Hearing Transcript

House Appropriations Subcommittee on Labor, Health and Human Services, Education and Related Agencies Hearing on the Fiscal Year 2018 Budget for the Department of Health and Human Services

March 29, 2017

COLE:

Good morning, Mr. Secretary. It's genuinely my pleasure to welcome you to the Subcommittee on Labor, Health and Human Services, and Education. We're looking forward to hearing your testimony.

Mr. Secretary, your responsibilities are many. Your department is responsible for ensuring proper payments of Medicare and Medicaid dollars, for overseeing biomedical research that can save millions of lives, for helping families break the cycle of poverty, and protecting our nation against bioterror and pandemic events.

The cuts proposed in the budget blueprint this month are extensive and span the reach of your agency. I believe there's always fat that can be trimmed and priorities that can be reordered. And I will ask you some questions this morning about whether this budget leaves America sufficiently prepared to respond to a pandemic, a new disease like Zika, or a bioterrorism event.

I will ask questions about how you'll fulfill your mission of enhancing the health and well being of Americans at these levels of funding. I will ask how you will work to solve some of the challenges in your agency, including those related to the Indian Health Service. And ultimately, this subcommittee needs to know in detail what cuts you propose and what missions you are either downgrading or eliminating.

I know some of these details will be forthcoming in the weeks ahead, but we look forward to hearing what you're able to share with us today, and we recognize there are limitations in that regard.

As a reminder, the subcommittee and our witness will abide by the five-minute rule so that everybody will have a chance to get their questions asked and answered.

And now I'm going to go off-script for a minute. I want to begin also to just welcome you here as our former colleague of 12 years, and I not only had the privilege of serving with you obviously in Congress, but in the same conference and on your committee which you chaired. And I couldn't have been more pleased with your selection by the president.

I think you are not only a very good person and extraordinarily well qualified for this job, I have no doubt you're going to do a brilliant job for the American people during your tenure at Health and Human Services.

And having worked with you on the Budget Committee, I know you know how to balance a budget and bring it into budget, and make the tough decisions that have to be made for the country going forward. And, you know, we -- we achieved that balance in the budgets that you were the -- that you crafted; in some cases, I think with appropriate balance between entitlement spending and discretionary spending.

And I think that's probably one of this committee's chief concerns. I think the president is absolutely correct that we need to spend more on defense. I don't have any doubt about it at all. And I think he's absolutely correct as well that it needs to be done in a fiscally responsible way with offsetting reductions elsewhere in the budget.

Where we would disagree, and I cut the administration considerable latitude because it's had very little time to craft a budget. We're operating off a skinny budget. We may see something different in May. And we may see something different in the years ahead. But in my personal view, these are focused too tightly on non- defense discretionary offsets, and particularly with respect to your agency.

I take considerable pride in the fact, and I know my colleagues on both sides of the aisle do, that in the late '90s and early part of the 21st century, Congress -- a Republican Congress, frankly, but with Democratic support -- was able to double the budget at NIH. And our predecessor, Speaker Gingrich, deserves considerable credit. And Mr. Porter, as my good friend the ranking member, and the -- of both the full committee and the subcommittee, often pointed out, they did a tremendous job, I think, for the American people.

We then had about a dozen years of flat funding. And I take considerable pride that it was a Republican House and Senate again in 2016 that re-started the cycle of increasing funding at the NIH. And when I say "flat funding," I know my colleagues would be the first to point out, flat funding means reduced funding, because you obviously lose on account of inflation. And I can give you the numbers in terms of the number of grants for research we were funding in 2003 versus what we were funding in 2015. We went down from one in three to one in six. And that was a lot of good science, I think, left on the table.

So I'm pleased that we were able to re-start that what I call a "virtuous cycle" in 2016. I take considerable pride, honestly, that it was, again, a Republican Senate and Republican House that did that, but again, with the support of our friends on the other side of the aisle.

And we did that again in 2017 budget, which I'm very hopeful you will -- you will get to operate without a continuing resolution before the end of next month and you'll see they'll be another very substantial increase for the National Institute of Health.

Going forward and -- and also for the Center for Disease Control and that you've heard me say this before but I really believe it, these are -- these two institutions, in particular and there's lots of good things in your budget. But these two in particular are every bit as important for the national defense and national security of the American people as the Pentagon is because, frankly, you're much more likely to die in a pandemic thank you are a terrorist attack.

So maintaining the ability to respond to terrorist attacks, to respond to unexpected things like Ebola and Zika are extraordinarily important for the country and I know you see it that way as well. Again, you're in a tough position. You have to make tough decisions and I respect that. But this committee and certainly, me personally, will be very hesitant about -- about looking at cuts of the nature that we're talking about.

And frankly, pretty insistent on finding a way in the total budget to not only maintain that the -- the offsets the president wants to but spread them more broadly across the full budget, but do it in ways that we can continue this investment in the what I think is really cutting edge and important biomedical research and certainly at the Center for Disease Control what's literally the final line of defense.

I much rather fight Ebola in West Africa than West Dallas and I think we need to recognize the extraordinary contributions that were made by that agency and the NIH working together in that particular fight. So I just -- I say that out there just upfront because we will have some differences but I want to make it clear they're not differences in the basic thrust of what the president (inaudible) is trying to do.

It's just doing what Congress is supposed to do and trying to think maybe more broadly across the entire budget as I know you've done before, I've seen you do it and -- and try to make sure that we prioritize what's genuinely important and defense is genuinely important these things are part of the defense of the country and its development too.

So I really look forward our discussion, I know it will be thoughtful. I know you will make good decisions on behalf of the American people going forward because I know we I've had the opportunity to serve with and this committee looks forward to working with you fully and openly and transparently. We had an extra relationship with your predecessor in Secretary Burwell, who's someone I think very highly of. But I know what will have an excellent relationship with you.

And again, I know how well you'll serve the American people so this committee, Republican and Democrat alike, looks forward to working with you to achieve that common goal. And I know that's the president's goal as well. And that this is the beginning of a process, my hope is we'll get to an end of a process where all of us can take a great deal of satisfaction that we've achieved the objectives that I know we all share. And, frankly, discharge the duties that we're all obligated to discharge.

And with that, I want to turn to my good friend, the ranking member from Connecticut, for the opening remarks she cares to make.

DELAURO:

Thank you very much, Mr. Chairman.

And welcome, Mr. Secretary. Welcome to the subcommittee and your first appropriations hearing. Certainly not welcome to the Congress, which is a place that you -- you know well.

We -- we meet during perilous times for the future of healthcare in our country. With the threat of rising premiums, rising deductibles and the uninsured; Americans were protected last week when Speaker Ryan called a bill from the floor that would have repealed the Affordable Care Act. The fate of their healthcare really now lies in your administration's hands.

I have been deeply disturbed by President Trump's recent threats to sabotage health insurance for the millions of Americans that rely on the Affordable Care Act every day. And last week from the Oval Office, he said and I quote, "The best thing we can do, politically speaking, is let Obamacare explode," end quote.

On February 27th, he told the National Governors Association, again I quote, "Let it be a disaster because we can blame the Democrats. Politically, it would be a great solution." I find this speech to be insulting to the millions of workers, children and older Americans whose futures are on the line.

The healthcare of the American people is not a political bargaining chip. The idea that the president of the United States would intentionally undermine the health and the financial security of millions of Americans for personal political gain, my view, is malicious.

Mr. Secretary, I hope that you will assure us today that you intend to use your position to strengthen the individual marketplace that's used by millions of Americans instead of sabotaging it for any political gain. I hope you will tell us today that you concur with Speaker Ryan when he says that the Affordable Care Act is the law of the land and that we will -- there will be no further attempts to repeal it. But rather take a look at the ways in which we can improve and strengthen the Affordable Care Act.

Moving from the failed appeal of the Affordable Care Act to the budget proposal. I think you know what my response is on the budget proposal. Unfortunately, I do not have anything complementary to say about your budget request. In fact, I think it is a disaster that will have literal life-and-death consequences for American families; $15 billion in cuts to HHS is untenable.

Much like Speaker Ryan's healthcare bill that failed last week, the Trump administration's budget request for the Department of Health and Human Services would eliminate critical resources and programs for low income and working families. It would also decimate the National Institutes of Health, the world's foremost biomedical research institution. Severe negative consequences for public health departments across our country.

To be clear, President Trump is proposing to cut NIH funding by $6 billion. This is really an understatement, since we just saw that the administration wants to cut an additional $1.2 billion from NIH in 2017 as well. And I hope you will tell us whether or not you agree or disagree with that additional cut. Cutting billions from NIH would be devastating. Cancer research, Alzheimer's research, HIV/AIDS research as well as research to prevent and cure of any other disease that is causing misery for millions of Americans and their families.

Make no mistake, this cut will turn back the clock on life saving biomedical research that you know and I know and the chairman knows and everyone on this committee knows has the power to save lives.

Mr. Secretary we know today, we need to know today, do you agree that we should cut $6 billion from the NIH? And I just might add that it is $6 billion below what you voted for in the Omnibus last December. We are choosing to hamper our progress as a nation, we are choosing to ravage our medical community.

DELAURO:

President Trump is also proposing to eliminate the low income home energy assistance program, LIHEAP, which allocates $3.4 billion each year to help pay heating and cooling bills for nearly 7 million low income households.

Earlier this week I heard from constituents depend on LIHEAP, let me just quote for you, this is in Derby, Connecticut, this is the news report, "Tears flowed, anguished creased faces and pleas for help filled the room. They came from people like Amanda Diaz (ph) who works 40 hours a week while taking care of two young children and a sick mother, Chris Santini (ph), a former nurse left disabled, Evan Gadison (ph), who recently graduated from a Griffin hospital training program."

These programs are vital, Amanda Diaz (ph) said she said, people like me don't just stay home. I work, I had a five-year-old daughter has -- who have asthma and my mom has lupus. Diaz (ph) says minimal heating assistance she received probably kept her daughter and mother from getting sick last winter.

Mr. Cheney said and I quote, "How does the government think we can just cast people aside, a disabled former nurse," she wiped tears from her eyes and she said they are putting numbers down, but we are talking about humans. These are the words of folks that rely on this program to keep the kids healthy, to keep your family safe.

And President Trump is also proposing to eliminate the community service block grant program, CSBJ, a critical program that connects people with job-training, nutrition programs, LIHEAP and more. He would propose slashing funding for the Centers for Disease Control which gives to state public health department, drastically reduces surveillance, epidemiology, laboratory testing as well as immunizations and emergency preparedness activities in the state. And I was pleased to read in your testimony about your commitment to emergency preparedness and how we need to foster that effort.

In each of these cases, President Trump is proposing to eliminate programs that help low income, working class families, often the same family that put their faith in him during last year's campaign. Or he is proposing to cut programs like the NIH, the CDC, that benefit all Americans. And, at the same time, he is preparing to introduce a massive tax cut for corporations and millionaires just as he did in the failed health care bill last week.

For decades, Republicans have advocated massive cuts to health and education funding, such as with HR 1, the very first thing the Republicans did when they took the majority, which proposed cutting the NIH by $1.6 billion and the CDC by 10 percent. Unfortunately, President Trump's budget is finally showing the destructive impact that those cuts would have on our communities.

Cuts to medical research, cuts the public health departments, cuts to home heating and cooling for low income families, cuts to Meals on Wheels for older Americans, cuts to nurses training, cuts to family caregivers, cuts to family planning service and the list goes on. My sincere hope is that President Trump's budget is dead on arrival. This budget is cynical, it's vindictive and it will cause real harm millions of American families.

Mr. Secretary, I look forward to finding out whether you support these reckless cuts. I sincerely and truly hope not. Additionally, I've read your testimony and I know that you do not have all the numbers yet. And I ask the chairman if we could have the secretary return in May to testify when we know the full extent of this budget when it comes around to May.

I thank you and I look forward to your testimony and to our discussion.

COLE:

Thank the gentle lady.

We have the privilege this morning to have my good friend, the ranking member of the full committee here as well. And just for the record, I want to say I was very privileged last night to be with her when she received a lifetime award from Alzheimer's Association for the distinguished work she's done over the course for career.

We have some of those folks associated with that effort here and we thank you for your good work as advocates. And we certainly thank you for honoring our colleague and our dear friend with that.

The gentle lady's recognized for whatever remark she cares to make.

LOWEY:

Now you're being so very gracious. But I think we should tell the group that I was honored to be with you, my friend. And I also want to say...

COLE:

Was kind of hoping you bring it up, but...

