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Budget Materials - FY2000
Labor/HHS

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Testimony of

Donna E. Shalala

U.S. Secretary of Health and Human Services

Before the

Senate Budget Committee

February 11, 1999

Chairman Domenici, Senator Lautenberg, and members of the Committee:

It is with great pleasure that I appear before you today to discuss the President's fiscal year 2000 budget for the Department of Health and Human Services.

As the President said when he released his budget on February 1, the FY 2000 budget charts a progressive but prudent path to our future. For the second year in a row, it is a balanced budget that makes vital investments in the people of this country.

Nowhere is that more evident than in the budget of the Department of Health and Human Services. It is a budget designed to meet the very real challenges of the 21st century. And it is a budget that honors America's values without breaking America's bank.

Our budget contains $400 billion in outlays, a 6.6 percent increase over the FY1999 budget approved by the Congress last year. Within that framework, we seek to keep some very important promises to American families.

The promise of retirement with dignity for all Americans.

The promise of high-quality, affordable health care for every working family.

The promise of a safe and healthy childhood.

And, the promise to mobilize America's scientific genius to make our country a healthier and safer place to live.

As we stand on the crest of the new century, the combination of our fiscal discipline, the expanding economy, and the unprecedented advancement occurring in the scientific community provide us with a unique opportunity to meet these challenges.

Let me turn first to the needs of older Americans and those who are living with disabilities. We all know that the number of Americans over the age of 65 will double by the year 2030. Providing proper care to those who will be in that group is an essential part of meeting the challenges of the new century. The President's long-term care initiative is an important step toward that objective.

Our proposal includes an historic $1,000 tax credit for people with long-term care needs or their family members who welcome them into there own homes and provide them with care. We estimate that this will help more than two million Americans, including over one million older persons. But let me be clear, this initiative will not just help older Americans the tax credit will also benefit large numbers of working age adults with disability as well as severely disabled children.

But a tax credit is not sufficient to meet all of the needs of older and disabled Americans. That is why the HHS budget includes a $125 million annual investment by the Administration on

Aging in a new National Family Caregiver Support Program. This will provide direct assistance to those who are caring for elderly relatives. We are also proposing a five-year $110 million expansion of the Home and Community-Based Care program that helps to expand alternatives to institutional care for older and younger people with disabilities. And the Health Care Financing Administration will launch a new $10 million national campaign to help inform and educate Medicare beneficiaries about their own long-term care options.

Taken together, we believe that these can be the first steps in a national effort to address the very real needs of some of our most vulnerable citizens. We look forward to working with members of both parties to assure quick approval of bipartisan legislation in this area.

Mr. Chairman, I know that you and I and the members of the committee agree that one of the cornerstones of our national commitment to older Americans is the Medicare program. In the three and a half decades since this landmark program was enacted into law, the health and security of our nation's senior citizens has markedly improved. We have raised both the length and the quality of life for our parents and our grandparents. As we look ahead to the new century, we owe it to the next generation of seniors — including you and me — to make sure that Medicare remains a rock-solid guarantee of high-quality health care.

To ensure that the promise of Medicare remains unbroken, the President has asked Congress to earmark 15 percent of the projected budget surplus for Medicare over the next 15 years. Two years ago, we worked together to extend the solvency of the Hospital Insurance

Trust Fund for another 10 years. The President's proposal to invest one in every six dollars of the surplus in Medicare will assure solvency of the trust fund for an additional decade, keeping it in the black until 2020.

The President also believes that there are additional steps that we can and should take on a bipartisan basis to modernize Medicare and achieve additional savings to strengthen the program. Like you, we look forward to seeing the final recommendations of the National Bipartisan Commission on the Future of Medicare. We also look forward to working with the Congress to ensure that any steps we take in the future meet the four main principles the President outlined last week: dedicate a portion of the surplus to secure Medicare until 2020; modernize the Medicare program to make it more competitive and efficient; guarantee a defined set of benefits without excessive new cost to beneficiaries; and use the savings from these changes to help fund a prescription drug benefit.

