

## **Health Programs and ACA Restrictions**

In addition to prohibiting funding to implement the Affordable Care Act (ACA), the Republican Labor-HHS-Education appropriations bill makes extensive cuts to programs that increase availability of primary health care, protect the public health against infectious diseases, and help address mental illness, among many other things.

### **Health Resources and Services Administration (HRSA)**

The basic mission of the Health Resources and Services Administration is improving access to health care. Major changes to its budget made by the Republican bill include the following:

The bill completely eliminates the *Title X family planning program*, which received \$294 million in 2012. This program makes grants to support a network of roughly 4,400 community-based clinics that provide high-quality family planning and reproductive health services to more than 5 million people each year. Roughly three-quarters of U.S. counties have at least one clinic receiving Title X funds. Under the bill, this funding would be gone.

In addition to contraceptive services and counseling, Title X-supported clinics provide a variety of related preventive health services, including screening for breast and cervical cancer and counseling and testing for sexually transmitted diseases and HIV infection. The Department of HHS estimates that, among other things, these screenings prevented 570 cases of invasive cervical cancer in 2010. Generally at least 90 percent of the clients served have family incomes under 200 percent of poverty.

A second provision of the bill that would reduce access to health care is a \$300 million rescission from the additional appropriation included in the Affordable Care Act for *Health Centers*. As a result, both the regular appropriation and the ACA supplement would remain at 2012 levels, eliminating the \$300 million increase that would otherwise occur. The \$300 million rescinded by the Republican bill would support additional health center sites and expanded services at existing sites, and allow services to as many as 2.5 million additional patients.

Health Centers provide comprehensive primary health care in medically underserved communities, with fees based on ability to pay. They have a strong reputation for providing quality care at relatively low cost and with an emphasis on preventive health services. There are more than 1,100 health center grantees operating upwards of 8,100 service delivery sites and serving more than 20 million patients. Almost half of all centers serve rural populations.

In addition, the bill cuts the “*Title VII*” *health professions training programs* by \$114 million or 43 percent (including loss of \$35 million due to elimination of support from the Prevention and Public Health (PPH) Fund eliminated by the bill). Many of these programs are

aimed at increasing the number of primary care practitioners in underserved areas. Specific changes proposed by the bill include the following:

- Elimination of *Scholarships for Disadvantaged Students*, which received \$47 million in 2012 and which provides financial assistance to minority and disadvantaged students studying to be physicians, dentists, nurses and various other healthcare professionals, with the objective of increasing diversity in these professions and increasing the number of practitioners in underserved areas. Elimination of the program would end assistance to more than 3,600 students.
- Elimination of *Area Health Education Centers*, which received \$27 million in 2012 and which provide settings for training of medical and other health professions students in rural and medically underserved communities, continuing education for practitioners, and programs to recruit and prepare local students for health professions careers. Elimination of this program would mean loss of federal support for more than 250 AHECs operating in almost every state.
- Elimination of the *Health Careers Opportunity Program*, which received \$15 million in 2012 and encourages and assists students from minority and disadvantaged backgrounds to enroll and succeed in medical school and other health professions training, by supporting a variety of programs for high school, college and beginning health professions students.

Further, the bill reduces funding for the “*Title VIII*” *nursing education programs* by \$34 million or 15 percent. This includes an \$18 million (22 percent) cut in scholarships and loan repayment assistance for graduates who work in facilities with a critical shortage of nurses. Cuts are also made in almost all other programs within this category, including support for training of nurse practitioners and other advanced practice nurses, nursing workforce diversity programs, programs to enhance capacity of nursing schools, and student loan repayment assistance for nurses who serve as nursing school faculty.

Within the *Ryan White AIDS Care program*, funding for the AIDS Drug Assistance Program (ADAP) is increased by \$67 million, to an even \$1 billion as proposed by the President. However, unlike the President’s budget, the Republican bill offsets this increase with cuts in grants to states and to local providers to support medical care and related services for uninsured and under-insured HIV/AIDS patients. The services being cut are a vital counterpart to the prescription drug assistance being increased, since medical care is needed along with medication. Maintaining and expanding access to treatment is critical not only to the health and well-being of patients but also to slowing spread of the epidemic, since there is now strong evidence that control of HIV infections with drug therapy reduces transmission of the virus.

Finally, the bill eliminates the *Emergency Medical Services for Children* program (funded at \$21 million in 2012), which makes grants to promote the development and dissemination of “best practices” regarding pediatric emergency care.

