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## Senate Finance Committee and Senate Appropriations Subcommittee Hold Hearings on HHS FY 2024 Budget Request

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On Wednesday (March 22), the Senate Finance Committee and the Senate Appropriations Subcommittee on Labor, Health and Human Services, Education, and Related Agencies held separate hearings to discuss President Biden's fiscal year (FY) 2024 budget proposal for the Department of Health and Human Services (HHS). The hearings mark the beginning of a months-long appropriations process to fund HHS before the end of the fiscal year. Both committees heard testimony from HHS Secretary Xavier Becerra who defended the president's budget request and responded to wide-ranging questions from committee members, including those related to mental health and substance use disorders, HHS' handling of migrant children, proposed changes to the Medicare Advantage program, and more.

- For more information on the hearings, including Secretary Becerra's testimony, visit the Finance Committee [hearing landing page](#) and Appropriations Committee [hearing landing page](#).

### Discussion topics

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*During the hearings, discussion ranged from mental health to proposed changes to the Medicare Advantage program to the organ donation and procurement process. Below is a high-level overview of the most-discussed health care topics.*

**Mental health and substance use disorders.** HHS Secretary Becerra fielded several questions on how the HHS budget would address mental health and substance use disorder. During the Senate Finance Committee hearing, Sens. Debbie Stabenow (D-MI) and Catherine Cortez Masto (D-NV) praised the budget's investments in community health centers and mental health care, while Sen. Tom Carper (D-DE) emphasized the need to reauthorize the Federally Qualified Health Center (FQHC) program and to increase evidence-based mental health care programs in schools. During the Senate Appropriations Subcommittee hearing, Sens. Tammy Baldwin (D-WI) and Jack Reed (D-RI) spoke about shoring up the 988-crisis hotline.

Several senators during both hearings spoke about the US fentanyl epidemic. Sen. John Cornyn (R-TX) spoke critically about the role of immigration law in the epidemic, while Sen. Maggie Hassan (D-MA) asked Becerra about MAT Act implementation and the need for consistent funding streams for state opioid response.

**Alzheimer's disease.** Throughout both hearings, Democrats and Republicans reiterated their support for Alzheimer's research and expressing frustration with the Centers for Medicare and Medicaid Services' (CMS) decision to narrowly cover two FDA-approved Alzheimer's treatments.

During the Appropriations subcommittee hearing, Senate Appropriations HHS subcommittee ranking member Shelley Moore-Capito (R-WV) and Appropriations Vice Chair Susan Collins (R-ME) said that CMS' Coverage Determination Decision limiting access to Alzheimer's drugs to those enrolled in clinical trials doesn't enable enough access and disproportionately harms patients in rural areas. In his closing statements, Senate Finance Committee Chair Ron Wyden (D-OR) said "[W]e've seen how strongly the committee feels. We've seen how strongly the country feels. This is urgent, urgent business. Please, as I say, let the administrator ... know I'll be calling her about speeding up access."

**Controlling prescription drug costs.** Lawmakers in both hearings also returned to conversations on the best way to control prescription drug costs. Democrats on the committees discussed ways to build on the Inflation Reduction Act's drug pricing policies. For example, Sen. Cortez Masto (D-NV) spoke about extending the IRA's drug inflation rebate penalties to the commercial market. Meanwhile, Republicans on the committees, including Sens. Thom Tillis (R-NC) and Marsha Blackburn (R-TN), raised concerns about the efficacy of the IRA's drug price negotiation provisions and the impact on drug innovation. In response, HHS Secretary Becerra defended the IRA's drug provisions and policies in the Biden budget that build on the IRA. When asked about the implementation timeline, Becerra said the department is working hard to meet the September deadline to announce the first 10 drugs for which Medicare will negotiate prices but cautioned, "We've never done this before."

One area of bipartisanship that surfaced during the hearings centered around pharmacy benefit managers (PBMs) and how their practices impact drug prices. Sen. Joe Manchin (D-WV) labelled PBMs as his number one concern related to high drug costs. When asked what actions HHS or Congress could take, HHS Secretary Becerra said more transparency is needed among PBMs but acknowledged that any changes in this sector is likely to be challenged in court.

