

## Dingell Blasts Bush's Health Care Cuts

### NEWS RELEASE

Committee on Energy and Commerce

Rep. John D. Dingell, Chairman

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### Dingell Blasts Bush's Health Care Cuts President's Budget Would Hurt Seniors, Disabled, Poor and Put American Consumers at Risk

Washington, DC - Rep. John D. Dingell (D-MI), Chairman of the Committee on Energy and Commerce, today issued the following statement in response to President Bush's proposed budget cuts to critical health care programs and government agencies:

"Given the history of this Administration, President Bush's misguided health care priorities come as no surprise. Yet again, we see a budget that includes crippling cuts to the agencies charged with protecting the health and well-being of our nation. With this proposal, the President continued his track record of hurting the most vulnerable among us, including seniors, the disabled, and low-income children, by reducing access to critical health care services.

"At a time when our country faces an economic downturn and 47 million Americans are uninsured, President Bush should be assisting State efforts to protect the health of more of our citizens. Instead, he's created a plan that will result in more State budget short-falls, more uninsured Americans, and an even more severe national health care crisis.

"It's especially disappointing that, under this budget proposal, the public health safety net would be further frayed. The President's budget is rife with inadequate increases to the agencies charged with conducting and supporting food safety and medical research, and with attempts to eliminate the programs that help America's neediest.

"The only good news I have is a reminder that this is the very last budget proposal we will receive from President Bush. I look forward to working with my colleagues and, next year, with a new Administration to develop a fiscally responsible plan that protects the health of American consumers and provides quality, affordable health care to our most vulnerable citizens."

The President's FY 2009 Budget proposal includes cuts that would be detrimental to several agencies and programs, including:

#### Centers for Medicare and Medicaid Services

- The FY 2009 Budget includes:

- More than \$200 billion in cuts to the Medicare and Medicaid programs, which provide critical health care services to America's seniors, people with disabilities, and low-income families and children.

- \$33 billion in cuts over five years to Medicaid, which currently serves 55 million low-income and disabled Americans. These cuts would drastically limit the ability of already cash-strapped States to maintain current levels of health insurance coverage, potentially forcing them to increase cost sharing, cut provider payments and/or reduce benefits. The proposed Medicaid cuts include \$14.6 billion in cuts as a result of regulatory actions taken by this Administration to rewrite program rules that have been unchanged by Congress in more than a decade. Examples of these regulations include limiting rehabilitation services for the disabled and curtailing transportation services that help disabled children attend school. These services are currently protected by law.

- When it comes to Medicare -- a program 36 million seniors depend on -- President Bush has proposed nothing to address the vast overpayments made by Medicare to private managed care plans. Instead, he has raised premiums on our seniors and focused his cuts on our nation's hospitals, skilled nursing facilities, and other health care providers. He has also turned a blind eye to the needs of doctors, who are scheduled to see a 10 percent cut in Medicaid payments this July. However, he did look out for his friends in the insurance industry by leaving in place overpayments to private managed care plans.

- The budget also takes a swipe at seniors' pocket books by proposing to save nearly \$6 billion by increasing the premiums seniors pay. The President proposes eliminating the inflation indexing of the Part B premium, which will raise the cost of Medicare for seniors and individuals with disabilities over time. In addition, the budget would force millions of seniors to pay higher premiums to receive their drugs under Medicare.

#### State Children's Health Insurance Program (SCHIP)

- The budget proposal fails to provide sufficient funding to maintain SCHIP at current coverage levels and does nothing to reduce the number of uninsured children, unlike the two bipartisan State Children's Health Insurance Program (SCHIP) reauthorization bills that the President vetoed. These bills would have allowed States to sustain current programs AND cover an additional 4 million uninsured children by 2012.

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

- The budget request for HRSA is \$6.023 billion, a net decrease of \$967 million below the FY2008 Budget, a cut of more than 15 percent. The budget zeros out funding for several key programs, including health professions training for diversity, loan repayment and scholarship programs for faculty, training in primary care medicine and dentistry, community-based linkages, public health workforce development, advanced education nursing, patient navigator, children's hospital graduate medical education, traumatic brain injury, universal newborn screening, and emergency medical services for children.

- The proposed budget decreases funding for rural health programs by more than 85 percent, poison control centers by more than 60 percent, field placement activities within the health service corps by 35 percent, sickle cell service demonstration by nearly 25 percent, and HIV/AIDS education and training centers by nearly 15 percent.

- While the FY2009 Budget provides a modest increase for health centers of nearly \$27 million to fulfill the President's goal of expanding health centers in high poverty areas, this amount is inadequate to address the growing needs of people in high poverty areas who were missed in the Administration's previous high poverty counties initiative.

