

# Memorandum

March 9, 2023



## PRESIDENT'S BUDGET REQUEST DETAILS KEY PROPOSALS FOR FY 2024

---

Today the President released his \$6.8 trillion [budget proposal](#) ([press release](#)) for fiscal year (FY) 2024. The budget focuses on four main themes: (1) expanding the economy, (2) lowering costs, (3) reducing the deficit, and (4) protecting Social Security and Medicare. While the last two Biden budget proposals have highlighted key proposed investments, this budget is primarily focused on saving. The proposal cuts the deficit by a projected \$3 trillion over the next decade and boosts Medicare's solvency for the next 25 years. The revenue generators are a mixture of tax increases, economic growth, and other policy changes, including raising taxes for Americans making over \$400,000 annually, creating a new 25 percent tax on billionaires, raising the corporate tax rate, and broadening the Inflation Reduction Act's Medicare drug price negotiation provision to include more drugs and bring drugs into negotiation sooner after they launch.

The total budget request provides a 7 percent increase in nondefense discretionary spending and a 3 percent boost in national security funding, a ratio that is sure to ruffle Republican feathers. For HHS, the overall request is \$144 billion in discretionary budget authority, a \$14.8 billion or 11.5 percent increase from the 2023 enacted level and \$1.7 trillion in mandatory budget authority.

The budget request is a first step to informing the congressional appropriations process. It reflects the administration's broad priorities for federal spending in the upcoming fiscal year and is non-binding on congressional appropriations. The House and Senate Appropriations Committees are wasting no time examining the budget proposal and have already begun scheduling hearings for agency heads to testify on the FY 2024 request as soon as this week.

House Republicans are expected to release their own budget proposal in the coming weeks which will likely have deep reductions in spending. House Speaker Kevin McCarthy (R-CA) has said Republicans will seek to eliminate the annual budget deficit but has not yet offered any details other than saying the proposal will not raise taxes or cut Medicare or Social Security.

Highlights from the [HHS FY 2024 Budget in Brief](#) ([press release](#)), as well as key requests for the [Department of Agriculture \(USDA\)](#), [Department of Labor \(DOL\)](#), and Department of Housing and Urban Development (HUD) follow below.

### **HHS Budget in Brief**

The \$144 billion proposed budget includes a \$8 billion increase to enhance Medicare benefits by expanding diabetes prevention and increasing access to behavioral health, among other proposals. For Medicaid and CHIP, it includes \$138 billion in investments over 10 years to support equity and sustainability plus another \$150 billion for home and community-based services. Details of the HHS budget proposal follow .

# Memorandum

March 9, 2023



- **Centers for Medicare & Medicaid Services (CMS) (p. 70)** – The budget estimates \$1.5 trillion in mandatory and discretionary outlays for CMS – a net decrease of \$38 billion below what was enacted for FY 2023. Specific requests for CMS follow.
  - **Medicare (p. 72):** Specific provisions in the budget request for Medicaid include –

## *Legislative Proposals*

### ▪ **Prescription Drug Reforms:**

- **Expand Medicare Prescription Drug Price Negotiation:** Increasing the number of drugs eligible for negotiation and making drugs eligible sooner after launch (\$160 billion in savings over 10 years).
- **Expand the Inflation Rebate Program:** Expanding the rebates to units sold in the commercial market (\$40 billion in savings over ten years).
- **Limit Medicare Part D Cost-Sharing on High Value Generic Drugs to \$2:** Capping monthly out-of-pocket expenses for generic drugs for chronic conditions (\$1.3 billion in costs over 10 years).

