further, the budget requests a \$238 million increase over FY 2022 funding for Certified Community Behavioral Health Center Expansion Grants.

Finally, the budget requests a \$45.125 million increase, up to \$51.4 million, for the Jail Diversion Program and requests \$697 million, an increase of \$595 million over FY 2022 funding, for the 988 National Suicide Prevention Lifeline dialing code and Behavioral Health Services program to assist in the launch of the new dialing code in July 2022 and its subsequent implementation.

II. WITNESS

The following witness has been invited to testify:

The Honorable Xavier Becerra

Secretary

U.S. Department of Health and Human Services