(LAUGHTER)

LOWEY:

And I do want to say, because I was glad you referenced it in your opening remarks, I was part of this committee when a Republican, John Porter, doubled the money for the NIH. And I know of Chairman Cole's commitment to Alzheimer's, to the whole range of diseases which we focus our efforts and find cures and prevent the terrible pain at these illnesses cause.

So -- and I also remember, Mr. Chairman, when we used to say there are Democrats, Republicans and appropriators. And we have to get our work done, so I am very optimistic that at the end of this process we will make major changes to the budgets -- the skinny budgets that have been submitted to us.

So with that, my friend, I want to join you and welcoming our guest today, Secretary Price. This really is a strange hearing. You come before us with a quote, "A skinny budget" that doesn't contain many numbers. And the few clear details would have catastrophic results for Americans.

Here's what we know about President Trump's budget; the NIH would be cut by as much as $5.8 billion, resulting in 3,000 to 5,000 fewer annual research grants. Nursing training programs would be eliminated. Without LIHEAP, 6.8 million elderly and vulnerable Americans would be left without heating assistance in the winter and cooling assistance in the scorching summer heat.

And the Department of Health and Human Services would be cut by 18 percent, including critical priorities at risk. The 18 percent cut to HHS creating danger bio-security, medical research, mental health counseling, substance abuse, early childhood development, combating disease and epidemics, vaccine development; I don't think I have enough time to list all the cuts. But do know how serious they are.

There are no two ways about it, it's just not possible to make an 18 percent cut without decimating investments that Americans rely on. So, we should be honest with the American people, President Trump's budget plans are nothing more than a broken promise while special interest loopholes remain intact. If you're working hard every day and still can't meet ends meet you're out of luck in Trump's America.

You also come before us days after Trumpcare crashed and burned with policy proposals constantly changing in an effort to appear -- appease the right-wing in its final days. I'm not certain that any person in this room, perhaps including you Mr. Secretary, could articulate the Trump administration policy on healthcare other than repealing the Affordable Care Act and taking healthcare away from 24 million people.

I certainly hope, Mr. Secretary, that last week's failure of Trumpcare has made clear that the American people want the ACA to be strengthened. And I think working together, Democrats and Republicans, if we look at it with open eyes we can strengthen our healthcare system, especially in light of the news overnight that Republicans are back at trying to repeal the bill! I don't understand that.

Instead of working together to improve, to strengthen the Affordable Care Act, without a plan in place there's talk of repealing it again. And I want to make it very clear that we will call out any

attempt by your department to undermine American's health coverage. So I hope you're not inclined to seek a quote, death by a thousand cuts, approach to decimate the ACA.

So I really do look forward to hearing from you about the administration's plans for the department which you lead. I also hope this will not be you only visit and that you will return to testify on the full budget when it is released in May.

So again, I thank you for appearing before us. I thank the Chairman for having this hearing and I do hope we can work together as we move forward, Democrats and Republicans, for the people of this country. For those who are here talking to us about the impact of Alzheimers, for all those who have really suffered. We can make the bill better. And rather than tear up the ACA, let's work together to strengthen it to improve it. Thank you very much.

COLE:

Thank you Gentlelady.

And now I'm pleased to recognize my good friend our distinguished Secretary of Health and Human Services, again, Secretary, thank you for coming here before us and we look forward to hearing whatever testimony you care to give.

PRICE:

Thank you so much Mr. Chairman, Chairman Cole and Ranking Member DeLauro, Chairman -- Ranking member Lowey, thank you so much for the opportunity to be with you and discuss the president's budget blueprint for the Department of Health and Human Services for F.Y. 2018.

Since I was sworn in last month as secretary, I've had the opportunity to meet many of the incredible employees working at the department's headquarters right across the street, and at many of our agencies, literally around the country. And I've been continually impressed with the myriad ways that HHS supports local communities in times of emergency, often in ways that the American people never know about.

When California's Oroville dam risk breaching in February, HHS was ready with its expertise and assistance in preparedness to meet the health needs of that community. And when a natural disaster strikes, local authorities rely on HHS data to know which households in their community were energy dependent and in need of assistance. This kind of federal support rarely makes headlines, but for the farmer who lives miles from any first responder and downstream of the distressed dam or the snowed in senior citizen who require supplemental oxygen, HHS can be a lifesaver.

Two weeks ago the president released his America First budget blueprint for 2018 discretionary spending. Administration request $69 billion for discretionary spending at HHS, prioritizing critical programs and proposing the elimination of programs that are duplicative or ineffective.

The blueprint make strategic investments that will let us respond more efficiently to public health emergencies, empower Americans to make the best decisions for their healthcare needs and prevent waste, fraud and abuse across the department; particularly within Medicare and Medicaid. The vision for HHS is only been laid out in broad strokes since specific decisions on programs and account levels are still under consideration.

Those details, as well as proposals on mandatory spending, will be included in the presidents full 2018 budget proposal which is expected in mid-May. There are three priorities that I'd like to highlight today; our nation's mental health and substance abuse crisis, resources for emergency preparedness and response, and the fight to end childhood obesity.

Drug overdoses have risen steadily over the past couple of decades, largely thanks to the misuse of opioids and they are now at epidemic levels. A staggering 52,000 Americans died of overdose in 2015, and drugs are now the leading cause of death from injury in America. I know this issue has hit home in many of your districts and your communities. As a physician and as an American, it breaks my heart to see a deadly epidemic rage across our land. And as secretary of Health and Human Services, it is my responsibility to ensure we're tackling it with all resources available.

The budget blueprint reflects this commitment and HHS is investing efforts to combat opioid misuse, increase availability of treatment, and reduce deaths from overdoses. Those investments include the -- continuing the $500 million in funding provided by the 21st Century Cures Act. Many Americans are struggling also with substance abuse. They also suffer from mental illness.

The administration plans on continued investment in high priority mental health issues including suicide prevention, serious mental illness and children's mental health. Another critical of function of the department is emergency preparedness. HHS Office of -- of the Assistant Secretary for Preparedness and Response coordinates the prevention of, preparation for, and response to public health emergencies and disasters. Which can range from outbreak of infectious disease to chemical and biological threats.

The president's F.Y. '18 budget proposes to reform key emergency programs and create a new federal emergency response fund, which will allow HHS to rapidly respond to public health threats. With support from this subcommittee, HHS has a -- played a key role in fighting the Zika virus, promoting vaccine development, advancing diagnostics and providing resources for pregnant women.

The department continues to closely monitor the Zika situation, especially as we enter another mosquito season in the Southern United States. At the same time HHS is monitoring and preparing for a range of threats; including viruses abroad, like the H7N9 avian flu virus in China.

The final priority I'd like to raise the problem of childhood obesity. Nearly 20 percent of America's school children are obese, leaving them at higher risk for having chronic health conditions and diseases. And we owe to them and their families to do better and I look forward to working with you to augment the department's worthy efforts in this area.

I want to thank again, Chairman, Ranking Member, and the members of this committee, for the opportunity to testify today and for your continued support of the department. It's an incredible privilege for me to serve the American people as the secretary of Health and Human Services.

And I appreciate the opportunity to be here today and I look forward to our conversation.

COLE:

Mr. Secretary, whoever helped you with your opening remarks, keep them, because they were 13 seconds, man it was really good.

(LAUGHTER)

Let me begin Mr. Secretary, as you know, the National institute of Health is the primary funder of basic biomedical research in the country. This research is the foundation upon which all treatments and cures are based. The NIH also supports transnational and clinical research on campuses at over 2500 research institution across the country.

Discoveries by NIH funded researchers since its inception have resulted in new treatments, in cures for diseases and have greatly the life expectancy and quality of life for Americans. Congress has provided significant and steady increases in funding for the NIH to help bring researchers closer to finding cures for diseases like cancer and Alzheimer's.

I'm extremely concerned about the potential impact of the 18 percent cut the administration has proposed at the NIH. Could you please describe how your proposed budget would enable the United States to maintain the biomedical research enterprise and continue progress in developing new treatment and cures within this funding level?

PRICE:

Yeah, appreciate the Chairman's perspective and I share your accommodation for NIH.

I've had the privilege of visiting many of the staffed divisions and operating divisions within the department and I had a visit with NIH and was incredibly impressed -- have been always in my public service incredibly impressed with -- with work that they do NIH, as you know, is part of a large department that comprises over a third of the discretionary budget at the department of Health and Human Services.

The -- the funding level that's proposed of $25 billion remains over a third of the entire proposed budget for the department. I was struck by the -- the need for efficiencies and decreasing duplication and the like within our entire department but I was struck by one thing at NIH and that is that -- that about 30 percent of the grant money that goes out is used for indirect expenses which, as you know, means that that money goes for something other than the research that's being done.

And -- and I think what the -- the budget is trying to do is to being the first step in this process -- is trying to bring focus to kinds of things that we ought to be able to do to get a greater -- bigger

bang for our buck, if you will. The research that's done at NIH, as you know, is incredibly important and I -- I support that and -- and want to make certain that young scientists and scientists that who have been there for a long time know how much we value the work that they do and want them to be able to continue.

So our goal is to -- is to fashion a -- a budget that focuses on the things that work, that tries to decrease the areas where there are either duplications or -- or redundancies or waste. And whether or not we can indeed get a larger -- larger return for the investment of the American tax payer in this area which is so vitally important.

COLE:

Well, we look forward to working with you to find ways to stretch those dollars further as well. So we'd be interested in your input as we go along and you learn more on that. Recent experiences with Zika and Ebola, other diseases, highlight the -- the importance of our investment in public health preparedness to protect Americans from biological threats, both naturally occurring and manmade.

New threats can emerge at any time. For example, the number H7N9 influenza virus infections have skyrocketed in China. And if the virus becomes more easily transmittable, we could see an outbreak of a particularly deadly flu strain in our own country. Congress recognizes the importance of public health and preparedness.

In F.Y. 2016 we provided additional funding for the CDC preparedness activities, project Bioshield and BARDA, we intend to continue these investments in F.Y. 2017. The F.Y. 2018 budget blueprint request does not include much detail on the administration's plans to support public health and preparedness against biological threats.

Please describe how you intend to maintain and enhance our preparedness with the top line funding you're proposing right now at -- for your total agency.

PRICE:

Yeah. Thank you, Mr. Chairman, and it -- it -- in my opening remarks as I mention, emergency preparedness and response is one of the absolute priorities.

This is an area where, as you know, the American people simply expect us to do our job and do it well so that they -- they can -- can rest assured that night that they're safe. I've been incredibly impressed with the people at the department that are in the preparedness and response area.

I get a briefing almost daily on the work that they're doing, an update on the H7N9 situation in India and China. And thankfully we've -- we haven't seen a -- a transmission from -- from a avian source to -- to humans at this point. And -- and the so our goal is to make certain that the resources are available so that we can accomplish the mission that is to keep the American people safe.

COLE:

I appreciate that.

And just, before I yield to my good friend, the Ranking Member; as you present the fuller budget later please take into account -- I mean, CDC plays an incredibly important role. We always focus on NIH. This ability to respond and protect, you know, is again every bit as important as -- as our ability to protect our fellow citizens against terrorists.

So, very important that that agency remain robustly funded. Because sadly, on your watch we can almost guarantee there'll be a pandemic, there'll be something; that's just gonna happen. And so this is a place not to be penny wise and pound foolish.

So I -- with that admonition, I want to yield my good friend, the gentlelady from Connecticut.

DELAURO:

Thank you very much, Mr. -- Mr. Chairman.

Mr. Secretary, I'm -- I'm just going to ask a bunch of questions. And -- in the -- because I just have five minutes, what I'd like to do is to be able to get a -- a yes or no answer on on these questions. The -- will the administration commit to defending and continuing the cost sharing efforts for low income consumers? The administration is done that so far -- despite the House lawsuit against doing so.

Will you commit to defending and continuing these payments, yes or no?

PRICE:

Ranking Member, as you know, the day that I was sworn in it changed from House v. Burwell to House v. Price Weber.

DELAURO:

Right.

PRICE:

So I'm a party to that lawsuit and I'm not able to comment.

DELAURO:

The clock is running out for insurance to make decisions for 2018. Will the administration make a decision before the next court deadline of May 21, if not sooner?

PRICE:

I'm not able to comment.

DELAURO:

You agree that should the administration reject many cost-sharing payments, as it has done for the past three years and half, insurance will drop out of the market and raise premiums because of your decision?

PRICE:

As I said, I'm not -- I'm a party to that suit.