### ▪ **Mental Health:**

- **Apply the Mental Health Parity and Addiction Equity Act to Medicare:** Extending parity requirements to Medicare Advantage (MA) enrollees (not scoreable).
- **Eliminate the 190-day Lifetime Limit on Psychiatric Hospital Services:** (\$2.4 billion in costs over 10 years).
- **Revise criteria for psychiatric hospital terminations from Medicare:** Giving CMS the flexibility to continue to allow a facility to receive Medicare payments when deficiencies do not jeopardize patient health and wellbeing (budget neutral).
- **Modernize Medicare Mental Health Benefits:** Allowing CMS to cover and reimburse mental health services provided to Medicare beneficiaries by other types of professionals such as clinical social workers, peer support workers, and certified additional counselors (not scoreable)
- **Require Medicare to Cover Three Behavioral Health Visits Without Cost-Sharing:** Covering three visits annually beginning in 2025 (\$1.5 billion in costs over 10 years).

### ▪ **Pandemic Preparedness**

- **Authorize Coverage for Specific Products and Services, Including Drugs, Vaccines, and Devices Authorized for Emergency Use:** Modifying Section 1135 emergency waiver authority to ensure Medicare, Medicaid, CHIP

# Memorandum

March 9, 2023



beneficiaries, and the uninsured have access to items and services related to the diagnosis, treatment, and prevention of diseases related to a pandemic. Would also waive patient cost sharing for vaccines and administration as well as make Part C and Part D plan administrators whole for certain costs not included in their bids (not scoreable).

- **Enable the Secretary to Temporarily Modify or Waive the Application of Specific Requirements of the CLIA of 1988 Act:** Ensuring accessibility of laboratory services during federally declared emergencies and PHEs (not scoreable).
- **Long-Term Care**
  - **Hold Long-Term Care Facility Owners Accountable for Noncompliant Closures and Substandard Care:** Changing the individual subject to a civil monetary penalty from the administrator of a long-term care facility to the owners. Would also give the Secretary the authority to impose enforcement after the closure of a facility and enable CMS to prohibit individuals or entities from serving Medicare or Medicaid beneficiaries in the future based on past compliance issues (budget neutral).
  - **Provide Authority for the Secretary to Collect and Expend Re-Survey Fees:** Changing the law to permit collection of re-survey fees after a third visit to validate correction of previously identified deficiencies (budget neutral).
  - **Increase Per Instance Civil Monetary Penalty Authority for Long-Term Care Facilities:** Creating a penalty scale based on severity of deficiencies up to \$1 million (budget neutral).
  - **Improve the Accuracy and Reliability of Nursing Home Care Compare Data:** Validating submitted data and taking enforcement action (two percent reduction in claims payment) for inaccurate data (budget neutral).
  - **Adjust Survey Frequency for High-Performing and Low-Performing Facilities:** Shifting to a risk-based approach for long-term care facilities (budget neutral).
- **Cancer Moonshot**
  - **Expand Cancer Care Quality Measurement:** Creating a cancer care quality data reporting program for all Medicare providers, not just PPS-exempt cancer center hospitals, that would consolidate cancer care measures and data (not scoreable).
- **Nutrition**
  - **Expand and Enhance Access to Medicare Coverage of Nutrition and Obesity Counseling:** Increasing access to additional beneficiaries and making

# Memorandum

March 9, 2023



additional providers available to furnish services (\$1.7 billion in costs over 10 years)

- **Conduct a Subnational Medicare Medically-Tailored Meal Demonstration:** Establishing a demonstration starting in 2024 for FFS beneficiaries with a diet-impacted disease, similar to the Medically Tailored Home-Delivered Meals Demonstration Pilot Act of 2021 (not scoreable).

- **Medicare Modernization and Benefit Enhancements**

- **Create a Permanent Medicare Diabetes Prevention Program Benefit:** Expanding current model to be a permanent Part B benefit starting in 2025 (not scoreable).
- **Implement Value-Based Purchasing Programs for Inpatient Psychiatric Facilities, Outpatient Hospitals, and Ambulatory Surgical Centers:** Expanding value-based purchasing in a budget neutral manner.
- **Create a Permanent Medicare Home Health Value-Based Purchasing Program:** Converting expanded model into a permanent program (budget neutral).
- **Add Medicare Coverage of Services Furnished by Community Health Workers:** Effective CY 2025 select services delivered by community health workers would be covered without cost sharing under certain circumstances. Community-based organizations could also be enrolled in Medicare as community-health worker suppliers (not scoreable).