#### National Institutes of Health (NIH)

- The budget request for the National Institutes of Health (NIH) is \$29.5 billion, the same level as FY2008. This request provides inadequate increases that will not cover the cost of biomedical research inflation and, therefore, constitutes a cut in the actual level of resources NIH will be able to put forward to perform its public health mission.

- Funding is not included in the NIH Budget for the National Children's Study -- a study designed to examine the effects of environmental influences on the health and development of children. The Administration fails to fund this study in the NIH Budget request, despite the fact they acknowledge the study will be "one of the richest information resources available for answering questions related to children's health and development and will form the basis of child health guidance, interventions, and policy for generations to come."

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

- Despite acknowledging that the CDC is the "primary Federal agency for conducting and supporting public health protection through promotion, prevention, preparedness, and research," the President's budget proposal cuts the CDC budget by \$412 million, including \$27 million from its efforts to detect and control infectious diseases, and \$29 million from chronic disease prevention and health promotion.

- The Administration requests a cut of \$137 million to the Bioterrorism State and Local Capacity Programs. These programs are designed to support upgrading State and local capabilities and ensuring hospital readiness. Decreased funding will severely undermine emergency disaster response capabilities.

- While the Administration insists on budget increases of \$28 million for abstinence-only education programs that have proven to be ineffective, the President proposes cuts to CDC's HIV/AIDS and STD prevention programs, which develop, implement, and evaluate effective domestic prevention programs for HIV/AIDS, Viral Hepatitis, STDs, and tuberculosis. Furthermore, the President recommends a devastating cut of more than 25 percent to the USAID family-planning program.

- In recent years, there have been many public health emergencies, including the steady progress of the West Nile virus in humans and animals around the U.S.; the worldwide incidence of the H5N1 virus, which has resulted in severe disease and death in humans; and the epidemic of SARS in China and beyond. In addition to these infectious disease outbreaks, we have had to contend with skyrocketing rates of chronic disease such as obesity, cancer, and heart disease. Responding to these challenges will become far more difficult if we allow President Bush to implement his proposed seven percent cut to the U.S. Centers for Disease Control and Prevention (CDC). President Bush should be investing more resources to keep Americans healthy instead of attempting to cut over \$400 million from the agency tasked with preventing and controlling chronic and infectious diseases.

#### Indian Health Service (IHS)

- The budget request for the IHS is \$4.2 billion, a net decrease of \$21 million. This reduction is directly related to construction cost.

- Again, the Administration's is proposing to eliminate funding for the Urban Indian Health Program that ensures availability of or access to a comprehensive program of health care services for American Indians/Alaska Natives who reside in 41 cities. More than half (57 percent) of the 2.5 million people who identify themselves solely as American Indian and Alaska Native in the 2000 Census live in metropolitan areas.

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

- The Administration has previously acknowledged that 23 million Americans struggle with a serious substance abuse problem for which treatment is needed and, in any given year, approximately six percent of adults have a serious mental illness. Despite these acknowledgements, the budget proposal cuts the SAMHSA budget by approximately \$200 million, including \$79 million from substance abuse prevention and treatment activities, and \$126 million from mental health services.

- The budget proposes a \$63 million dollar decrease in substance abuse treatment programs of regional and national significance, and a \$36 million dollar decrease in substance abuse prevention programs of regional and national significance.

- In the budget, mental health programs receive significant cuts. The President requested \$144 million less for mental health programs of regional and national significance.

#### Agency for Healthcare Research and Quality (AHRQ)

- The budget request for AHRQ is \$326 million, a net decrease of \$9 million.

- The major concern with the AHRQ budget is that research supporting cost effectiveness and quality care has been cut by eight percent to only \$151 million. This reduction represents a significant decrease from the FY 2007 Budget, and will prevent the program from realizing its potential.

#### Administration on Aging (AoA)

- The budget request for AoA is \$1.4 billion, a net decrease of \$32 million.

- The budget calls for the elimination of both Preventive Health Services as well as Alzheimer's Disease Demonstration Grants. Across the board, the President's budget pays short shrift to preventive care, and the AoA is no exception. Alzheimer's Disease Demonstration Grants function to expand the availability of diagnostic and support services for members of underserved populations struggling to cope with Alzheimer's disease.

#### Food and Drug Administration (FDA)

- While the Administration provides an increase of \$130 million for the FDA, it is inadequate to tackle the problems of the agency.

- The budget would increase the FDA's food protection efforts by about 7%, or \$42 million, to \$662 million for fiscal year 2009. At the January 29, 2008, hearing before the Oversight and Investigations Subcommittee, FDA Science Board members discussed their report, which suggests that more than \$210 million is necessary to modernize safety standards for fresh produce and others raw foods and implementing inspection programs. The increase proposed in the President's budget appears well-short of what is needed (particularly once adjusted for inflation). Food safety will only receive about \$10 million in new money, as inflation will consume more than \$30 million of the increase.

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Prepared by the Committee on Energy and Commerce

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