**Medicare Advantage.** While Sen. Elizabeth Warren (D-MA) spoke in support of proposed changes to the Medicare Advantage program and the risk adjustment process, Republican senators at both hearings raised concerns about CMS' Medicare Advantage advance notice and the potential negative impact on beneficiaries. In response to a concern about alleged cuts to the MA program from Appropriations subcommittee member Shelley Moore Capito (R-WV), Becerra defended the MA rate notice, saying that MA plans are still getting a payment increase for 2024, the increase is just smaller compared with 2023. In regard to the potential for benefit cuts, Becerra said, "They're not allowed to make cuts to Medicare benefits. They may change the package of benefits that they provide within a particular plan and may change out certain benefits, but they are not allowed under law to cut Medicare benefits from any beneficiary. And if they tell you they are going to have to, then I say to you right out front: that's an unequivocal untruth."

**Telehealth and other public health emergency waivers.** Senate Finance Committee ranking member Mike Crapo (R-ID) said he and Chair Wyden are working closely together on permanent telehealth legislation, but said they need the administration's support to identify meaningful telehealth solutions and identify policies that should be extended or made permanent. Becerra said "Senator, this one's crucial. ... We absolutely will work with you because we don't want those statutory flexibilities to expire." Becerra also said HHS will need to work with states to facilitate telehealth across state lines.

Sen. Sheldon Whitehouse (D-RI) also said there is a need for other waivers to continue, including those waiving Medicare's 3-day prior hospitalization requirement for skilled nursing facility (SNF) stays, allowing curative and palliative care to be provided simultaneously, and enabling home health.

**Organ Procurement and Transplantation Network (OPTN).** Senate Finance Committee member Chuck Grassley (R-IA) focused his comments on allegations of fraud, waste, and abuse related to the OPTN. "From failures by government networks that match organs with patients, to mismanagement and waste by contractors tasked with harvesting and promptly transferring organs, it's clear that we need a serious overhaul and improved oversight of these life-saving systems," Sen. Grassley said. Sens. Todd Young (R-IN) and Jerry Moran (R-KS) also raised concerns with the program. In response, HHS Secretary Becerra said the department has launched a modernization initiative to make the contract bidding process more competitive, require data transparency from contractors, and upgrade its IT system.

**Workforce.** Regarding workforce concerns, Sen. Bob Menendez (D-NJ) spoke critically about CMS' implementation of a Consolidated Appropriations Act 2021 provision to increase the number of GME slots. Sen. Bob Casey (D-PA) spoke about his bill, the Better Care Better Jobs Act, along with concerns around long-term care. Additionally,

Sen. Cindy Hyde-Smith (R-MS) spoke about workforce shortages impacting hospital finances and access to services.

**Maternal mortality and morbidity.** In his testimony, HHS Secretary Becerra spoke about the budget proposal's investments in maternal health and the importance of states expending Medicaid postpartum coverage. During the Senate Finance Committee hearing, Sen. Hassan praised the proposed funding increase for Title X, while Sens. Tammy Baldwin and Murray spoke about the need to improve maternal health care and decrease disparities in mortality and morbidity rates during the Appropriations subcommittee hearing.

**Other topics.** During the hearings, lawmakers also addressed other topics. Sen. Debbie Stabenow (D-MI) spoke positively about the President's proposals to extend the Medicare Trust Fund solvency. Sen. Michael Bennet (D-CO) raised concerns about CMS' implementation of the No Surprises Act's independent dispute resolution process, to which HHS Secretary Becerra said the department needs more funding to deal with the influx of claims. Sen. Ron Johnson (R-WI) asked Becerra to ensure HHS shares information about COVID-19 origin investigations with congressional committees. Sen. Casey spoke the need for increased funding for the Vaccine Injury Compensation Program. Finally, Sen. Young spoke about the PASTEUR Act and the need to address antimicrobial and drug resistance.

*If you have questions, please contact [Heather Meade](#) or [Heather Bell](#).*

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