- **Good Governance and Quality Improvement**

- **Create a Consolidated Medicare Hospital Quality Payment Program:** Establishing one streamlined program beginning in 2027, the withhold amount would increase one percent each year until it reaches six percent. A portion of the withheld amount could be returned based on performance (budget neutral).
- **Refine the Quality Payment Program: Measure Development Funding for the Quality Payment Program:** Renewing expired funding for quality measure development for FYs 2024 through 2028 to support development of new measures and permitting use of cost performance measures (budget neutral).
- **Establish Meaningful Measures for the End-Stage Renal Disease Quality Incentive Program:** Giving the Secretary broad authority to add and remove measures from the program (budget neutral).
- **Strengthen Medicare Advantage by Establishing New Medical Loss Ratio Requirements for Supplemental Benefits:** Requiring MA plans to meet a minimum medical loss ratio of 85 percent for supplemental benefits – excluding Employer Group Waiver Plans (not scoreable).

# Memorandum

March 9, 2023



- **Require Average Sales Price Reporting for Oral Methadone:** Improving Medicare payment accuracy for Opioid Treatment Programs and ensuring appropriate incentives (not scoreable).
- **Other Technical Proposals**
  - **Standardize Data Collection to Improve Quality and Promote Equitable Care:** Requiring reporting of social determinants of health by post-acute care providers (budget neutral).
  - **Allow Collection of Demographic and Social Determinants of Health Data through CMS Quality Reporting and Payment Programs:** Helping CMS and providers to identify and address health disparities (budget neutral).
  - **Increase Transparency by Disclosing Accreditation Surveys:** Removing the disclosure prohibition to allow CMS to post survey information about facilities currently out of compliance (budget neutral).
  - **Remove Restrictions on the Certification of New Entities as Organ Procurement Organizations and Increase Enforcement Flexibility:** Allowing CMS to certify and recertify organ procurement organizations under certain conditions to avoid organ procurement disruptions (budget neutral).
  - **Use Administrative Law Judge Written Decisions:** Expediting appeals for certain procedural cases (budget neutral).
  - **Change Medicare Appeal Council's Standard of Review:** Increasing standard of review and reducing redundancies to improve adjudication capacity by up to 30 percent (budget neutral).
- **Medicaid (p. 82):** Specific provisions in the budget request for Medicaid include –
  - **Coverage and Enrollment**
    - **Renewal Process for Dually Eligible Beneficiaries:** Allowing CMS to establish a 12-month renewal period for the Medicare Savings Program, which would allow CMS to establish a renewal period for Qualified Medicare Beneficiaries no more restrictive than the renewal period for people eligible for Medicaid based on Modified Adjusted Gross Income. This budget neutral proposal aims to reduce the risk of churn off Medicaid.
    - **Postpartum Coverage:** Requiring states to provide 12 months of postpartum coverage in Medicaid and CHIP, which is currently optional for states. This proposal would cost \$2.4 billion over 10 years.
  - **Medicaid Managed Care**
    - **Medicaid Managed Care Oversight:** Enhancing CMS' enforcement authority for Medicaid managed care plans in violation of their contracts by authorizing CMS to

# Memorandum

March 9, 2023



withhold federal matching in Medicaid managed care plan contract payment amounts on a service-by-service basis. This proposal would generate \$1.5 billion in savings over 10 years.

- **Medical Loss Ratio:** Requiring Medicaid and CHIP managed care plans to meet a minimum medical loss ratio of 85 percent, which is the industry standard for Medicare Advantage and larger employer plans in the private health insurance market.