I am very proud of the work that the Department has done to reinvent the Health Care Financing Administration. We have tried to transform HCFA from an agency that simply paid the bills and rarely asked any questions into a prudent purchaser of health care services. We have set tough new standards for quality and patient protection. We have worked hard to inform and educate our customers about the new choices available to them. And we have worked with the Congress to update the Medicare benefit package to include important preventive services ranging from mammograms to bone density screening. We hope to work with Congress this year to

ensure that HCFA has the statutory authority necessary to adopt the best management, payment, and competitive practices used in the private sector.

We will also continue the war we have fought against waste, fraud, and abuse in both Medicare and Medicaid. With Operation Restore Trust we have instituted a policy of zero tolerance toward those who would rip off the Medicare program and its beneficiaries. The President's budget continues those efforts by asking Congress, once again, to enact new steps to fight fraud that will save the Medicare trust fund $2.9 billion over the next five years. Our budget also includes $165 million to ensure that all of our computers are prepared for the year 2000.

While we take care of older Americans, we also must make sure that we continue to assist working families. An estimated 43 million Americans are living day to day without the protection of health insurance. More than 80 percent of those uninsured people are full-time workers and their dependents. Two years ago, we worked with the Congress on a bipartisan basis to enact the historic Child Health Insurance Program. This year, we are asking the Congress to take another important step toward reducing the number of uninsured in this country. We again propose to allow uninsured workers between the ages of 62 and 65 to buy into Medicare at an actuarially sound premium. We also want Americans between the ages of 55 and 62 who have lost their jobs and their insurance to have a similar opportunity.

The President also is proposing a tax credit for small businesses that seek to insure their

workers through a voluntary health insurance purchasing cooperative.

Taken together, we anticipate that these proposals will reduce the number of Americans who are living without health insurance.

While we must do all that we can to reduce the number of uninsured, we also must pay attention to the needs of those who remain uncovered. I am very proud of our new five-year $1 billion initiative to improve health care access for uninsured Americans. The money would go to community health clinics, public hospitals, and academic health centers to help them establish the infrastructure necessary to provide coordinated, comprehensive care for the working uninsured. This is a relatively small investment but it is a vital one if we are to assure that all Americans get high-quality care at the right place at the right time.

This new initiative will complement existing efforts to reach out to the uninsured and provide them with the care they need. The President's budget also includes $945 million dollars for two major programs in the Health Resources and Services Administration. An increase of $20 million — for community, migrant and other health centers and a total of $1.5 billion for the Ryan White CARE Act, an increase of $100 million dollars over last year.

We reaffirm our commitment to mental health, with a $70 million increase - a 24 percent boost - in the mental health block grant to expand community-based programs.

While we help millions of working Americans get health insurance, we also should help millions of other Americans with insurance go back to work. Today, nearly 75 percent of working-age Americans with disabilities are unemployed. One of the major reasons they are staying out of the job market is their understandable fear of losing their health insurance — specifically their Medicare and Medicaid coverage. Last year, we all came very close to agreeing on landmark bipartisan legislation to allow Americans with disabilities to go back to work and keep their health care coverage. This year, the President is determined that we complete that task and pass a law allowing these men and women to take jobs and keep their Medicare or Medicaid coverage.

This budget provides the Indian Health Service with $2.8 billion, including $2.4 billion for clinical, preventive, facilities and environmental health programs. That's a $170 million increase over last year. And we're changing the Medicaid reimbursement rate, which will infuse another $80 million into Indian Health Service over the next two years.

Mr. Chairman, as you know I have spent most of my career as an educator and an advocate for children. That is why I am so proud of the investments this budget makes in the health and welfare of the youngest Americans.