### **Centers for Disease Control and Prevention (CDC)**

The Republican bill cuts funding for the CDC by a total of \$788 million, or 11 percent, below 2012. This total includes loss of the funding CDC has received through the Prevention and Public Health (PPH) Fund—which totals \$799 million in 2012 but which the bill eliminates in 2013.

A small part of these cuts will be offset by other provisions of the bill that reduce use of the “evaluation tap” mechanism and therefore result in some additional funds being retained in CDC rather than transferred elsewhere. Adjusted for this effect, the net cut to CDC is probably in the \$715 to \$725 million range.

Following are some of the changes to the CDC budget made by the Republican bill:

- The bill cuts the “*section 317*” immunization program by \$59 million or 10 percent. These funds go to state (and some local) health departments, to purchase vaccines to immunize people who would otherwise have difficulty affording the cost, and to support immunization infrastructure (such as systems for tracking which children have received what vaccines and outreach and technical assistance to practitioners). The President’s budget proposed a similar cut to this program, expecting that new requirements under the ACA for coverage of preventive health services (including immunization) will reduce the need for federal vaccine purchase funds. The Republican bill paradoxically adopts this cut while simultaneously trying to shut down implementation of the ACA.
- The bill cuts funding for *HIV/AIDS prevention, testing and epidemiology* by \$100 million or 13 percent. Much of this money is provided to state and local health departments and to community-based organizations that do prevention and screening work. The effect of the cut will be less prevention, less testing for HIV infection (which is critical for getting people into treatment and reducing transmission of the virus), and less effective tracking of the epidemic.
- The bill eliminates *support for state and local health departments* provided through the PPH Fund, reducing funding to sustain and improve epidemiology and laboratory capacity by \$30 million and terminating the \$40 million National Public Health Infrastructure Initiative. Health departments are the front lines for detecting and controlling epidemics, running vaccination programs, reducing the burden of chronic diseases like diabetes and asthma through education, screening and prevention, and otherwise protecting public health. Their capacity to perform those functions has already been curtailed by budget cuts: since 2008 more than 52,000 jobs have been lost at state

and local health departments, representing 17 percent of the state and 22 percent of the local public health workforce.

- For *prevention and control of chronic diseases* (such as diabetes, heart disease, stroke, and cancer), the Republican bill cuts overall funding by \$363 million or 31 percent—entirely due to loss of \$401 million from the PPH Fund. This includes elimination of all funding for the REACH program, which received \$54 million in 2012 and supports local efforts targeted to reducing the disproportionate burden of chronic disease in minority communities. It also includes an \$89 million (46 percent) loss of funding for reduction of tobacco use (funding which supports the current media campaign and telephone “quitlines” to help smokers wishing to stop). It also includes elimination of community transformation grants (\$226 million in 2012).
- For the CDC *environmental health* center, the Republican bill cuts funding by \$53 billion or 38 percent. In addition to a broad cut in environmental health activities, loss of the PPH Fund means elimination of the Environmental Health Tracking Network, which provides funding (mostly to health departments) to study, control and prevent health problems that may be connected to environmental conditions.
- The bill eliminates \$11.750 million in PPH funding provided to states for activities to reduce *healthcare-associated infections*, as part of a national plan for elimination of these often serious or deadly infections acquired in hospitals and other health facilities. All states receive at least a minimal amount of this funding for planning and statewide coordination, and a number of states receive larger amounts for specific projects.

### **Substance Abuse and Mental Health Services Administration (SAMHSA)**

The Republican bill reduces overall funding for SAMHSA by \$412 million or 12 percent. This includes a \$194 million reduction in regular appropriations, combined with loss of \$88 million provided through the PPH Fund and a \$130 million reduction in funds directed to SAMHSA by the bill through the “evaluation tap” mechanism.

SAMHSA is the primary federal agency for mobilizing and improving mental health and addiction services. The need for SAMHSA funding is especially critical these days, as reductions in state and local budgets jeopardize urgently needed services for those with mental illness or seeking treatment for substance abuse problems. The cost of untreated and mistreated mental illness to American businesses, the government and families has grown to \$113 billion annually.

The cut to SAMHSA is allocated as follows:

- \$172 million (a 17 percent cut) from mental health services;
- \$160 million (a 7 percent cut) from substance abuse treatment (including the block grant);

- \$65 million (a 35 percent cut) from substance abuse prevention; and
- \$14 million (a 9 percent cut) from health surveillance and program support.