- **Prescription Drug Coverage and Benefits**

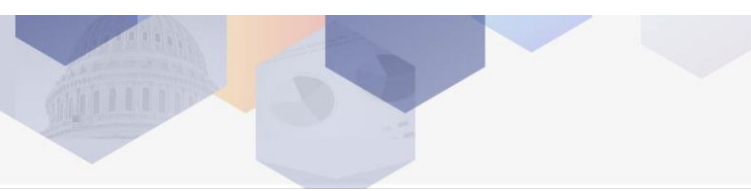
- **PrEP Coverage:** Requiring states to cover Pre-Exposure Prophylaxis (PrEP) and associated laboratory services with no cost-sharing for Medicaid and CHIP beneficiaries and establishes guardrails on utilization management practices, such as prior authorization and step therapy. This proposal would generate \$10.2 billion in savings over 10 years.
- **Medicaid Drug Rebate Program:** Authorizing HHS to establish a federal program to negotiate supplemental rebates for high-cost drugs on behalf of participating state Medicaid programs. Rebates are currently negotiated on a state-by-state basis, and the proposed program would be optional. This proposal would generate \$5.3 billion in savings over 10 years. Additionally, the budget proposes technical changes to allow territories to participate in the Medicaid Drug Rebate Program (budget neutral).
- **Subsidies for Prescription Drug Costs:** Aligning the eligibility methodologies for the Medicare Savings Program and the Part D Low-Income Subsidy to reduce administrative barriers and streamline enrollment. This proposal would cost \$5.8 billion over 10 years.

- **Home and Community-Based Services:**

- **Quality Reporting:** Providing \$15 million to CMS for the Adult Quality Measurement and Improvement Program and requiring annual reporting on the Adult Core Set, which is currently voluntary. The budget also proposes \$10 million annually for the establishment and maintenance of a Home and Community Based Services Measurement Program. These proposals would cost \$278 million over 10 years.
- **Investments:** Investing \$150 billion Medicaid home and community-based services to improve access to services and promote better quality jobs. This proposal would cost \$150 billion over 10 years.

- **Private Insurance (p. 102):** Specific provisions in the budget request relating to private insurance include:

- **Coverage**



# Memorandum

March 9, 2023



- **Enhanced Premium Tax Credits:** Permanently extending enhanced premium tax credits, currently available through 2025. The enhanced premium tax credits eliminate the required contribution for individuals and families making 100 percent to 150 percent of the poverty level, limit the maximum income contribution towards benchmark plans to 85 percent of income, and removes the 400 percent of poverty level cap on premium tax credit eligibility. The budget also proposes eliminating the annual indexing of the required contribution percentage. This proposal would cost \$18.4 billion over 10 years.
  - **Medicaid-like Coverage:** Establishing “Medicaid-like coverage” in states that have not expanded Medicaid, paired with financial incentives to ensure states maintain their existing expansions. This proposal would cost \$200 billion over 10 years.
  - **Primary and Behavioral Health Benefits:** Requiring all plans and issuers to cover three behavioral health visits and three primary care visits each year without charging a copayment, or deductible-related fee. This proposal would cost \$310 million over 10 years.
- **Behavioral Health Parity**
    - **Mental Health and Substance Use Disorder Coverage:** Authorizing HHS, Labor, and Treasury to regulate behavioral health network adequacy and to issue regulations on a standard for parity in reimbursement rates based on the results of comparative analyses submitted by plans and issuers. The budget also proposes improving compliance with behavioral health parity standards by requiring plans and issuers to use medical necessity criteria for behavioral health services that are consistent with the criteria developed by nonprofit medical specialty associations. These proposals would cost \$760 million over 10 years.
    - **Mental Health Parity Enforcement:** Providing \$125 million in mandatory funding over five years for grants to state to enforcement mental health and substance use disorder parity requirements.
  - **Surprise Billing**
    - **No Surprises Act Enforcement:** Providing \$500 million in additional mandatory funding for continued implementation of the No Surprises Act and other transparency requirements.
    - **Ground Ambulance:** Extending surprise billing protections to ground ambulance bills across the commercial market, beginning in 2025. This proposal would generate \$948 million in savings over 10 years.
  - **Prescription Drug Prices**
    - **Inflation Rebates:** Extending inflation rebates (current limited to Medicare Part B and Part D drugs) to drugs in the commercial market, including employer-sponsored plans, Marketplace plans, and other individual and group market plans.