The President's child care initiative is a lifeline of support to working parents. It will dramatically increase the availability of child care through grants to the states and investments in improving the quality of child care in this country. The President is also proposing a $6.3 billion

tax credit over five years to help parents — including mom or dads who choose to stay at home — to afford to care for their children.

And the budget includes $5.3 billion for the Head Start program to continue the wonderful progress we have made in reaching out to infants and toddlers.

As I mentioned earlier, we are making very good progress with the states in implementing the Child Health Insurance Program. As of January, 50 plans had been approved along with eight plan amendments. Our budget includes another $1.9 billion in federal funds to the states to provide coverage to uninsured children. It also proposes a five-year $1.2 billion initiative to reach out to eligible children and their families to make sure they are aware of the coverage that is available to them. As part of that we will allow states to use up to 3 percent of their CHIP money to perform outreach activities in addition to the 10 percent allotment for other administrative expenses.

We are also proposing $50 million in grants to states to test new pediatric asthma management methods and another $40 million to support graduate medical education at our nation's children's hospitals.

Every year, 20,000 young Americans age out of foster care when they turn 18. Too many of them are not yet ready to face the challenges of adult life. This budget invests in those young

people and gives them some of the basic skills they will need to survive and to thrive. Part of that means making sure they are insured through Medicaid until they reach 21. At a cost of only $50 million dollars over five years, we can do that. We must do that.

It is impossible to talk about children's health without talking about tobacco. The members of this Committee are very familiar with the statistics — 3,000 American kids begin smoking every day and 1,000 of them will live shorter lives as a result. We must join together to pass a comprehensive tobacco bill that puts cigarettes out of the reach of young people, helps to teach them about the dangers of smoking, and confirm the FDA's authority over this deadly drug. The Department of Health and Human Services also will work with the Justice Department in preparing federal litigation against tobacco companies to recoup the money spent on treating the often deadly consequences of tobacco use.

While we help young people to avoid the dangers of tobacco, we also must make sure that they are fully immunized against the preventable diseases that are, fortunately, becoming increasingly rare in this country. Working together we have made remarkable progress in making sure that children are vaccinated at a young age. As a result, cases of polio, mumps, tetanus, and measles are at an all-time low. Our budget allocates $1.1 billion to the CDC to make further progress toward the goal of having all our children immunized.

The final area I would like to discuss with you is our investment in science and public health.

Our budget continues the bipartisan progress we are making toward meeting the President's goal of increasing the budget for the National Institutes of Health by 50 percent over five years. Last year, Congress enacted a 15 percent increase in the NIH budget and this year we make another down payment on that commitment.

We also are proposing, once again, to allow Medicare patients to enroll in cancer clinical trials so that we can help bring new, effective cancer treatments to all Americans.

We are investing in health care quality by increasing the budget of the Agency for Health Care Research and Policy by $35 million to $206 million. This is a major commitment to ensuring that the medical break throughs our scientists create are translated into measurable improvements in the health of the American people.

Improvement in health must also go hand in hand with providing a sense of security to Americans in their everyday life. Therefore, the threat that exists today of biological terrorism is one that we must take seriously. Bioterrorism is not just a problem for the military or for law enforcement, it's a problem for the entire public health and medical community. That's why this budget proposes a $72 million increase for medical and public health response and preparedness for bioterrorism. This amount allows us to improve surveillance, strengthen local medical response systems and expand research on biological and chemical agents.

Part of this increase will provide $65 million for bioterrorism and emergency response, including development and implementation of a national electronic disease surveillance system at CDC. This network will create a critical link to track influenza, food-borne illnesses, and other infectious diseases.

In addition, we are proposing a 19 percent increase in the budget of the Food and Drug Administration, the largest increase in recent years.

The requested increase comes at a critical time for the agency, which has been given many important new responsibilities in recent years but has not been given corresponding increases in its budget. Under the new leadership of Commissioner Henney, the Food and Drug Administration will be carrying out high-priority initiatives to improve the safety of the nation's food supply, to protect our children from becoming addicted to tobacco products, to ensure the safety and adequacy of the blood supply, and to strengthen agency's scientific capabilities.