DELAURO:

Well, but you're not a party to whether or not -- whether the -- it -- it will -- if -- if -- if it -- if they're -- cost-sharing stops that's a -- that's a judgment question, will premiums go up and will insurers drop out of the market?

PRICE:

This is in -- this the side of the question is incredibly important because premiums have risen. And it's the commitment of this administration to make certain that we are able to bring down costs for the American consumer so that they're able to afford the kind of coverage...

(CROSSTALK)

DELAURO:

The question is about the cost-sharing opportunities. And that will -- will that drive up the costs?

PRICE:

That's what I'm not able to comment on.

DELAURO:

OK. Let me then moved to will you uphold the laws of the land, even those that you oppose?

PRICE:

That's my sworn oath, yes.

DELAURO:

Does that include forcing the individual mandate? Yes or no?

PRICE:

So long...

DELAURO:

Yes or no?

PRICE:

So long as the law is on the books we at the department are obliged to uphold the law.

DELAURO:

Are you aware of the cost of not enforcing the individual mandate? CBO estimated in December that without the mandate premiums would jump 20 percent. Will you work to avoid such premium hikes by enforcing the current law?

PRICE:

Yeah, I think CBO has been -- puts a whole lot of stock in the individual mandate and -- and we would suggest that the proof isn't there to suggest that the individual mandate actually increase (inaudible) coverage.

(CROSSTALK)

DELAURO:

Will you work to avoid such premium hikes by enforcing the current law?

PRICE:

Beg your pardon?

DELAURO:

Will you work to avoid premium hikes, as has been projected by CBO, by enforcing the current law?

PRICE:

Well...

DELAURO:

Yes or no?

PRICE:

Ranking Member, I would suggest to you that current law is increasing premiums and what we're trying to do -- what the commitment of the administration is -- is to make sure that every single American has access to affordable coverage.

DELAURO:

The Office of the Inspector General is investigating HHS's halting of advertising during open enrollment in January, do you intend to halt advertising again this year, yes or no?

PRICE:

I haven't had any discussions about that, that was done prior to my arrival.

DELAURO:

Will you maintain or expand the level of funding and activity provided during the 2017 open enrollment?

PRICE:

What we're committed to is making certain that the American people have access to affordable coverage.

DELAURO:

Will you maintain or expand the funding for the marketplace call service, data services, hub and navigators? Yes or no.

PRICE:

Those questions actually depend on the outcome of this process where this is the first step in the appropriations process, so we'll see what -- what resources we have...

(CROSSTALK)

DELAURO:

No, there's a judgment call about whether or not this is -- I don't know where the decision was made to cut off the advertising during the open enrollment period in -- in January but that cut off people's information about whether or not they should enroll or not.

So are you -- are -- will you continue that effort to disallow advertising to let people know about enrollment?

PRICE:

Yeah, that happened before my arrival...

(CROSSTALK)

DELAURO:

But what will you do?

PRICE:

As I said, we're committed to making certain that every American has access to affordable coverage.

DELAURO:

So you will continue to do the advertising, you will do advertising.

PRICE:

We're committed to making certain that the...

(CROSSTALK)

DELAURO:

You'll do advertising?

(CROSSTALK)

PRICE:

... American people have coverage -- I wouldn't commit to any specific entity because...

DELAURO:

OK, that's -- I'm not...

PRICE:

... many of these things...

(CROSSTALK)

DELAURO:

That's what we're concerned about...

PRICE:

... that are allegedly increasing the coverage...

(CROSSTALK)

DELAURO:

... Mr. Secretary.

Let me talk about -- past four years, every eligible person, every corner of the nation, has at least one insurance company offering a number of health plans. That was because the secretary of HHS worked with insurance companies, governor state insurance commissioners to ensure access. Have you engaged with these key partners to date?

PRICE:

Absolutely. We've met with many insurers across this country and what they tell us is that they are extremely concerned about the exchange market and individual marketplace. Telling us that they aren't certain, given the current construct of the law, how they're going to be able to continue to provide coverage for folks.

And that's what we're concerned about, that's why we believe that it's imperative that we move in a direction that allows individuals the greatest opportunity to have choices in the coverage that they receive.

DELAURO:

Right, does that include a public option, Mr. Chair (sic)?

PRICE:

I think that what we need to do is to make certain that, again, every single American has access to the kind of coverage that they want and that it's affordable. The sad point is, is that the current law is making so that it is unaffordable for so many Americans.

DELAURO:

I would assume by your conversation that there will continue to be an attempt, unlike what Mr. Ryan has said -- or Speaker Ryan said, about looking at repealing the Affordable Care Act rather than looking at strengthening and improving it?

COLE:

You could answer...

PRICE:

Is that a question?

DELAURO:

Yeah. Repeal or strengthen and improve.

PRICE:

As I say, the department -- the administration is committed to making certain the American people have access to affordable coverage...

DELAURO:

But that is -- but does that include repeal?

COLE:

The lady's time is expired.

DELAURO:

I understand Mr. Chairman.

PRICE:

We believe that the current law has harmed many individuals and not been (inaudible)...

(CROSSTALK)

DELAURO:

So you will continue to move that repeal, is what I gain from that conversation.

Thank you very much Mr. Chairman.

COLE:

Thank you.

I know the demands on the Ranking Member's time are always great so I want to move, obviously, to her for whatever question she cares to -- to put.

LOWEY:

Thank you very much Mr. Chairman.

I do have some additional yes or no questions for you. Does the Trump administration believe women should pay more for health insurance than men?

PRICE:

What we believe is that individuals ought to be able to have access to the kind of coverage that they select for themselves and for their families, not that the government forces them to buy...

LOWEY:

Would you say yes or no when you're comparing men and women?

PRICE:

I don't believe that's a yes or no question. Again, what we believe is that you as a woman and my wife is a woman ought to be able to select the kind of coverage that they want, not that the government forces them to buy.

LOWEY:

OK, I'll get to the next question. Does the Trump administration believe maternity care should be a covered benefit under federal law?

PRICE:

Again, with individuals ought to be able select the kind of coverage that they want, not that the government forces them to buy.

LOWEY:

How that pre-existing conditions? Does the administration believe federal law should prohibit price changes or allow people to be denied coverage based on a pre-existing condition?

PRICE:

The president's been really clear about this, as have I, and that is that nobody ought to be priced out of the market because of a pre-existing illness or injury. And -- and it is absolutely imperative that we have a system that works for patients. A system that doesn't work for patients is not a system that works at all.

LOWEY:

I'll move on because I'm not sure that I understand that. Maybe we can have further discussions. I'd like to talk to you about Title 10 family planning.

As you know, Title 10 healthcare providers serve more than four million low-income women and men every year; offering contraceptive counseling and services screening for STDs, HIV, AIDS, screening for cervical and breast cancer, health, education, primary health care services.

Two thirds of Title 10 patients have incomes below the federal poverty level. Sixty percent of women who receive healthcare services from a Title 10 funded clinic consider it their primary provider. In my home state of New York, more than 300,000 women and men are served each year by Title 10 providers. In your state of Georgia, almost 100,000 women and men are served each year by Title 10 providers.

Mr. Secretary, is your F.Y. 2018 budget maintain funding for the Title 10 family planning program?

PRICE:

These areas are really important. Because often times, as you mention, it's the an -- an individual's only line of opportunity to gain access to the kind of care that they need. And one of the priorities of this administration and of this budget is to make certain that direct services, healthcare services, are a priority.

LOWEY:

So is funding for Title 10 providers included in your budget?

PRICE:

Well, the -- they're ongoing conversations and I appreciate your input and look forward to having those conversations. The -- the large specific budget will come out, as I mentioned in my opening remarks...

(CROSSTALK)

LOWEY:

I do look forward to that. And I hope that we can agree on the funding this program. Because I'm not sure I got an answer to this question, are you eliminating funding for Title 10 family planning services?

Are you hesitant to tell this committee whether you want to cut funding for Title 10 family planning? Or can we have a real discussion, understanding that New York, Georgia, many other places men and women depend on this for their healthcare services?

PRICE:

Well, I'd -- I'd -- I hope we have a real discussion and -- and -- and conversation. And as I mentioned, the -- the -- the specifics the specifics of the budget for F.Y. '18 will come out in, believe it's mid-May.

LOWEY:

OK. I've a minute left.

As you very well know, health insurance companies are required to cover contraceptive services without a co-pay. Will you commit to ensuring that policy continues while you are secretary of HHS? Are women going to have to return to paying out of pocket for contraceptive?

PRICE:

This is again one of those areas where we believe that individuals have access to the kind of coverage that they want, not that the government forces them to buy. And so we look forward to continuing the conversations, but to making certain that -- that the American people have choices in the kind of coverage that they receive.

LOWEY:

But if they choose to have these services covered, will you support it?

PRICE:

If they chose to have those services covered, absolutely. That's the -- that's the kind of program that we envision and that is one where individuals are able to select the kind of coverage that they want, not that Washington thinks is best for them. That's one of the problems that we believe has occurred with the current system.

LOWEY:

It's clear that we have a lot of discussions ahead of us because I think maybe -- maybe it be good for you to visit the...

(AUDIO GAP)

PRICE:

... those entities often times being the only avenue, the only venue for -- for care for many individuals across our land.

LOWEY:

I really appreciate that and as I close I do hope you can have that discussion with both Democrats and Republicans and that we understand how important these services are for people who couldn't afford to go other places to get those services. Thank you.

PRICE:

Thank you.

LOWEY:

Thank you Mr. Chairman.

COLE:

Thank you.

I want to go next to my good friend distinguished chairman of the Subcommittee on Energy and Water, the Appropriations Committee, Mr. Simpson from Idaho.

SIMPSON:

Thank you Mr. Chairman.

Thank you for being here today Secretary Price. I want to congratulate the president on selecting you as chairman of HHS. It's often time secretaries -- you have sometime secretaries pointed to various positions, we've all seen it, where they're experts on policy and don't know politics and others that know politics, but don't know policy, you're one who knows both of those. And so I look forward to working with you and I know you'll do a tremendous job at HHS.

I get confused easily and by a lot of the questions that get answered in opening statements and those kind of things. I got a few yes or no questions for you also. Do you want or believe that all Americans ought to have access -- access to affordable healthcare, regardless if they choose to purchase it or not?

PRICE:

Yes.

SIMPSON:

Do you believe that healthcare consumers ought to have choices in healthcare coverage options?

PRICE:

Absolutely.

SIMPSON:

Do you believe that Americans are smart enough to determine what is in their own best interest if given choices without the federal government mandating what is in their best interest?

PRICE:

I do.

SIMPSON:

Thank you. I think were on the same page.

Now to something really important, a little parochial question, the CDC, NIH, and Indian Health Services have -- all have dental divisions headed by dental directors. Unfortunately, HRSA has not followed suit and the last administration downgraded the chief dental officer to senior dental advisor.

There is a bipartisan support on this committee and we put in report language the last two appropriations, I believe, to restore the HRSA chief dental officer position, will you work with me and other members of this committee to restore this position so we can appropriately prioritize oral health?

PRICE:

Yeah, I know the -- your passion for this and comes from your -- from your history as a dentist -- practicing dentist and I've asked folks to look into that and see I don't see any reason why we ought not, I'm happy to work with you, but I don't see any reason why we ought not be able to accomplish that.

SIMPSON:

I appreciate that. Thank you.

It has been mentioned and I -- several times here and as you know, having been a member Congress, NIH is very important in this committee and it's very -- very important Congress and stuff and we will look at funding levels that come up they do vitally important work. In fact, it's

not only the work that they do, but they with their biomedical research advances -- it's also -- they positively contribute to the economy.

Last year's two billion increase an increase of 27,122 jobs and more than four billion in economic activity. So we all know the importance of NIH. In the skinny budget -- and this is kind of the difficult part that we can only talk really about the skinny budget and not the full budget comes out, so it's kind of strange time.

You -- or the budget mentions a reorganization of NIH. Is that a reorganization in structure of NIH? Or reorganization, as you mentioned earlier, of priorities and funding priorities and how we fund things? And if what you're looking at is trying to get more money into the actual research, I think that's important and that's something that this committee would support.

PRICE:

Yeah, I -- I -- I think it's both. We -- we -- we obviously we're not -- we haven't made a -- a -- a presupposition about what -- the what the endpoint is in all of this; understanding and appreciating that NIH is a massive organization does incredible work.