# Memorandum

March 9, 2023



- **Insulin Copay Cap:** Extending the monthly \$35 cost-sharing limit for insulin (currently limited to Medicare) to the commercial market. This proposal would cost \$20 million over 10 years.
- **Program Integrity (p. 102):** The budget proposes new investments in Health Care Fraud and Abuse Control (HCFAC) and proposals to expand oversight in long-term care, Medicare Advantage, and Medicare.
  - **Long-Term Care:** Requiring skilled nursing facilities with private equity or real estate investment trust ownership to provide additional financial disclosures above and beyond other provider types. The budget also proposes that all owners be reported on the provider/supplier's enrollment application (currently limited to owners with a 5 percent or greater stake).
  - **Medicare Advantage**
    - **Prepayment:** Requiring confirmation of diagnoses submitted by MA organizations for risk-adjustment with the medical record prior to CMS making risk adjusted payments, beginning in CY 2024. This budget neutral proposal would focus on plans, diagnosis, or beneficiaries at elevated risk of improper payments.
    - **Fraud Investigations:** Requiring MA plans to collect valid ordering, referring, or prescribing provider identifiers for health care services and report this information as part of encounter data submissions to CMS.
  - **Medicare Providers and Suppliers:** Authorizing HHS to enforce an exception to Medicare's reasonable assurance period to ensure providers that violate Medicare safety requirements and have harmed patients cannot quickly reenter the program.
  - **Contacting Medicare Beneficiaries:** Prohibiting certain providers, home health agencies, laboratories, and other individuals or entities from making certain unsolicited contacts with Medicare beneficiaries. This proposal seeks to curb the proliferation of unsolicited contacts to Medicare beneficiaries for the purpose of ordering or rendering high-cost items or services.
- **Program Management (p. 113):** The budget proposes \$7.7 billion in program management spending, including \$4.6 billion in discretionary spending (10 percent above FY 2023 enacted discretionary spending). This budget include includes \$25 million for grants to states and tribes aimed at addressing disparities, developing innovative approaches for integrating equity into CMS' programs and policies, building analytic systems to integrate data on underserved populations, and developing dashboards and other products to support interventions to address health disparities. The budget also includes \$10 million to support implementation of the Inflation Reduction Act. Other items include operating Medicare, Medicaid, CHIP, Marketplaces, and other programs.



# Memorandum

March 9, 2023



- **Food and Drug Administration (FDA) (p. 16)** – The budget requests \$7.2 billion for the FDA, including \$4 billion in discretionary funding and \$3.3 billion in user fees. This is an increase of \$521.4 million above FY 2023 enacted levels. Specific investments follow:
  - **Enhancing Food Safety, Nutrition, and Cosmetics:** The budget provides \$17 billion for the agency to invest in tools, data infrastructure, and staff to protect the public's health, this includes \$87 million for the Health and Safe Food for All program; \$12 million in new funding to support nutrition and food labeling modernization efforts; \$41 million to strengthen food inspection efforts, and \$5 million for food supply chain continuity efforts.
  - **Accelerating Access to Critical Therapies for ALS:** Provides \$8 million to support the implementation of the Accelerating Access to Critical Therapies for ALS Action Plan, which aims to advance innovation and the acceleration medical product development for the treatment of rare neurodegenerative diseases, including ALS.
  - **Opioid Epidemic:** The budget requests \$103 million to support the implementation of the Overdose Prevention Framework. The funding will support the following activities:
    - Promoting appropriate prescribing of medications with abuse potential, including opioids, stimulants, and benzodiazepines;
    - Expanding the availability of, and access to overdose reversal products;
    - Expanding the availability of, and access to evidence-based treatments for substance use disorders; and,
    - Increasing surveillance, enforcement, and indictment efforts targeting illegal, unapproved, counterfeit, and potentially dangerous products at international mail facilities, express courier hubs, and ports of entry.
  - **Cancer Moonshot:** The budget provides \$50 million for the FDA to support the President's Cancer Moonshot initiative through expanded research efforts and the development of diagnostic and therapeutic products to treat rare cancers.
  - **Pandemic Preparedness:** The budget requests \$670 million over five years to expand and modernize regulatory capacity and infrastructure to respond rapidly and effectively to any future pandemic or high-consequence biological threat.
  - **Reducing the Harm of Tobacco:** The budget includes \$712 million in user fees to continue implementing existing authorities related to the regulation of tobacco products and to reduce tobacco-related disease and deaths.
  - **Legislative Proposals:** In addition to the budget requests, the DFA includes the following legislative proposals:
    - Amend the Food, Drug & Cosmetics (FD&C) Act to grant the agency new authority to establish binding contamination limits in foods;
    - Amend the FD&C Act to:
      - Require industry to conduct toxic element testing of final products marketed for consumption by infants and young children and maintain such records of these testing results for FDA inspection; and
      - Provide FDA with new authority to remotely access records of these test results and to review these test results whenever necessary;