Mr. Chairman, members of the Committee, I have put before you today a blueprint for health and social service systems to meet the challenges of the new millennium. The goals of making health and happiness the defining characteristic of our seniors retirement, of providing a better future for our children, and of enabling all Americans to live longer and healthier lives are ones that we all share. And like you, I am committed to achieving these goals while maintaining the balanced budget discipline we have all worked so hard to create.

Chairman Domenici and Senator Lautenberg, and members of the committee: I appreciate the support you have provided us in the past and I look forward to working with all of you to meet the challenges before us in this budget. I would be pleased to answer any questions you might have.

L/HHS/Ed General Provisions for FY 2000 Budget
"Side-by-Side" Comparison for Selected Provisions
Titles II and V of L/HHS Bill

	FY 1999 President's Budget	FY 1999 Enacted	HD Recommended FY 2000/Comment	Agree/ Disagree/ Discuss
Appro-priation of funds for entities under title X of the PHS Act	Sec. [212] 208. None of the funds appropriated in this Act may be made available to any entity under title X of the Public Health Service Act unless the applicant for the award certifies to the Secretary that it encourages family participation in the decision of minors to seek family planning services and that it provides counseling to minors on how to resist attempts to coerce minors into engaging in sexual activities	Same.	**OMB Recommendation: Repeat FY 99 PB. The same as enacted.** During the FY 1998 appropriations process, Sec. 208 was presented by Rep. Porter as a compromise to a controversial and restrictive Istook amendment that would have required parental notification for contraceptive distribution. This language, which was repeated in the FY 99 Budget, is similar to the debate waged during the FY 1999 appropriations process, but it does not mandate parental consent or notification and, therefore, does not need to be deleted.	

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	FY 1999 President's Budget	FY 1999 Enacted	HD Recommended FY 2000/Comment	Agree/ Disagree/ Discuss
Organ Procure-ment and Transport-ation Network	New in FY 1999 enacted.	Sec. 213. (a) The final rule entitled ``Organ Procurement and Transplantation Network", promulgated by the Secretary of Health and Human Services on April 2, 1998 (63 FR 16295 et seq.) (relating to part 121 of title 42, Code of Federal Regulations), shall not become effective before the expiration of the 1-year period beginning on the date of the enactment of this Act.(b)(1) The Institute of Medicine under contract with and subject to review by the Comptroller General, in consultation with the Secretary and with the Organ Procurement and Transplantation Network (in this section referred to as the `OPTN"), shall conduct a review of the current polices of the OPTN and the final rule specified in subsection (a) in order to determine the following: (A) The potential impact on access to transplantation services for low-income populations and for racial and ethnic minority groups. With respect to State policies in carrying out the program under title XIX of the Social Security Act, the determination made under this subparagraph shall include determining the impact of such policies regarding payment for services for patients that are provided to the patients outside of the States in which the patients reside. (B) With respect to organ procurement organizations (qualified under section 371 of the Public Health Service Act): (i) The potential impact on the ability of the organizations to facilitate an appropriate rate of organ-donation within the service areas of the organizations.(ii) The reasons underlying the variations in performance among such organizations.(iii) The potential impact of requiring sharing of organs based on medical criteria instead of geography on the ability of the organizations to facilitate an appropriate rate of organ donation within the service areas of the organizations. (C) The potential impact on waiting times for organ transplants, including determinations specific to the various geographic regions of the United States, and if practicable, waiting times for each transplant center by organ and medical status category. The determination made under this subparagraph shall include determining the impact of recent changes made by the OPTN in patient listing criteria and in measures of medical status. (D) The potential impact on patient survival rates and organ failure rates which lead to retransplantation ,including any variance by income status, ethnicity, gender, race, or blood type.(E) The potential impact on the costs of organ	**OMB Recommendation:** Propose New Provision in PB: Because of the adversarial relationship between HHS and OPTN, coupled with the obscure language in Sec. 213, OMB OGC proposed that we create a new general provision to ensure that the OPTN continues to share their data openly and without delay. "Sec. 210. Section 213(d) through Section 213 (f) of the Department of Health and Human Services Appropriations Act, 1999, shall be effective in fiscal year 2000 and thereafter."	