But as I -- as I mentioned a previous, I think to the Chairman, is -- is -- is that -- again, I was struck by the indirect -- the amount of of money -- 30 percent of the money that goes out for -- for grants is on indirect costs. Which, as you said, doesn't -- it isn't for the the specific research itself.

We ought to be looking at that. That's an amount that actually would -- would cover much more than the reduction that's being proposed. So if in fact there are greater efficiencies that can be had and -- to save money so that you can actually provide more grants for individuals to -- to be able to study all sorts of array of -- of diseases and challenges that we have; they do incredible work and we need to support it.

SIMPSON:

It -- and I appreciate that. It is one of the things I've complained about over several years.

I've told people that NIH is probably best kept secret in Washington, D.C. The good news is they're -- they do great work. The bad news is it's kind of a secret, once you get outside of Washington D.C. and outside of the medical community. And a lot of the research they do's in extramural grants out to universities and hospitals and those types of things.

PRICE:

Yes, I know.

SIMPSON:

And when they discover something it is, you know, John Hopkins University did this and stuff. What taxpayers don't know, it's their tax dollars that went through a grant to John Hopkins to -- to

discover that. And somehow we've got to get the message out of the work that NIH does to the average taxpayer. Because when the average taxpayer sees what's being done with their tax dollars, I think they will be very supportive of what's going on at NIH.

PRICE:

I appreciate you saying that. Because that's been one of my charges to -- to folks at the department is we've got a be -- we've got to be trumpeting what it is we do. Because the American people need to know that their tax dollars are spent wisely.

And so whether it's in -- in -- in preparedness and response or whether it's in discoveries; we need to make certain that the American people know the incredible work that's being done on their behalf.

SIMPSON:

Thank you.

PRICE:

Thank you.

COLE:

With that, we move to my good friend, the gentlelady from California, Ms. Roybal-Allard.

ROYBAL-ALLARD:

Welcome, Mr. Secretary.

PRICE:

Thank you.

ROYBAL-ALLARD:

Mr. Secretary, as was mentioned, your labor HHS budget summary recommends a reorganization of the National Institutes of Health. This includes a proposal to consolidate the agency for healthcare research and quality into IRH.

At the same time, the president proposes nearly 20 percent reduction in NIH's budget, making it nearly impossible for NIH to fulfill its own core mission, let alone the mission of another agency. Now, I strongly believe that AHRQ's research portfolio is an essential part of the health research continuum. Because it is the only federal agency whose entire mission is to generate evidence on how to improve healthcare quality, facilitate access to care and control healthcare costs.

Given it's important mission, how will your department operationalize moving AHRQ into NIH? And you plan to make it an institute or a center within NIH? Or is this simply a way to eliminate AHRQ?

PRICE:

I appreciate the question because, as you know this is the first step in this process. And I would love to have your feedback on this. But we -- we envision the opportunity for the NIH to -- to assume the duties -- the important duties of AHRQ and then to decrease or reduce or eliminate the duplication and redundancies.

Clearly the kinds -- some of -- the some of the kinds of things that are being done at NIH are also being done at -- at AHRQ. And so we look forward to the -- the opportunity to to fold AHRQ into NIH and to gain those efficiencies. But that also make certain that we're continuing to fulfill the mission.

ROYBAL-ALLARD:

Well, I -- I -- I'm very concerned that -- that AHRQ's important health services research portfolio would take a backseat to basic science and clinical research within NIH. Especially when funding decisions are being made within a shrinking NIH budget.

But my other big concerned about subsuming AHRQ into NIH is the long tradition of Congress being hands-off when it comes to directing research within NIH. Because in the case of our Congress absolutely should be directing health services research since the federal government is paying for such a large percentage of healthcare in this country.

So I -- I -- I really hope that you take a look at it. Because, and I repeat, it is the only agency that has the sole mission as -- as looking at health research, what are the safest and more accessible and affordable ways to provide that thought. So I...

PRICE:

Yeah, and I -- and I appreciate that. And in my visit to the NIH and -- and I'd -- and I'd suspect that many of the members of the committee of been there, I was really struck by the fact -- and I -- and I knew this. But to walk the halls is -- is -- you -- you gain a different appreciation, that down one hall is where they -- the research -- the scientific research is -- is -- is being done and the -- and the scientists -- the clinical scientists are -- are -- are working.

And then on an adjacent hall is where patients are being seen -- inpatients are being seen and -- and -- and cared for. So that -- that's where we believe that -- that there are some significant redundancies within the system itself. And -- and obviously what we want is to make certain that -- that the clinical perspective is gained as -- as well. And -- and much of that is being -- is occurring currently in NIH.

ROYBAL-ALLARD:

But will be a specific institute or centering within NIH? Will it -- will it have its own...

PRICE:

Yeah, we -- we -- we haven't answered that -- that question yet and that's part of the reorganization. But I look forward to your -- your perspective and -- and -- and input.

ROYBAL-ALLARD:

I'm extremely concerned about your proposal to eliminate $403 million; approximately one half of the Title VII and Title VIII health professions and nursing training program's current operating budget.

In today's increasingly diverse population, HERSA Title VII health profession training programs have been invaluable as a tool in creating a pipeline of minority primary care professionals, who overwhelmingly returned to practice in diverse and underserved areas. Additionally, over five decades of the Title VIII workforce programs have played a critical role in bolstering nursing education as well as building the supply and distribution of qualified nurses for all healthcare settings, particularly in rural and underserved areas.

Your budget favors scholarship and loan programs for addressing shortages. While these are successful programs, do you have any compelling evidence that scholarship and loan repayment programs also build minority student pipeline, support retention and enhance the diversity of the health workforce with the same success at Title VII programs have shown?

PRICE:

Yeah, that -- the workforce issues are really -- are really pivotal. As you know, we're -- we're -- we're have -- the wrong trend in terms workforce; not just for nurses, but other healthcare providers across the country...

ROYBAL-ALLARD:

Mr. Secretary, I was hoping for a either...

PRICE:

So one of the...

ROYBAL-ALLARD:

... yes or no answer here.

PRICE:

One of the things that we believe are -- are important is to focus on those areas where there is a service component to the payment back of -- of the loan or the monies being provided for education. And that's where we've tried to put our -- put the -- the focus and the resources.

ROYBAL-ALLARD:

But do you have evidence that they have the same success...

COLE:

Gentle -- gentlelady's time has expired.

ROYBAL-ALLARD:

... as Title VII?

PRICE:

We believe that there's significant success in that area, yes, ma'am.

ROYBAL-ALLARD:

OK. Well, I'd like to see that.

PRICE:

Thank you.

COLE:

Now moved to my good friend, distinguished vice chairman of the subcommittee, gentleman from Arkansas; Mr. Womack.

WOMACK:

Thank you, Mr. Chairman.

And -- and thank -- I thank our witness this morning. And I join the chorus of people, particularly those with strong opinions on this side of the dais, as we celebrate the appointment of Dr. Price is secretary of Health and Human Services. We're very, very proud of you and look forward your service.

Now, Mr. Secretary, I was up pleased in your opening statement when you dedicated a portion of it to a problem that continues to challenge our country, and that's this opioid epidemic. A priority

for this committee and specifically this subcommittee, and I know it's an issue that you and I have talked a lot about in your service in the House.

And -- and I'm pleased that -- again, that in your opening statement that you are committed to doing whatever is necessary within the constraints of -- of our budget and these sorts of things that we're going to do something about this. As you mentioned in your statement, Cures -- the Cures Act put $500 million to combat the opioid epidemic as -- as part of that endeavor.

Can you give us an update, kind of do a little deeper dive on how we are utilizing those funds? And what the plans are of the agency to direct these funds so that we get the specific outcomes where we can actually move the needle on something that is -- seems to be moving away from us?

PRICE:

It is. And -- and I thank you for the question. Because, as I mentioned, there -- 52,000 deaths in overdose last year, 33,000 opioid deaths -- related deaths. Just a scourge that knows no bounds or no limits. Every one of us know a family that's been just -- just harmed significantly -- or communities that been harmed by -- by this crisis.

You'll -- I -- I -- I hope that -- that the committee members know that the president today -- this morning I believe, is -- is signing and having a ceremony to put in place -- or to identify task force, a commission for opioid abuse and -- and -- and drug addiction. And I'm pleased to be able to -- to have the opportunity to serve on that.

The 21st Century Cures was an -- I think a remarkable commitment -- evidence of a commitment by this Congress to -- to identify the challenges that we face and put resources -- put hard resources behind it. The -- the grants that will go out on that will be going out in -- first of those grants will going out in April. And we'll work through, over the next number of months, and make certain.

What we're trying to do is identify those areas -- states in areas that are are having success in their treatment. How can -- how can we -- we put the greatest amount of resources in an area that will -- that will demonstrate and will have the greatest amount of success in return. So that's the process that we're on. They haven't gone out yet, but we're in the -- in -- it's a work in progress.

WOMACK:

As you know, the knee-jerk reaction of the Congress is throw money at the problem. And sometimes we throw money at the problem with -- without any real specific idea as to how it's going to be utilized. And there are many examples across the federal government spectrum where money is just not -- money's important.

Money drives a lot of things. But at the end of the day, we -- because of constrained budgets, we need to make sure we're targeting our money to the -- to the things that actually will work. And so I'm -- I'm pleased to hear you say that the -- that you're looking at state programs, those that have had some beneficial results, as a potential model for how a lot of this money's going to be utilized. That's good.

We doubled down on our efforts section -- when we pass a Comprehensive Addiction and Recovery Act, Section 303 of -- of that act requires that practitioners and office-based opioid addiction treatment settings have the capacity to provide all FDA approved opioid medications, either directing or by referral.

How will HHS implement this requirement to ensure patients are provided with the range of options?

PRICE:

Yes, this is another important area. And, as you mentioned, we've got to make certain that where the resources are going they can actually be utilized in a way that will benefit the end-user, the -- the patient.

I've -- I've shared with the department my -- one of my perspectives and that is we need to be thinking about people and patients and partnerships. And the partnership that is so important in this is to identify those areas in -- in -- in states, yes. But local communities as well. Who are actually able to accomplish the goal and the mission of -- of the mitigating the problem.

Getting people who are -- who've been hooked in this -- in this devastating challenge to be able to treat them in a way -- treat -- provide treatment that -- that increases the likelihood of them being able to conquer this -- this challenge that they have. And that's what we're looking at.

WOMACK:

OK.

Mr. Chairman, as you know I'm on the Defensive Subcommittee and I have a European Command brief that I need to get to. So I won't be here for second round of questionings, but I do thank you for the time and I appreciate the service of Dr. Price. Wish him the very best, as I do the Atlanta Braves. So...

PRICE:

Thank you, sir...

(LAUGHTER)

PRICE:

... go Braves.

COLE:

Yeah, we do miss the "Go Braves" after every pledge of allegiance that we give at Republican conferences we used to hear. But your fellow Georgians are much more muted than...

(CROSSTALK)

COLE:

... you were, Mr. Secretary.

With that, I want to go to -- to my good friend, the gentle lady from California, Ms. Lee and recognize her.

LEE:

Thank you very much. Good morning.

PRICE:

Good morning.

LEE:

Thank you for being here. And of course I want to congratulate you and just say a couple of things before I ask you a couple questions.

As I look at your budget and the deep cuts which disproportionately impact the poor, low income, middle income, people of color, really impact everyone except the very wealthy in our country; I see once again -- I just have to say this, Mr. Secretary, I see what Steve Bannon meant when he talked about deconstructing the administrative state.

As secretary of an agency that millions of people on rely on, it boggles my mind to know that you and your agency support this kind of a budget. It appears that you want -- and your agency wants to actually deconstruct the department that you are leading. The Affordable Care Act is the law of land.

The president however cynically said that it was going to explode on its own. And I'm concerned that your agency, through this budget and its policies, really are trying to make it explode by some of these cuts. So a couple questions.

First -- and again, you can answer these yes or no. Because they're pretty straightforward. Are you planning to narrow the essential benefits that insurers are required to cover under the Affordable Care Act, given it's the law of the land?

PRICE:

Look, as I mentioned before, what -- what our goal is and mission is is to make certain that every American has access to affordable coverage. And -- and whatever we can do to make that happen we think is -- is vital.

LEE:

That's an essential benefit under the law of the land. Do you believe that insurers are required to cover pregnancy, maternity and newborn care?

PRICE:

As I mentioned before, what we believe is that it's important for every single American to be able to choose the kind coverage that they want, as opposed to have a government force them to buy what -- what the government believes is best.

