

Chairman Dingell at the Committee on Energy and Commerce hearing entitled "A Review of the Department of Health and Human Services Fiscal Year 2008 Budget"

Statement of Congressman John D. Dingell, Chairman
Committee on Energy and Commerce

COMMITTEE ON ENERGY AND COMMERCE
HEARING ENTITLED "A REVIEW OF THE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
FISCAL YEAR 2008 BUDGET"
February 6, 2007

Today we will hear about the President's Fiscal Year 2008 Budget Proposals for the Department of Health and Human Services. I look forward to the testimony of my friend, Secretary Leavitt.

There are 46 million Americans today who lack health insurance. This problem warrants immediate attention. Yet this Administration continues to work to shred the health insurance safety net.

First, the President misses an historic opportunity to reduce the number of uninsured children. Seven out of ten uninsured children qualify for either Medicaid or the State Children's Health Insurance (SCHIP) program but are not yet enrolled. Yet, the President instead makes cuts in the program, ensuring that we will not reach those children, and that more children and their parents will become uninsured.

Second, rather than working with States to bolster healthcare coverage, the Administration cuts key benefits " \$50 billion in overall cuts to Medicaid, coming on top of last year's \$28 billion in cuts. It also induces States to provide bare-bones packages and high-deductible plans that make little sense for the working poor.

Third, Mr. Bush proposes billions in tax breaks to encourage people to move from employer-sponsored coverage into high deductible or bare-bones health plans in the unregulated individual insurance market. Studies have documented that this will cause employers to drop the insurance coverage they provide today.

Fourth, the President directly attacks the institutions that serve the uninsured and underinsured, cutting upward of \$50.4 billion from hospitals, public providers, and medical education.

On Medicare, the budget is as noteworthy for what is absent as what is included. The budget fails to address the documented problems in the Part D drug benefit or to include one dime to address pending Medicare physician payment cuts. According to the American Medical Association, physicians will see a 10 percent payment cut next year and cumulative cuts of more than 40 percent over the next 10 years. Moreover, the President would increase the Part B premium for more Medicare beneficiaries as well as the Part D premium.

Likewise, the budget does not propose any of the MedPAC commended cuts to HMO and private plan payments " which alone would save tens of billions of dollars over that time. Instead, it proposes \$252 billion over the next 10 years in cuts to Medicare fee for service " the program that enrolls the vast majority of seniors today.

In the Public Health Service budget, there are several other proposals that cause concern. Instead of investing in existing programs that affect children's and adolescent health, the President's budget creates a new Adolescent Health Promotion Initiative with a budget of all of \$17 million!

The public health safety net takes another beating in this budget. Programs for training health professionals, substance abuse prevention, and treating chronic diseases are but a few examples.

The budget for the National Institutes of Health fails to keep up with inflation, much less provide real increases needed to keep America in the forefront of the life sciences.

I am alarmed that this budget fails to provide adequate resources for public health threats from bioterrorism. The Trust for America's Health says that "the reduction of the bioterrorism and public health preparedness programs is particularly troubling". We are cutting core boots-on-the-ground support for emergency disaster response, leaving the country at unnecessary levels of risk.

While this budget contains increases for the Food and Drug Administration (FDA), I remain concerned that those increases are not adequate to allow the FDA to properly ensure the safety of our drugs, foods, cosmetics, and medical devices.

The President's budget sends a disturbing message to American families: health care should only be for those who are rich enough to pay for it on their own.

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