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	Continuation of organ procurement provision.	transplantation services.(F) The potential impact on the liability, under State laws and procedures regarding peer review, of members of the OPTN.(G) The potential impact on the confidential status of information that relates to the transplantation of organs. (H) Recommendations, if any, to change existing policies and the final rule. (2)(A) Not later than May 1, 1999, the Comptroller General of the United States shall submit to the congressional committees specified in subparagraph (B) a report describing the results of the review conducted under paragraph (1). (B) The congressional committees referred to in subparagraph (A) are the Committee on Commerce of the House of Representatives, the Committee on Appropriations of the House, the Committee on Labor and Human Resources of the Senate, and the Committee on Appropriations of the Senate. (c)(1) Beginning promptly after the date of the enactment of this Act, the Secretary may conduct a series of discussions with the OPTN in order to resolve issues raised by the final rule referred to in subsection (a). (2) The Secretary and the OPTN may utilize the services of a mediator in conducting the discussions under paragraph (1). An individual may not be selected to serve as the mediator unless the Secretary and the OPTN both approve the selection of the individual to so serve, and the individual agrees that, not later than June 30, 1999, the individual will submit to the congressional committees specified in subsection (b)(2)(B) a report describing the extent of progress that has been made through the discussions under paragraph (1). (d)(1) Beginning on the date of enactment of this Act, the OPTN shall provide to the Secretary, the Institutes of Medicines, and the Comptroller General, upon request, any data necessary to assess the effectiveness of the Nation's organ donation, procurement and organ allocation systems, or to assess the quality of care provided to all transplant patients, and analysis of such data in a scientifically and clinically valid manner. If necessary, the OPTN may provide additional data as they deem appropriate. (2) The OPTN shall make available to the public timely and accurate program-specific information on the performance of transplant programs. These data shall be updated as frequently as possible, and the OPTN shall work to shorten the time period for data collection and analysis in producing its center-specific outcomes report, including severity adjusted long term survival rates. Such data shall also include such other cost or performance information including but not limited to transplant program-specific information on waiting time within medical status, organ waitings, and refusal of organ offers. (e) Data provided under subsection (d)		

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		shall be specific (if possible) to individual transplant centers and must be determined in a scientifically and clinically valid manner. (f) Any disclosure of patient specific medical information under subsection (d) shall be subject to the restrictions contained in the Freedom of Information Act, the Privacy Act, and State laws. (g) Of the amount appropriated in this title for ``Office of the Secretary-general departmental management", $500,000 shall, not later than 30 days after the date of the enactment of this Act, be transferred to the Comptroller General for purposes of carrying out the studies required and specified in this section. (h) For purposes of this section: (1) The term ``Comptroller General" means the Comptroller General of the United States. (2) The term ``Organ Procurement and Transplantation Network" means the network operated under section 372 of the Public Health Service Act. (3) The term ``Secretary" means the Secretary of Health and Human Services.		
Medicare+ Choice abortion language	New provision.	Sec. 216. None of the funds appropriated by this Act (including funds appropriated to any trust fund) may be used to carry out the Medicare+Choice program if the Secretary denies participation in such program to an otherwise eligible entity (including a Provider Sponsored Organization) because the entity informs the Secretary that it will not provide, pay for, provide coverage of, or provide referrals for abortions: Provided, That the Secretary shall make appropriate prospective adjustments to the capitation payment to such an entity (based on an actuarially sound estimate of the expected costs of providing the service to such entity's enrollees): Provided further, That nothing in this section shall be construed to change the Medicare program's coverage for such services and a Medicare+Choice organization described in this section shall be responsible for informing enrollees where to obtain information about all Medicare covered services.	**OMB Recommendation**: While this language is not problematic per se, we recommend proposing to delete in order to be consistent on all abortion issues, and add the footnote: "The Administration proposes to delete this provision and will work with the Congress to address this issue."	NO