Within the Center for Mental Health Services, the bill completely eliminates *Primary and Behavioral Health Integration* grants, which received \$66 million in 2012. This program makes grants to community behavioral health centers to enable them to integrate primary care services into existing programs serving adults with serious mental illness. Research has shown that, on average, mental health patients have a 25 year shorter life expectancy due to undiagnosed and untreated co-occurring chronic conditions.

For the *National Child Traumatic Stress Initiative (NCTSI)*, funding is decreased by \$25 million, a cut of more than one-half below current funding levels and the budget request. Funding for this program supports a broad network of centers focused on children, trauma, and violence as well as research into evidence-based treatment methods to prevent the onset of mental health problems among children who have experienced trauma. The NCTSI network includes 65 centers and 73 affiliate centers and individuals covering 45 states. This innovative program immediately mobilizes in the aftermath of a national crisis, including the terrorist attacks in 2001, Hurricanes Katrina and Rita in 2005, the Virginia Tech shooting and the list goes on. Recent estimates indicate that more than 50,000 youth directly benefit from the services provided and over 200,000 professionals are being trained in trauma-informed interventions.

The *Community Mental Health Services Block Grant (MHBG)*, which is the principal federal discretionary program supporting community-based mental health services, is cut by \$44 million, or nearly 10 percent below current levels. States rely on the MHBG to be a flexible source of funds to provide a wide range of critical services for adults and children with serious mental illness and emotional disturbances. This program has served as a lifeline for the seven million Americans served, as states have been forced to cut mental health agency budgets by billions of dollars in recent years.

## **Teen Pregnancy Prevention**

The Republican bill cuts funding for the Teen Pregnancy Prevention program from \$105 million in 2012 to just \$20 million in 2013. This program makes competitive grants to support implementation of proven, evidence-based strategies for prevention of teen pregnancy and to develop and test new strategies. The reduced funding is likely to result in 160,000 fewer teenagers being served by these programs.

At the same time, the bill increases funding for “abstinence only” sex education from \$5 million to \$20 million, with no requirement that the programs funded have evidence of effectiveness.

## Affordable Care Act

### *Prohibition on Use of Funds*

The Republican bill includes language prohibiting funds from being used to “implement, administer, enforce, or further” the provisions of the Affordable Care Act. The bill excludes from its prohibition any ACA provisions involving Medicare payment rate setting, as well as several provisions related to Medicaid payments for prescription drugs.

Among other things, this prohibition would make it virtually impossible for the Department of HHS to play a role in enforcing the various consumer protection rules included in the ACA, such as the ban on excluding pre-existing conditions from insurance coverage for children, the prohibition on unwarranted rescissions of health insurance policies when beneficiaries get sick, the end of lifetime limits on coverage, and the requirement that insurers spend 80 or 85 percent of premium income on health care rather than marketing and overhead.

The prohibition would also cripple preparations for implementation of health insurance exchanges in 2014. These exchanges are intended to provide transparent and competitive marketplaces where individuals and small businesses can obtain affordable insurance coverage, and to facilitate various forms of assistance with insurance costs.

### *Rescissions*

The Republican bill also includes several rescissions of funding that was provided in the Affordable Care Act, including the following:

- Rescission of the entire \$1 billion available for the *Prevention and Public Health (PPH) Fund* in 2013. The Fund was established by the ACA to expand and strengthen activities that promote better health and reduce health care costs. In practice, in addition to supporting expanded activities the Fund has been used to fill holes left by cuts in regular appropriations over the past two years, and this rescission will create serious shortfalls for a number of ongoing programs—especially at the CDC.
- Rescission of \$3.0 billion from funding to aid in the establishment of *Consumer Operated and Oriented (“CO-OP”) health plans* (although CBO scores this rescission as saving only \$2.022 billion). This funding supports repayable loans for the start-up expenses of non-profit, consumer-governed health insurance companies, in order to increase competition in insurance markets and provide consumers and small businesses with more health insurance choices. With this rescission, HHS will not be able to make loans to assist creation of additional CO-OP health insurance plans.
- Rescission of \$1.590 billion from the *Medicare and Medicaid Innovation Fund*, which supports development and testing of innovative service delivery and payment models to better contain costs while preserving or enhancing the quality of care. CBO scores this

rescission as reducing expenditures in the first year but raising spending in future years by eliminating potential savings. Over the next ten years as a whole, CBO estimates that the rescission will produce a net *increase* in spending of \$295 million.

- Rescission of \$150 million from the *Patient-Centered Outcomes Research Trust Fund*, which supports research to help determine which treatments work best for which patients.