LEE:

But this is the law of the land Mr. Secretary. Do you believe that...

PRICE:

I also said we -- we will enforce the law of the land.

LEE:

OK, then you're going make sure that these...

(CROSSTALK)

PRICE:

Carry out the law of the land (inaudible).

LEE:

... essential benefits are covered. Insurers should be required to cover mental health services?

PRICE:

If it's -- if it's aspirational we believe, again, that every every American ought to -- to be able to purchase the the kind of coverage that they want.

(CROSSTALK)

LEE:

It's not, it's the law of the land Mr. Secretary. It's not aspirational.

PRICE:

All depends on what your question is.

LEE:

I'm asking...

PRICE:

If you're asking is, what's the law? Then we -- we are committed to carrying out the law...

LEE:

The law of the land, OK. And also insurers in term of being required to cover prescription drugs -- that's the law of the land, do you believe that insurers should cover prescription drugs?

PRICE:

We're committed to fulfilling the oath -- I'm committed to fulfilling the oath that I took which is to -- is to carry out the law of the land.

LEE:

Thank you Mr. Secretary now let me ask you about the cuts as it relates to HIV and AIDS that overall budget as you know, we're -- we've got a huge problem in America and throughout the world we're making some progress in a bipartisan way through PEPFAR, through Ryan White through the Minority AIDS Initiative.

Yet your budget cuts the van 350 million from that. So I guess I just have to ask you, do you really believe that we need to continue in a bipartisan way to address HIV-AIDS crises, both here and abroad, as we have done in the past?

PRICE:

This is one of those, as you well know, one of the great success stories. Ryan White which started I think in 1990 and -- and we've seen incredible progress in -- in the in -- the treatment, the detection and treatment of the of HIV-AIDS is why we -- we believe and will continue to make as a priority the direct services -- direct care services in the in the Ryan White area.

LEE:

But Mr. -- Mr. Secretary though do you agree with the proposed cuts in your budget to HIV and AIDS?

PRICE:

What -- as I said what -- what we are -- we -- we endeavour to do and what we will make as a priority is those direct services whether it's through community health centers, whether it's through the white Ryan White program or other.

LEE:

So you agree with the cuts minority AIDS initiative, Ryan White and all the other odd programs based on the $350 million cut the you've proposed?

PRICE:

As I said, what we believe and I'm -- I'm not sure where that number's coming from. The -- the final numbers will be out in May. The specific priority that we have, as I say, is for direct services through community health centers and through the white Ryan White program.

LEE:

One of the the issues we addressed in the Affordable Care Act was -- were the issues as it relates to health equity, as it relates to communities of color.

Now, in your budget you propose an $11 million reduction for the office of minority health, which is focused on improving health outcomes for minority communities, low income families and minority health training, minority health institutions and with this $11 million cut, again, it's included as part of the Affordable Care Act, health equity.

So is this justified upholding the Affordable Care Act, the law of the land, with this cut?

PRICE:

We're absolutely committed -- we're absolutely committed to looking at the at -- at health disparities and the challenge that -- that exists there. I've been incredibly struck by even in metropolitan areas -- I used represent district outside of Atlanta and in Atlanta there's a ZIP Code that has...

LEE:

Mr. Secretary with an $11 million cut, how can you say that?

PRICE:

Because what we -- what -- what we, as a say what we're trying to do is to make as a priority the community health centers, the kinds of the of the direct services available to individuals and find efficiencies in the system.

It's a tough budgetary time to find efficiencies in the system. But our goal is to make certain that those individuals -- that we concentrate on those individuals and have it as a focus, higher health outcomes for them.

LEE:

You can't do that with an $11 million cut, Mr. Secretary. And again, going back to the Affordable Care Act, this is the law of the land; the office of minority health and expanding the initiatives under health equity.

PRICE:

I think what I would -- would say in response to that is that -- as I think Mr. Womack said, we'd -- we -- we tend in this town to be -- we measure oftentimes the wrong things. And I would suggest that -- that the amount of resources going into a problem without measuring the outcomes -- you mentioned yourself that the outcomes -- the health disparities dictate that the outcomes aren't as -- as we believe they ought to be.

Yet we continue to -- to -- to believe that simply throwing money at the problem is -- is -- is the solution. We believe that it's important to look at that, identify what the metrics -- what we're actually measuring, what's the data? And then move forward with...

(CROSSTALK)

LEE:

Data shows it's beginning to work.

COLE:

Gentlelady's times is expired.

LEE:

Thank you, Mr. Chairman.

COLE:

You're welcome.

The chair reminds all of us, himself included, we're trying to enforce the five minute rule here so that everybody can ask their questions. And the -- the secretary has ample opportunity to provide to a response.

So with that, on the basis of order of arrival, Mr. Moolenaar is recognized.

MOOLENAAR:

Thank you, Mr. Chairman.

And Mr. Secretary, welcome and the also congratulations. And I just reflected your lifetime of service as a physician, as a public servant and now in this role; I really believe you're the important place to make a contribution to moving our country forward. So thank you for serving and it's great to see you again.

I had a few questions. First, I wanted to talk with you little bit about some of the Medicaid managed care issues and -- and perhaps you may be aware that in some states outstanding payments to Medicaid managed care organizations exceed $3 billion. In fact, there's one example of the individual managed care organization carrying unpaid receivables approaching -- even exceeding $500 million and by states.

And they've received little of their allocated federal match dollars. And I'm becoming worried that the instability this creates -- puts managed care organizations, Medicaid providers, and most importantly millions of Medicaid beneficiaries relying on these benefits at risk. And I just wondered if you could comment, if the department has any plans or any tools in the toolbox to address this issue.

PRICE:

Yeah, I appreciate the question, because this is really important. If you're -- as a -- as a formerly practicing physician, if I knew -- didn't know whether not that -- that income stream was going to be continuing, it wasn't clear to me whether I could continue to care for patients. And that's the challenge that you identified; whether it's hospitals or physicians or other providers.

So what -- what -- having been there a short time, but I -- we will -- we are going to put significant focus on -- on how these -- these payment streams can be much more predictable, much more certain. And if there is -- if -- you can't ask these folks to lay out there -- stand out there for years at a time and -- and not have some resolution. So we're committed to working through that process.

MOOLENAAR:

OK, thank you. Just as a quick follow-up on that; one of the issues that's been raised is the Social Security Act as an anti-factoring provision that prohibits Medicaid payments to anyone other than a provider. And what this does is prohibits, you know, MCO's from assigning their Medicaid receivables to lenders where not considered providers.

I didn't know if there's anything that can be done to clarify some of the anti-factoring provisions so that, you know, some of these providers can access capital when states are having difficulty making payments.

PRICE:

Yeah. I'm -- I'm not -- I'm not familiar with that specific item, but we're happy to work with you and see if there is a solution there.

MOOLENAAR:

OK. Thank you. And then -- then I appreciated your comments on the emergency response fund, wondered if you could offer some more information -- would you as the secretary mange that fund?

PRICE:

To what fund do you...

MOOLENAAR:

Well, the Federal Emergency Response Fund.

PRICE:

That's the -- the new -- the new task force?

MOOLENAAR:

Yes.

PRICE:

Yes we would be -- we would be controlling over that and determine exactly what level and what kind of resources would be appropriate for that fund.

MOOLENAAR:

OK.

PRICE:

But that's a work in progress as well and would love to have your feedback.

MOOLENAAR:

OK. And then also wondered your thoughts on BARDA and the development of medical counter measures at HHS and do you believe BARDA's going to have the resources it needs to continue its mission moving forward?

PRICE:

It's really important because this has to do with -- with whether or not we're prepared in the -- in the event of a potential bio-terror attack and -- and the like and the -- the focus that we believe is important is to make certain that it is a priority and that we have the resources available to accomplish the mission to keep the American people safe in the event.

MOOLENAAR:

OK, thank you. And then one last question on Poison Control.

I know in Michigan we have Poison Control Center, people can call, you know the center in Michigan received over 70,000 calls from citizens, hospitals, healthcare providers, pharmacists, nurses, EMS providers. The opioid situation where people need to understand quickly how to respond.

In the past my understand is they were funded at $18.8 million and -- will you continue or do you envision continuing this kind of a structure or this kind of funding for poison control centers.

PRICE:

Yeah, we're working through the funding for all -- all levels, especially in the area of -- of opioid abuse and overdose, the numbers are staggering as you well know and, as I mentioned before, we've all seen remarkable challenges in our communities far and wide.

And so whether the -- the greatest resource or the greatest venue for making certain that individuals are able to be resuscitated from a potential overdose, whether that's Poison Center Control or Poison Control or elsewhere, we want to make certain that we're doing the kinds of things that will affect the patient.

MOOLENAAR:

Right. Well, again, thank you Mr. Secretary and I look forward to working with you moving forward.

PRICE:

Thank you so much.

COLE:

And we next go to a new member of the committee, a good friend, the gentlemen from Wisconsin, Mr. Pocan.

POCAN:

Thank you Mr. Chairman, appreciate it and welcome Secretary Price, it was great to work with you on the budget committee.

So let me just try to follow up from one question Mrs. DeLauro asked at the end and then time kind of ran out. So last week, President Trump said that if the repeal failed that the Affordable Care Act was the law of the land and he was going to move on.

This week it looks like there's more attempts to repeal the Affordable Care Act, what is the position of the administration at this point, is it to repeal the Affordable Care Act?

PRICE:

It -- the position is that -- that we find ourselves right now in a position where the current system is not working (inaudible)...

(CROSSTALK)

POCAN:

OK, I got the answer before from you, I guess the question specifically Mr. Secretary is, he said he was going to move on last week this week it looks like they're still trying to do a repeal, is it just that -- are they not moving like the answer was last week or is that you are still trying to repeal the law this week?

PRICE:

No we have -- have to fix the problem. There is a huge challenge out there for folks, we've got one third of the counties that only have one insurer, five states with only one insurer...

(CROSSTALK)

POCAN:

So the administration's still trying to repeal. So let me ask you this, maybe this is a better way of asking...

(CROSSTALK)

PRICE:

What we're trying to do is to make sure that individuals have access to coverage and care.

POCAN:

Yeah -- sure I get -- so in your opinion, last week, the failure of Trumpcare, was it due to the Democrats not voting for it which, we were never consulted, which was one tweet, was it due to the Tea Party, which was another tweet, or was it due to 18 percent of the public supporting it, I mean what was the reason? Why did it fail last week in your assessment?

PRICE:

Well, I'll let others make their conclusions about that. I -- what -- what our department is focused on is to make certain that American people have access to care and coverage so they have the highest quality...

(CROSSTALK)

POCAN:

OK. So you don't know necessarily why it failed last week is that the...

PRICE:

I -- I -- (inaudible)...

(CROSSTALK)

POCAN:

OK, I -- I got you. I'm just curious if you had an insight, perhaps a being, on the inside of it. NIH, you know, I think you've going to hear from many of us; very, very important in my state of Wisconsin. There was a document yesterday that got some press, it looks like it came from OMB suggesting in the '17 budget to cut NIH, I think $1.2 billion.

Was your office consulted on this document?

PRICE:

There were conversations at staff level about -- about that document coming forward. I don't know if there -- there were conversations about the specific reduction in that.

POCAN:

OK. Are you supportive of the $1.2 billion cut in NIH in the 2017 budget?

PRICE:

As I mentioned before, I think what -- what we need to do is to identify savings so that we can provide the greatest amount of bang for the buck...

POCAN:

So...

PRICE:

... for the American people. And -- and I support the priorities of -- of -- of the budget.

POCAN:

So you support this document?

PRICE:

I support the priorities of the budget.

POCAN:

In -- in this specific document for 2017?

PRICE:

Well, that's a -- a work in progress as well, as you know...

(CROSSTALK)

POCAN:

Although I think we've got until the 28th April, which I believe also turns out to be, ironically, the hundredth day of the Trump administration. So hopefully we don't have a shutdown on that day.

So on -- NIH, another question; you voted for the 21st Century's Cure Act, when we finally put some additional money in NIH. So I know you were supportive, correct? When you're in Congress.

Now there it looks like a $5.8 billion cut for 2018, I guess, maybe on top of the $1.2 billion in 2017 that you're supporting. Our -- our problem is you just mentioned the overhead and indirect costs -- I guess indirect costs.

What are some of those costs that are the indirect cost, the 30 percent that you're trying to address?

PRICE:

When a grant is lent, many of those -- 30 percent of those monies go for the facility, they may go for administration. They may go for all sorts of things at the -- at the either university or study center, research center, that don't have to deal with the specific research being done.