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Notific-ation or reporting of child abuse, molest-ation, sexual abuse, rape or incest.		Sec. 219. Notwithstanding any other provision of law, no provider of services under title X of the Public Health Service Act shall be exempt from any State law requiring notification or the reporting of child abuse, child molestation, sexual abuse, rape, or incest.	**OMB Recommendation:** Repeat FY 99 enacted. This provision originated in the House bill, but the Senate bill contained no similar provision. The Conference agreement included the provision. None of the SAPs objected to this language.	
	TITLE V--GENERAL PROVISIONS			

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	FY 1999 President's Budget	FY 1999 Enacted	HD Recommended FY 2000/Comment	Agree/ Disagree/ Discuss
Needle Exchange	Sec. 505. Notwithstanding any other provision of this Act, no funds appropriated under this Act shall be used to carry out any program of distributing sterile needles or syringes for the hypodermic injection of any illegal drug *unless the Secretary of Health and Human Services determines that such programs are effective in preventing the spread of HIV and do not encourage the use of illegal drugs.*	Repeated FY 98 language.	We see a range of choices, given the events of this past spring on this issue. Repeating the FY99 Budget's proposed language is an option, but other approaches that may be more likely to be enacted include giving the certification authority to local public officials, or further limiting funding to areas where needle transmission of HIV is above average. **Options:** (1) Repeat FY 1999 Budget language. (2) Modify FY 1999 Budget language by replacing the words "Secretary of Health and Human Services" with "local public health official": "Notwithstanding any other provision of this Act, no funds appropriated under this Act shall be used to carry out any program of distributing sterile needles or syringes for the hypodermic injection of any drug unless the local public health official of the affected MSA determines that such programs are effective in preventing the spread of HIV and do not encourage the use of illegal drugs."	

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Needle Exchange	Continued		(3) Modify above language by adding #1 below: "Notwithstanding any other provision of this Act, no funds appropriated under this Act shall be used to carry out any program of distributing sterile needles or syringes for the hypodermic injection of any drug unless: (1) the affected MSA has a new AIDS case rate caused by Injection Drug Use of above the national average as defined by the Centers for Disease Control and Prevention.; and (2) the local public health official of the affected MSA determines that such programs are effective in preventing the spread of HIV and do not encourage the use of illegal drugs."	
Needle Exchange	[Sec. 506. Section 505 is subject to the condition that after March 31, 1998, a program for exchanging such needles and syringes for used hypodermic needles and syringes (referred to in this section as an "exchange project") may be carried out in a community if . . .]	Provision deleted.	No provision.	