# Memorandum

March 9, 2023



- Amend Section 919 of the FD&C Act to authorize the agency to assess user fees on, and collect such fees from, each manufacturer and importer of electronic nicotine delivery system (ENDs).
- Amend the 180-day exclusivity provisions to encourage timely marketing of first generics;
- Expand the agency's mandatory recall authority to that is covers all human and animal drugs; and
- Amend FD&C Act to: 1) require drug manufacturers to disclose full information about the name and amount of each inactive ingredient in their product in the product's labeling; and 2) clarify that it is not an improper disclosure on FDA's part to provide a potential generic drug sponsor the names or amounts of inactive ingredients used in an approved reference listed drugs.

The proposals also include several Pandemic and All-Hazards Preparedness Act (PAHPA)-specific proposals.

- **National Institutes of Health (NIH) (p. 52)** – The Fiscal Year (FY) 2024 President's Budget request provides \$48.6 billion in discretionary and mandatory resources for NIH, an increase of \$920 million above FY 2023 enacted. In FY 2024, NIH estimates it will support a total of 44,410 research project grants, an increase of 790 above FY 2023, including a total of 10,414 new and competing grants. More than 80 percent of the funds appropriated to NIH will flow out to the extramural community, which supports work by more than 300,000 research personnel at over 2,800 universities, medical schools, research facilities, small businesses, and hospitals.

The funding increases provided for NIH are almost exclusively in specific areas, with the majority of Institutes and Centers receiving flat funding. The Institutes and programs that receive increases include:

- **Pandemic Preparedness:** The FY 2024 budget request once again tries to establish \$20 billion in mandatory funding across HHS for pandemic preparedness. Of this total, NIH will receive \$2.7 billion for the research and development of vaccines, diagnostics, and therapeutics against high priority viral families, biosafety and biosecurity, and expanding laboratory capacity and clinical trial infrastructure.
- **National Cancer Institute (NCI):** The budget proposes \$716 million for cancer research, an increase of \$500 million above FY 2023 enacted for the NCI. Funding will focus on substantially increasing the number and diversity of people who participate in clinical trials to develop new prevention, diagnosis, and treatment approaches at a speedier pace, and continue working towards increasing the pipeline of new cancer drugs. Additionally, the resources will continue to fund the major trial to evaluate multi-center detection tests, the Cancer Moonshot Scholars program, and the NCI Telehealth Research Centers of Excellence.
- **Nutrition:** The Office of Nutrition Research, located within the Office of the Director, would receive \$121 million to support nutrition research, including investments that will advance the goals of the White House National Strategy on Hunger, Nutrition, and Health.