POCAN:

So, if I could, I would love to offer an invitation as well to come to Wisconsin. You might want to wait another month or so when weather gets a little better, but I'm sure that Senator Johnson and Senator Baldwin would welcome this invite as well.

You know, we're were studying right now with a lot of NIH money everything from flu -- flu viruses to Zika, diabetes, heart disease, colon and lung cancer, skin replacement, Ebola, opioid abuse, everything. We're doing a lot of work because we have a world-class research university.

Also, you mentioned the need for you new researchers. I think -- you know, when I've talked to folks around some of these cost, they're afraid that no matter what they're going to see less money going for the very cures that we just voted for, you and I, in the 21st Century's Care Act.

So I'd just like to extend that invitation if you get a chance. Because we've got some amazing stuff happening in Wisconsin and I'd love for you to see that first hand.

PRICE:

Good cheese as well.

POCAN:

Amazing cheese as well.

(LAUGHER)

Drug importation, I talked to you a little on the phone yesterday about this. So -- you know, again, the president said that he was going remove barriers for entries into the country and talked about other concerns he had around high cost of prescription drugs. You know, I -- I guess if you look at the prices of drugs in other countries and -- and Ireland in particular is one I looked a very closely.

Canada, for example, you can pay $257 for an arthritis drug that America costs $1,126. And it's 28 times cheaper in Ireland for the same drug. Do you think that's fair? For the American people.

PRICE:

I think you have to get to the root causes of -- of -- of why the costs are up and -- and -- and that -- the president is committed to this, as you well know. He's said on multiple occasions that he looks forward to working with...

(CROSSTALK)

POCAN:

And I guess specifically -- yes, what's your department doing from negotiating drug prices or other issues? What's your department doing to try to address those concerns the president brought up?

PRICE:

We're in the process, with the -- with the White House of -- of formulating a strategy to address that. As I said, the president has on multiple occasions voice -- voiced his commitment to making certain that we do as a nation have a strategy to bring those prices down.

POCAN:

I'd volunteer to be one Democrat to try to help on this side if you're looking for some advice and suggestions along the way.

PRICE:

There are a lot of folks, on both sides of the aisle, who have concerns about this, as you well know.

POCAN:

Yeah, thank you very much.

PRICE:

Thank you.

COLE:

Just so the gentlemen knows, the 28th of April is also the Chairman's birthday and I'm certain...

(LAUGHTER)

... that my colleagues on both sides of the aisle and the president will not allow that to happen on my birthday.

(LAUGHTER)

DELAURO (?):

Maybe they want you to take a holiday for them.

COLE:

Absolutely. And I'll go to my good friend, the gentlemen from Maryland, who has considerable expertise in these areas because of his professional background, the gentlemen's recognized.

HARRIS:

Hi, thank you very much Mr. Chairman and Doctor, it's good to see you, it's good to be calling the secretary of HHS a doctor, we finally have someone who truly understand health policy in a way that is difficult to do if you haven't delivered care to patients.

Let me just dispense, very quickly, with, you know, something about the American Health Care Act. The CBO scoring and you -- you know, obviously, it's -- a lot of it's unintelligible but they assumed all regulations stay in place. I mean, they assumed only the statutory change, is that correct?

PRICE:

They just were scoring the first -- that first piece of legislation.

HARRIS:

Right. And in fact, the secretary -- and we know because of the thousands of times in the ACA that it said the secretary shall, secretary will, whatever. That you have -- you do have, and this could be a very short yes or no -- you do have the ability to make regulatory changes that would dramatically lower the cost of insurance for Americans?

PRICE:

Fourteen hundred and forty two times the ACA said, the secretary shall or the secretary may.

HARRIS:

And the CBO took no account of that at all, in their scoring?

PRICE:

I don't know their methodology but I don't believe so.

HARRIS:

Right, that's what I thought.

OK, let me get -- let me get over to the -- the -- and obviously we're all very interested in the NIH but, you know, you bring up the issue of indirect cost, which is interesting. I mean I've had NIH grants, I know -- I know how -- how it's done.

Are you aware that when the American Lung Association issues a grant, research grant, to a researcher at Hopkins or somewhere else, they pay no indirect costs, they don't allow them? The American Heart Association, maximum 10 percent, Alzheimer's Association, we have people in the room, 10 percent, Bill and Melinda Gates foundation, 10 percent, that's it.

Robert Wood Johnson Foundation, they're really generous, it's 12 percent and yet the NIH, on taxpayer dollars, are allowing grants to go out at much, much higher indirect cost loads. So I -- you don't have to -- have to answer.

I would just make the comment, it's very interesting that the private sector doesn't hold these indirect costs to be so valuable as to pay them but when the taxpayer dollar's involved somehow we do. And you're right, the indirect cost total for last year was $6.4 billion dollars. Actually if we just -- if we just issued our grants with American Lung Association rules we could actually fund more research than we do, with the president's skinny budget proposal of $5.8 billion cut.

Anyway, let me move on because you're also in charge of the Medicaid program in HHS. And Medicaid is a broken system anybody who's in the practice of medicine knows, Medicaid is a totally broken system. In fact, you're aware, I assume, of the Oregon Experiment Paper, published in "New England Journal of Medicine" 2013, this is the premier medical journal that showed that actually, when you enrolled people in these Medicaid expansions, that one in Oregon, on a lottery basis, randomized -- it's great, you couldn't design a study that well.

It showed that there was actually no difference in outcome with diabetes, hypertension -- it was pretty stunning actually it actually testified as to how broken our concept of Medicaid as a solution for the American people is. Beyond that, if you go to the OMB website, I guess is called the paymentaccuracy.gov. It shows that the improper payments in the Medicaid program last year on total payments of $346 billion were $36 billion.

Almost 10 and -- $36 billion of improper payments in a program that scientifically has shown doesn't even help people very -- really it doesn't help their health outcome very much. So I would hope -- I mean, and Medicaid -- Medicare similarly, $41 billion improper payments. As secretary -- we were promised when the Affordable Care Act was passed -- and I always remember this; part of the payment is we're going to eliminate waste, fraud and abuse in Medicare. And last year we have $41 billion in Medicare.

As secretary, do you commit to us that -- that as we commit funds to the department that the department's going to take a real hard look at how we could -- just between those two programs it's $77 billion dollars -- I'm sorry, it's -- yeah, (inaudible) put Medicare, you see, at $77 million. If you put Medicaid advantage in there, it's -- it's $90 billion. Commit to us that you're going to take a real hard look at those issues.

PRICE:

Absolutely, it's one of our priorities is to try to find the waste and abuse that exists. And in fact, as you well know, in the Medicare program for every dollar that's spent trying to detect fraud and

abuse, there's -- there's a $12 return on -- on every single dollar that -- that is spent. So this is an area where we believe there's some significant savings that can be had.

HARRIS:

It seems like a good idea. And finally, I just hope that you -- you know, over in the FDA side, the manual labeling rule is an -- is a constant issue. Please take a look at it. I -- you know, small business owners come to me every day with issues there.

Thank you very much, I yield back, Mr. Chairman.

COLE:

All right, I think the gentleman and, again, just want to remind the gentleman I too am a doctor. I'm just not the kind of doctor that can help you.

(LAUGHTER)

So with that, I want to go to the gentle lady from Massachusetts. Before I do, I want to say she may be the smartest member of this committee, because she was kind enough to send me two extra tickets to the president's inauguration. So probably in higher demand in Oklahoma than Massachusetts...

(LAUGHTER)

... but the -- the gesture was very much appreciated.

CLARK:

We are always pleased to help you. And thank you, Mr. Chairman. Thank you, Ranking Member DeLouro.

Thank you, Mr. Price, for being here with us today. Thank you for your call, I'm sorry I was unable to connect with you before this hearing, but I appreciate it.

Secretary, a topic that keeps coming up, and I was -- I share you're characterization of this opiate crisis as heartbreaking. That's what it is. The families in my district, across this country. This is an issue that doesn't care if it's a red state, blue state, what level of education attainment you have, how much money's in your bank account; it's an equal opportunity killer.

But it also ties into the Affordable Care Act and the mandates. Because as you know, addiction treatment was one of the 10 essential benefits that were covered by the Affordable Care Act that mandated that insurance companies covered treatment. And what has that meant? That has meant this perversion has helped 2.8 million people with drug use disorders get the treatment that they need.

And if we repeal that prevision, that would take out at least $5.5 billion annually from the treatment of low income people with mental and substance abuse disorders. The number that used of 52,000 overdoses is even higher than the numbers that I've seen of 32,000 deaths a year from overdoses. This is a staggering impact on our country. Will you support mandated coverage for addiction treatment?

PRICE:

Just to -- to clarify, the 52,000 is deaths from all overdoses...

CLARK:

OK.

PRICE:

... not just opioids and then 33,000 or 32,000 from opioids and it -- and the numbers are -- are -- I mean it's an upwards spike this hasn't been flat it's...

CLARK:

That's right.

PRICE:

... it's an awful scourge. This is -- this is remarkably important is to make certain that we have treatment available for folks and that's why we're -- going to make it a priority.

I'm struck however, by the 20 million individuals who don't have any coverage at all through the ACA and I believe that there are reasons for that. They're either -- they either took the penalty or asked for a waiver. And I would suggest, respectfully, that we ought to look at why that is, why is that 20 million Americans so -- no thanks, I don't want that coverage, even though it's mandated and even though there's a penalty for it.

So I would hope that we could work together and -- and fashion a program that would attract those individuals to get the kind of coverage that they want for themselves and for their families.

CLARK:

And I would be delighted to work with you on that. But I would like to know, specifically, do you support a mandate for insurance coverage for treatment?

PRICE:

What -- what I believe and what we believe is -- is that every single American needs access to the kind of coverage that they want for themselves and their families.

(CROSSTALK)

CLARK:

But do you support mandating it? That is -- that is the law under the ACA, do you support that mandate?

PRICE:

We support the ability for every single American to have access to the kind of coverage...

CLARK:

Can you answer me specifically, yes or no, do you support a mandate that insurance companies cover addiction treatment?

PRICE:

It's not a yes or no question, as I mentioned...

(CROSSTALK)

CLARK:

It actually -- it actually is.

PRICE:

No it -- it -- it -- because the answer to it is that we believe that it's absolutely vital that every single American have access to the coverage that they want for themselves, not what the government forces them to buy.

(CROSSTALK)

CLARK:

So I'm going to take that as a no because if -- you either support or a mandate or you don't and there are certainly ways that we can increase coverage. But if you don't support a mandate and you're concerned about people who even, with mandated coverage, have chosen not to avail themselves of treatment, how would you -- how would you answer the question to the families at home who are ravaged by opiate addiction?

That at that point in time then they will go out and seek from a menu item of insurance treatment and try and buy themselves coverage, is that what you envision?

PRICE:

There are certainly other ways to provide coverage and care for folks that don't require the federal government to dictate to people what they must purchase.

CLARK:

So do you -- do you see the mandate -- the mandate for addiction treatment coverage as dictating to people what they must buy? Do you see those as equivalencies?

PRICE:

When -- when the federal government...

(CROSSTALK)

CLARK:

That's a yes or no. Do you see that as an equivalent?

PRICE:

That's a yes, when the federal government decides exactly what coverage you must purchase then it's deciding what coverage you may not purchase.

CLARK:

So you would see that the mandate that we have under the current Affordable Care to insurance companies that they cover addiction treatment, that is somehow limiting people's options, is that right?

PRICE:

As I said, what we believe is that every single American needs to have the opportunity and be able to afford the kind of coverage that they -- they seek for themselves and for their families.

CLARK:

So will you protect access and Medicaid funding levels to ensure that those people do not lose their access to substance abuse disorder treatment?

PRICE:

Substance abuse and addiction treatment is absolutely a priority, but as you heard from Dr. Harris, the Medicaid program is woefully broken.

When I talk to my former colleagues as a physician, they tell me that it's virtually impossible for them to care for individuals in the Medicaid system, you got a third of the physicians in this country who ought to be caring for Medicaid patients who don't. And it's not because they don't want to see them, it's because the system is terribly broken and making it so that they are -- they can't...

(CROSSTALK)

CLARK:

Well -- I -- I don't see how we are going to improve that system but I do want to ask you one more question.

COLE:

The lady's time has expired.

CLARK:

All right, I will get you in the second round. Thank you.

COLE:

I thank the gentle lady.