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	FY 1999 President's Budget	FY 1999 Enacted	HD Recommended FY 2000/Comment	Agree/ Disagree/ Discuss
Appropriations limitations for abortion procedures (Hyde language)	[Sec. 509. (a) None of the funds appropriated under this Act shall be expended for any abortion. (b) None of the funds appropriated under this Act, and none of the funds in any trust fund to which funds are appropriated under this Act, shall be expended for health benefits coverage that includes coverage of abortion .c) The term ''health benefits coverage" means the package of services covered by a managed care provider or organization pursuant to a contract or other arrangement.]1	Retained the provision and added "and none of the funds in any trust fund to which funds are appropriated under this Act." In the SAPs, we objected to the provision and offered to work with the Congress, but did not specifically mention the trust fund language. In addition, this was not considered a high priority item during negotiations.	**OMB Recommendation:** Repeat PB language (i.e., proposed deletion with the footnote: "The Administration proposes to delete this provision and will work with the Congress to address this issue."	
Appropriations limitations for abortion procedures (Hyde language)	[Sec. 510. (a) The limitations established in the preceding section shall not apply to an abortion–(1) if the pregnancy is the result of an act of rape or incest; or (2) in the case where a woman suffers from a physical disorder, physical injury, or physical illness, including a life-endangering physical condition caused by or arising from the pregnancy itself, that would, as certified by a physician, place the woman in danger of death unless an abortion is performed.(b) Nothing in the preceding section shall be construed as prohibiting the expenditure by a State, locality, entity, or private person of State, local, or private funds (other than a State's or locality's contribution of Medicaid matching funds). (c) Nothing in the preceding section shall be construed as restricting the ability of any managed care provider from offering abortion coverage or the ability of a State or locality to contract separately with such a provider for such coverage with State funds (other than a State's or locality's contribution of Medicaid matching funds).]1	Same as FY 98 enacted. In the SAPs, we objected to the provision and offered to work with the Congress, but did not specifically mention the trust fund language. In addition, this was not considered a high priority item during negotiations.	**OMB Recommendation:** Repeat FY 99 PB language (i.e., propose deletion and add footnote: "The Administration proposes to delete this provision and will work with the Congress to address this issue.")	

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	FY 1999 President's Budget	FY 1999 Enacted	HD Recommended FY 2000/Comment	Agree/ Disagree/ Discuss
Use of funds for embryo research-limitations	Sec. [513] 510. (a) None of the funds made available in this Act may be used for– (1) the creation of a human embryo or embryos for research purposes; or(2) research in which a human embryo or embryos are destroyed, discarded, or knowingly subjected to risk of injury or death greater than that allowed for research on fetuses in utero under 45 CFR 46.208(a)(2) and section 498(b) of the Public Health Service Act (42 U.S.C. 289g(b)).(b) For purposes of this section, the term ``human embryo or embryos" includes any organism, not protected as a human subject under 45 CFR 46 as of the date of the enactment of this Act, that is derived by fertilization, parthenogenesis, cloning, or any other means from one or more human gametes or human diploid cells.	Same as proposed and FY 1998 enacted.	This provision prohibits the use of appropriations to create or destroy human embryos for research purposes. Budgets before FY 99 have struck the ban, proposing instead that the ban be addressed in separate, non-appropriations legislation. Recent research findings on the related topic of stem cell research complicate the decision on whether or not to include Section 511 in the FY 2000 Budget. The central issue is whether or not the ban on embryo research would cover stem cell research, recent findings on which have demonstrated an enormous potential for treating disease such as diabetes (Type I) and Parkinson's. In a December 1998 Senate hearing on this topic, Sen. Harkin concluded that stem cell research is not covered by the ban because stem cells do not appear to have the potential to become human life. Sen. Specter agreed that it is unclear if the ban extends to stem cell research and indicated a willingness to explore this issue. During the hearing, Dr. Varmus agreed that issue remains unresolved but privately has suggested that stem cell research should be viewed differently than embryo research with respect to Federal funding.	

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Embryo/ Cloning	Continuation		**OMB Recommendation:** Delete the provision and add footnote stating: "The Administration proposes to delete this provision and will work with Congress to assess the impact of recent advances in biomedical research, such as research on stem cells, that may hold promise for new methods for diagnosing, treating, and curing disease."	NO
Unique Health Identifier		Sec. 516. None of the funds made available in this Act may be used to promulgate or adopt any final standard under section 1173(b) of the Social Security Act (42 U.S.C. 1320d-2(b)) providing for, or providing for the assignment of, a unique health identifier for an individual (except in an individual's capacity as an employer or a health care provider), until legislation is enacted specifically approving the standard.	**OMB Recommendation:** Repeat FY 1999 enacted. →	