Next we go to the gentle lady from the state of Washington, Ms. Herrera Beutler.

HERRERA BEUTLER:

Thank you, Mr. Chairman. And thank for being here. Great to see you and thank you for all your work. I can only imagine.

But even with your background as a physician and your background in Congress and caring for folks; it's got to be a bit like drinking from a fire hose. So we appreciate it very much. I -- couple things.

You know, every year about four million women in the U.S. give birth to more than three million breast-feed their infants. Nearly all these women take a medication or received a vaccine while pregnant or breast-feeding -- or its recommended.

Pregnant women with chronic conditions such as asthma, epilepsy, diabetes, hypertension and depression are faced with very difficult decisions, whether to taking a medication or -- that they have no information or background on. Or the weather justified through whatever their condition is.

I worked with a number of folks to get included in the 21st Century Cures Bill language around a task force at NIH, asking them to examine the gaps in knowledge around safe medications for

pregnant and nursing women. And the National Institute of Child and Health Development has already began implementing this task force.

Expectant moms and their healthcare providers need more data and information order to make informed treatment decisions. And they need it yesterday. I -- I just wanted to bring this to your attention and -- and ask for your help in prioritizing this as we move forward.

PRICE:

Absolutely, this is one of those areas where -- where people assume that the data exists, but in fact it -- it -- it doesn't. And the kinds of studies that are so necessary to make certain that -- that moms and families know that something is -- is either safe or not...

HERRERA BEUTLER:

Yes.

PRICE:

... so that they can make an informed decision.

HERRERA BEUTLER:

Thank you.

Onto different one, every year thousands of Americans donate a kidney or a portion of their lungs or liver, pancreas, to -- or intestine to stabilize a family member, friends, or even total strangers. Organ donation does save lives. And I -- I've introduce the Living Donor Protection Act with Congressman Nadler.

And it was remarkable to me as I sat listening through some of these statistics, there's 118,000 people on the transplant wait list, 99,000 of them need a kidney. And everybody has two kidneys -- well, almost everybody has two kidneys. It's one of the things that -- we could -- right now I think it's about one in 12 -- or 12 people die a day waiting for that.

Every 10 minutes we add people to that list. And this is something that we're having -- part of the reason we introduced the Living Donor Protection Act was because -- did in -- what we've seen in some instances is insurance companies will discriminate against someone who is given an organ when they don't realize; in order to get an organ, you have to be that crme de la crme -- the most healthy, tip-tip.

You know, everything has to be working well before you'll be even allowed to be considered. Yet companies will discriminate against them. So we're trying to get some of the things fixed and addressed, but I wanted to raise it to you. I -- I think there's a -- what I was looking at, some of the

numbers I've seen, it's the ninth -- kidney disease the ninth leading cause of death, in front had breast cancer and prostate cancer.

In fact 26 million Americans have it. They don't -- most of don't even know. So this is going to be a real challenge in our future and we want to encourage those folks who can donate to do so. I just wanted to raise that to your level as well. One more thing, since I have a few more moments. And I'm going to great it fast.

Given the unprecedented advances in genetic testing and screens and the rapid and widespread application across medicine, which is both exciting and terrifying, I'm concerned that folks we represent will be receiving genetic and genomic tests like prenatal cell-free DNA screenings without the appropriate pre and post-genetic counseling.

Oftentimes these tests can mean different things -- even though they're advertized as one thing, information that's given out isn't always given out accurately with all the drawbacks and I wanted to ask -- and I have bill on this -- but I wanted to ask your view on this issue and -- and the importance of making sure there's accurate genetic counselors to ensure that patients and physicians get the benefits of this genetic or genomic testing -- or screen and they're aware of the pitfalls, because people make decisions based on these tests.

PRICE:

Really important. And it's important that the individual's that are -- that are conveying the information are knowledgeable because sometimes there's specific answers that can be provided about the -- the risks or the -- the consequences of the result of the test, sometimes there's not. And -- and you need to be able to treat that with compassion and knowledge as well.

HERRERA BEUTLER:

Absolutely.

Well, with that, I yield back the balance of my time.

COLE:

Wow, you win gold stars.

(LAUGHTER)

And you always do.

Again, just an early revival to make sure everybody has an opportunity for a round of questioning, my good friend, the gentleman from Tennessee is recognized for his questions.

FLEISCHMANN:

Thank you Mr. Chairman and Secretary Price I know you'll appreciate this, having been a great member of this austere body, I'm -- I was delayed this morning because I was asked to preside as Speaker Pro-tem at the last moment, so I apologize being here a little bit later, but let me echo the plaudits of the people on this dioce (ph) when I say congratulations on your appointment as secretary, thank you for your service, not only in this house but to the administration, to our country.

It's a very difficult time in this nation, healthcare is a very complex issue, you've got my full support and, again, profound thanks. If I may begin, I actually have a non-appropriations question to start off with and it's regarding an issue for federal drug testing programs, sir. The Department of Transportation requires trucking companies to follow HHS guidelines when screening truck drivers for drug use.

It's my understanding that SAMHSA has been working on developing guidelines for hair testing as a federally accepted method for several years and Congress strongly endorsed an accelerated development of these guidelines in the FAST act. It has been over a year and SAMHSA has -- still has not produced these guidelines. I wanted to make sure that you are aware of this, sir. And -- as the completion of these guidelines will greatly improve truck safety.

And secondly, I would like to know if you might have any insight as we might expect them to be completed?

PRICE:

Yeah, I appreciate the question. And I learned of this yesterday, I wasn't aware that -- that that work was going on and I -- and I appreciate the focus on it. And -- and we will get -- with we will -- we're looking into that and I'll get back to you on the specifics of -- of when you might anticipate an answer.

FLEISCHMANN:

Thank you, sir. Earlier you were kind enough to answer a -- a colleague for my dear friend and -- and colleague Mr. Moolenaar. But I'd like to just revisit that, if I may.

Mr. Secretary, as you know, HHS leads federal preparedness and response activities for public health emergencies including the development, stockpiling and distribution of medical countermeasures like vaccines and treatments for national security threats.

For the last decade the Biomedical Advanced Research and Development Authority, BARDA, and Project Bioshield SRF have successfully partnered with bio-pharmaceutical manufacturers to develop and stockpile products to protect Americans from the most urgent threats we face. Like anthrax, smallpox, Ebola and now Zika. Funding for BARDA and bioshield has been consistently supported by members on both sides of this committee for more than a decade.

I'm glad to see that you've been a longtime supporter of BARDA's critical mission. Unfortunately, the previous administration, I would argue, did not prioritize BARDA and development of medical countermeasures at HHS.

Can you commit to ensuring BARDA has the resources it needs to continue this critical mission moving forward, sir?

PRICE:

This is an absolute priority; to make certain -- as I mentioned before, the American people expect us to be prepared and to be able to respond in the event of a -- of a -- a challenge, especially in and bio-terror area. So it is -- it is an absolute priority of the department's.

FLEISCHMANN:

Thank you, sir.

My final question, Secretary Price; the National Academy of Sciences reported there's a declining number of research grants awarded to early investigators, a rise in the age of grant recipients, and the suggestion that there may be a research brain drain. Last year, more than twice as many RO1s, the NIH leading grants are awarded to principal investigators for over 65 than those who are under 36. That is a total reversal from only 15 years ago.

Currently, the NIH R1 grant applications work against young scientists because they don't have the preliminary data to support their application. Young researchers cannot get the preliminary data without significant funding, creating a catch-22 for the young investigators.

With these concerns in mind, do you have any input on how we can empower and encourage the next generation of researchers to keep their talents going toward American scientific innovation?

PRICE:

This is really imperative because it -- is -- it -- there has been a flip. And in -- in terms of the -- the age of the grantee. And -- and we need to get to the bottom of that. I don't have an answer as to why that has occurred. But we're -- we -- we are looking at that and will continue to look at that so that we can indeed address it. Because these young scientists, we -- we -- we want them to remain here. We want them to be here and be able to use their talents for the benefit of all.

FLEISCHMANN:

Thank you, Mr. Secretary. I believe my time is up. Again, I wish you every success in your endeavors, sir.

PRICE:

Thank you very much.

COLE:

Thank the gentleman.

The chair has an announcement; the secretary is a hard stop at noon. He is another meeting that I know he has to attend. So I want to guarantee him -- he's free to get up if we're in the middle of a question, but I -- I will let that happen. But I know he's got a go at noon.

COLE:

So in deference -- to try and get in as many people as possible, we're going to move to a two minute question, if we may. And I'm going to ask folks to adhere that. The one exception I'll make is we have a member that was here. And if they get back then they'll get there five minutes in the same way that all -- all of us had the opportunity to ask five minutes.

And I think I'm actually next up, right? Okay, so my two minutes -- and I will hold myself to this, Mr. Secretary.

Number one, thank you very much for taking the time yesterday to meet to with Chairman Calvert and myself about the Indian Health Service. You (ph) -- that's (ph) not our direct responsibility on the subcommittee, but it's part of your department and I do sit on the subcommittee at Interior as my friend Mr. -- that my friend Mr. Calvert chairs. And, you know, that's -- that's important here too.

As you're aware, American Indians and (ph) Alaska natives continue to live with health disparities greater than any other racial or ethnic group. With life expectancy literally four and a half years less than other Americans. In fact, in some states like Montana, American Indian men have a life expectancy of 20 years less than their white counterparts.

I know you haven't had an opportunity to flesh out your budget here, but I want to know how you expect your budget request, hopefully to help the Indian Health Service, and other HHS operating divisions to address health disparities in Indian country.

PRICE:

Yeah, I thank that (ph) -- the chairman and -- and you've been such champion on this. This is one of those areas where as I learn more and more it is readily apparent to me that the kinds of -- of work that we must do has to increase in the Indian Health Service to make certain that we -- that we decrease those disparities, yes. But also are looking at the things that actually mean something, that is the outcomes.

I was struck yesterday during our meeting with the graph that -- that you all shared with the per capita amount of resources -- federal tax resources that are going to the Indian health Service as

compared to Medicare, Medicaid and other -- other federal health programs. And -- and it just is -- is very clear to me that -- that this needs to be a focus.

It is a focus, it's a priority of the department to make certain that we move in a positive way to address the real challenges that are in the Indian community.

COLE:

I thank the gentleman and I look forward to working with him on that issue. With that I go to my good friend, the ranking member.

DELAURO:

Thank you, Mr. Chairman. Mr. Secretary, quick because I only have two minutes; Yes or no answers. Do you support the elimination of LIHEAP? Yes or no? Move.

I got -- I don't have time. Do you support the elimination LIHEAP?

PRICE:

What -- the responsibility of the department department is to make certain...

DELAURO:

Do you support the elimination OF LIHEAP? Yes or no.

PRICE:

The responsibility of the department department is to make certain that the needs of the American people are met.

DELAURO:

So then you support the elimination of LIHEAP. Elimination of CSPG (ph), yes or no?

PRICE:

The -- the -- what we're trying to do is to identify those...

(CROSSTALK)

DELAURO:

Yes or no; elimination of Community Development Block Grant?

PRICE:

... and that there are other -- where there are partnerships...

(CROSSTALK)

DELAURO:

No, okay. NIH. The $1.2 billion Mr. Pocan spoke about. Do you support that? If your staff was looking at it you must have been involved in that decisions to go an additional $1.2 billion in a cut to the NIH in 2017. In (ph) 2018, do you support the $6 billion cut to the NIH?

PRICE:

It's been very clear in the remarks that have been had both by me and by others on the panel, or by others on -- in -- on the committee... (CROSSTALK)

DELAURO:

There's (ph) a (ph) $6 billion cut to the NIH, do you support it? Or no?

PRICE:

If there are efficencies to be gained at NIH, so that greater (ph)...

(CROSSTALK)

DELAURO:

So you support at $6. -- a $6 -- a $6 billion cut in the NIH. Let me just ask you three or four other questions here. Have you divested yourself of all healthcare related investments, yes or no?

PRICE:

As I said to the confirmation committee that, as we move through that process...

(CROSSTALK)

DELAURO:

Yes or no.

PRICE:

...reply and the answer is yes.

DELAURO:

Thank you. Have you fulfilled the terms of the ethics agreement worked out with the office of government ethics?

PRICE:

Yes.

DELAURO:

Okay, will you send the subcommittee a letter attesting to fulfilling all the elements of your ethics agreement?

PRICE:

All of that is publicly available.

DELAURO:

Okay can we get - can we get a copy of that?

PRICE:

It's all publicly available.

DELAURO:

So we'll get it on our own. And I -- this is my last 17 seconds, it would appear, Mr. Secretary, that one (ph) fact for all those who want to talk about the opioid crises that, in fact, if you voted to repeal the Affordable Care Act you would have voted to make the opioid crisis worse in this nation.

You don't believe in insurance covering maternity care, pregnancy, newborn care, mental health services and substance abuse treatment, all of which come out of your department, Mr. Secretary, I think you're at the top of what Mrs. Lee (ph) talked about is deconstructing an agency and dismantling healthcare in this country.

PRICE:

I would respectfully dispute that characterization (ph).

DELAURO:

I'm sure you would.

COLE:

I want to know go to the gentlelady from Alabama. She has a full five minutes because this is her first opportunity to ask questions to the Secretary. The gentlelady is recognized.

ROBY:

Thank you, Mr. Chairman. Hi, so glad to have you here.

PRICE:

Good to see you.

ROBY:

Proud to call you Mr. Secretary, so we're real glad to have you in front of us today. I want to talk about wage index. Hospitals in Alabama are facing some acute financial pressure because of this healthcare disparity created by this specific Medicare regulation and it's adversely impacting Alabama.

The wage index doesn't get a lot of attention although it should. It's a serious problem for a large number of states and it needs to be addressed.

It was created to account for geographic differences in wages. And many, including myself, believe that it's broken. Hospitals in my home state have been punished for operating efficiently, receiving one of the lowest Medicare reimbursements in the country, because of the flawed wage index system.

So it creates this disparity that effectively punishes efficient hospitals in most rural states. In many of these states, these hospitals have seen the area wage index levels rapidly decreasing over the years, reducing the Medicare reimbursements in order to subsidize increases to hospitals in a handful of states.

So Secretary Price, I really just want to hear from you about whether or not you'd be willing to work with us to repeal this wage index and replace it with a more accurate and fair system that would help us relieve some of these financial pressures that are placed on so many hospitals, including the ones in the great state of Alabama.

PRICE:

Yes, this is really important because I mentioned to another questioner that there are folks who are providing care that aren't able to provide care for folks, not just in the Medicaid program, but in the Medicare program, as well. And often times, it's because of programs, policies, formulas that are -- are just -- they've outlived their usefulness.

It -- it's a demonstration of the lack of ability of the federal government to be nimble and flexible and respond to changes in -- in the market, so that the patients can be cared for in a better way. So we are absolutely committed to working with you and others to try to identify the most flexible,

the most -- the most effective way to provide treatment for the patience of not just Alabama, but the entire nation.

ROBY:

Well and I -- I appreciate the work that the hospital association at, you know, the national level. But certainly, in our state, as well. The work that they have done to try to draw so more attention to this issue. And so I'm grateful for any opportunity to work with you. I understand that this is not going to be necessarily, a partisan issue as much as it is an issue amongst the states.

Because there are winners and losers, and I just -- I believe in fairness. And I think that there are people that are -- states, particularly rural states that are being unnecessarily on the -- on the losing end of this. Just real quickly, I have spoken about in this committee many times, the achievements of pre-K in my state. And so I just want to touch on it really quickly.

And I guess I can skip through some of this, because my time is running out. But can you describe for us, in as much detail as you can, how the presidents FY '18 budget proposal can ensure that a new competition will take place under the Preschool Development Grants program and your plan for that competition?

How will the department support improved collaboration and coordination among -- amongst early childhood programs at the state and local level through the Preschool Development Grants program to better serve low income kids and families?

PRICE:

Yes, this is really important, as well. And -- and we're -- this is a work in progress and we look forward to working with you on making certain that the resources are -- are there and available.

There are programs that are effective, there are some that aren't effective and we need to make certain that we're providing the resources for those that are indeed effective and -- and that's a commitment that we have.

ROBY:

Great, thank you so much.

Thank you, Mr. Chairman. Good to see you, I yield back.

COLE:

Thank you for yielding back the extra time.

The gentle lady from California, Ms. Roybal-Allard is recognized for two minutes.

ROYBAL-ALLARD:

Thank you, thank you.

Given the two-minute timeline, I've redrafted my question so that you can answer it yes or no. And this has to do with lead poisoning and the Prevention and Public Health Fund. The ongoing Flint water crises and the Exide contamination in my own district underscores the severity of public health crises posed by lead poisoning in many communities across the country.

According to the best estimates available, lead poisoning impacts approximately 1.5 million U.S. children, age one to five. CDC's National Center for Environmental Health currently receives $15 million for lead poisoning, made possible by the Prevention and Public Health Fund.

CDC uses this relatively small amount to fund 29 states, D.C. and five U.S. cities, to conduct the lead poisoning prevention activities. However, if efforts to eliminate the Prevention Fund through ACA repeal are successful, CDC would lose 12 percent of their annual budget, including all of the lead poisoning prevention funds.

Given the serious impact of lead poisoning on our children, will you protect the Prevention and Public Health Fund and expand the CDC Lead Poisoning Prevention Program to all 50 states, D.C. and the territories?

PRICE:

We'll (ph) make sure that we address the issue without a doubt, as -- as Flint demonstrated that -- that we need to make certain that -- that water is safe to be consumed by the American people and -- and the role that CDC is significantly...

ROYBAL-ALLARD:

But will you protect the Prevention Fund? Just a simple yes or no and I have one more question and I have 28 -- or now 26 seconds to ask it.

PRICE:

We suggest that there -- that -- that whatever way we're able to accomplish the goal and the mission to keep American people safe in the area of this -- this area, we -- we will do.

ROYBAL-ALLARD:

OK let me -- will you ensure that the CDC has sufficient resources to maintain its critical surveillance and prevention activities across the country and around the globe?

PRICE:

That's an absolute commitment that we have and a goal.

ROYBAL-ALLARD:

Is that a yes?

PRICE:

It is our commitment to make certain that the CDC can accomplish its core mission.

ROYBAL-ALLARD:

OK. I'm afraid it's not a satisfactory answer.

COLE:

With that, we'll go to my good friend, the gentleman from Maryland. He's recognized for two minutes.

HARRIS:

Thank you very much.

And again, pleasure having you here in front of the committee, Dr. Price. I'm going to go back to that note (ph) to the Medicaid issue because it's a huge issue. It's the most rapidly growing portion of our -- of the mandatory side of our budget, as you know. And you know again, that Oregon study published in the New England Journal, researcher from Harvard and MIT. Those are the two -- those are the two researchers that did (ph) the study, showed there was just no outcome difference, whether someone is on Medicaid.

In fact, I'll read you the letter, because sometimes you know, they publish these and the New England Journal publishes letters to the authors. The letter published in the New England Journal, there were four letters, this is from a professor at the University of Southern California L.A. said, remember these assignments are based on lottery, whether or not they got into the program or not.

His conclusion was, awarding lottery winners equivalence of cash prizes, worth $6,600 per year, because that's what got, you got $6,600 worth of Medicaid. Rather (ph) than Medicaid, might have improved their health outcomes and well-being even more. And if you go into the data in the study there are only four things that -- that they showed a significant difference, the -- with less than 30 percent improvement, cholesterol screening and just having a screening, a Pap smear, mammogram if you're over 50 and a PSA test, added together that's $200 worth of value.

We pay $6,600. I mean, the fact of the matter is, are you going to -- is -- is one thing we should put on the table is -- is actually looking at whether or not we should allow the people who we put on the Medicaid system, access to perhaps considering private insurance as an alternative?

PRICE:

It's an important policy question because the Medicaid program, we believe, is broken. There -- there are individuals in our society who absolutely need to be -- need to have the coverage and -- and care.

But if we're not accomplishing, if we're not measuring the right things, if all we're looking at the Medicaid programs saying this is how much money we're putting into it, but not measuring the kind of care that's being provided and whether or not folks are actually improving their health status within that program, then we're not doing a service to the folks that are providing resources. But we're certainly not doing a service to those that are receiving the -- the care.

HARRIS:

I thank you very much.

I yield back.

COLE:

Gentlelady from California is recognized for probably the last two minutes.

LEE:

Thank -- thank you, Mr. Chair, I'm going to be very...

(CROSSTALK)

LEE:

my colleague.

COLE:

Well, if we can, then I will.

LEE:

Thank you, Mr. Chairman.

As you move, Mr. Secretary, to deconstruct your agency, do you support an increase of more than $54 billion from -- for the Pentagon by paying for it through cuts at your agency, Health and Human Services?

PRICE:

I think that it's important to address the -- the premise....

LEE:

No, no, no, no, Mr. Secretary, just yes or no?

PRICE:

No, I'm -- I'm the secretary of Health and Human Services and I'm charged with the department of incredibly committed...

LEE:

So the answer is no, you don't support...

PRICE:

What I'm what -- what I have the opportunity to work with, are -- are 76,000 individuals who are as dedicated as the...

(CROSSTALK)

LEE:

No, Mr. Secretary, do you support increasing the military budget by over $54 billion by cuts at your agency?

PRICE:

Deconstructing the department is not a goal.

LEE:

That's -- so you don't support it by paying for the increase in the Pentagon budget? You don't support the cuts in your agency to pay for the $54 billion?

PRICE:

I'm the secretary of Health and Human Services and -- and if you'd like to ask a question about Health and Human Services, I'd be pleased to answer.

LEE:

OK Mr. Secretary, also as you move to deconstruct your agency, do you really believe or do you believe that low income people deserve the same access to quality healthcare as upper income individuals, the same quality health care?

PRICE:

That --that's been a -- an absolute priority of mine since the day I entered public -- no, since the day I went -- went to medical school, is that -- that every single American needs to have the access to the highest quality of care. And I must take issue with you again, that it is not the goal of the secretary to deconstruct the -- the...

(CROSSTALK)

LEE:

Mr. Secretary, your budget is deconstructing your agency, by the...

PRICE:

This department affects every single...

LEE:

...billions...

PRICE:

...American. And -- and it is my responsibility to make certain that we provide the services and the most of it...

(CROSSTALK)

LEE:

But Mr. Secretary, your budget does not say that it is a roadmap -- map to deconstructing the entire agency would (ph) you had.

Thank you and I yield my time.

COLE:

Gentlelady's recognized for what really will be the last question.

CLARK:

Thank you very much, Mr. Chairman.

I want to go back to the budget and the opioid line item. It says in your budget, there's an increase of $500 million from FY '16. So I want to be clear, that is level funding that you are proposing for FY '18, because we already -- we already have $500 million in there?

PRICE:

I think the $500 million is the $500 million from the Cures Act (ph), yes ma'am.

CLARK:

That's right, so there's no increase, it's just level funding, that's correct. I want to follow-up on the question about the defense spending and NIH. As we look at the Alzheimer's folks who were here and we know the scourge that Alzheimer's is and that it is taking one out of five Medicare dollars. Why, with whatever inefficiencies, may be at NIH and we can have a long discussion about how we fund our universities and the research partners they are what indirect costs really go to, why would you decrease the budget overall?

PRICE:

As I mentioned before, I believe, to others this is -- this is a tough budget year. There's no doubt about it. And this is an opportunity to -- to focus...

CLARK:

It returned $60 billion into our economy, never mind the good that it can do as far as a win for patients, a win for science, and a win for our bottom line.

PRICE:

It's an opportunity to focus on those kinds of things that will allow us to accomplish the core mission and to actually get greater dollars, more dollars, to the research that must be done in order for us to remain at the forefront of...

(CROSSTALK)

CLARK:

My final question is, Mr. Severino is now the head of the Office of Civil Rights for HHS. He opposes the implementation of Section 1557 of the ACA, which prohibits discrimination based on race, color, national origin, age, disability, or sex in federally funded programs. Do you support those prohibitions on discrimination in healthcare?

PRICE:

As I've said before, we -- we will uphold the law of the land.

CLARK:

Thank you.

PRICE:

Thank you.

COLE:

I thank the panel.

I very appreciative, Mr. secretary, your time and frankly, your accessibility to the members of this committee, your outreach to us before your testimony, your willingness to meet. I know a number of my colleagues and certainly including me, have had the opportunity to sit down with you and your staff. And I very much appreciate the accessibility and as we work together to try and solve our common problems.

And again, I think I express the sentiment for this committee, certainly for me. You were a tremendous appointment by the president. We know you're going to do a brilliant job for the American people. And we look forward to working with you, every step of the way.

PRICE:

Thank you, Mr. Chairman.

COLE:

Thank you, Mr. Secretary.

Hearing's adjourned.