# Memorandum

March 9, 2023



- **National Institute of Mental Health (NIMH):** the budget request includes an increase of \$200 million for the NIMH to support better diagnostics, improved treatments, and enhanced precision of care for mental health. Funding will support a new precision psychiatric initiative that will address two parallel areas of need biomarker development and precision diagnostics.
- **Impact of Climate Change on Human Health:** the budget request includes an increase of \$25 million for the National Institute of Environmental Health Sciences (NIEHS) to continue research and other activities related to climate change, in collaboration and coordination with other federal agencies.
- **ARPA-H:** The budget request provides an increase of \$1 billion for the Advanced Research Projects Agency for Health (ARPA-H), for a total of \$2.5 billion, to drive innovative health research and speed the implementation of breakthroughs that would transform the treatment, prevention, and early detection of cancer and other diseases.
- **Centers for Disease Control and Prevention (CDC) (p. 39)** – The FY 2024 President’s Budget request includes \$19.5 billion in total mandatory and discretionary funding for CDC and the Agency for Toxic Substances and Disease Registry (ATSDR). This total includes \$10.5 billion in discretionary funding, \$1.2 billion from the Prevention and Public Health Fund, and \$8 billion in current and proposed funding for mandatory programs. In addition, the request includes \$20 billion in mandatory funding across HHS for pandemic preparedness, \$6.1 billion of which is allocated to CDC. Key requests include:
  - **Pandemic Preparedness:** The budget request includes \$20 billion in mandatory funding across HHS to support President’s plan to transform U.S. capabilities to prepare for and respond rapidly and effectively to future pandemics and other high consequence biological threats. Of this total, \$6.1 billion will be allocated to CDC to modernize and build laboratory capacity, strengthen public health data systems; enhance domestic and global disease surveillance, biosafety, and biosecurity efforts; and support capabilities for monitoring and evaluating vaccine and medical countermeasure safety and effectiveness.
  - **Improving Public Health Data:** The budget request includes a suite of strategic investments to enhance the nation’s public health data. Specifically, a program level of \$340 million, an increase of \$165 million above FY 2023 enacted, is included for CDC’s Data Modernization Initiative, to address significant needs in public health data systems. *The National Healthcare Safety Network*, the most comprehensive federally funded data collection and quality improvement system for healthcare receives \$50 million, an increase of \$26 million above FY 2023 enacted, to meet the increasing demand of the platform and to modernize and improve the timeliness of patient safety and health-related guidance.
  - **Public Health Workforce:** To leverage strategic investments in Public Health Workforce from the American Rescue Plan, and in addition to the Public Health Infrastructure and Capacity funding, the budget request includes a total of \$106 million in base funding for CDC’s Public Health Centers for Disease Control and Prevention Workforce training and fellowship programs

# Memorandum

March 9, 2023



to ensure there is a current workforce as well as a future pipeline that is ready and able to address public health threats.

- **Cancer Prevention:** FY 2024 budget request includes a total of \$839 million to support cancer prevention and control programs across CDC, including tobacco prevention, HPV prevention and analysis of cancer clusters, and laboratory and environmental health activities.
- **Nutrition and Physical Activity** In support of the White House National Strategy on Hunger, Nutrition, and Health, the FY 2024 budget request includes an additional \$72 million above FY 2023 enacted to expand the State Physical Activity and Nutrition (SPAN) program to all 50 states, District of Columbia, and 14 territories.
- **Improving Maternal Health:** The budget request invests an additional \$56 million above FY 2023 enacted in CDC programs aimed at reducing maternal mortality. Specifically, additional funding for the Maternal Mortality Review Committees will promote representative community engagement to further expand support for all states and territories and increasing support for tribes. Additional funding will also be directed to expand Perinatal Quality Collaboratives to every state, support community engagement in maternal mortality prevention and to increase support for the Pregnancy Risk Assessment Monitoring System. CDC will also support tools to help states develop coordinated regional systems to help those at high risk of complications receive care at a birth facility that is best prepared to meet their health needs.
- **Behavioral Health:** The budget request includes \$90 million, an increase of \$52 million above FY 2023 enacted, for CDC's What Works in Schools program. This program strengthens the integrated delivery of mental health promotion and treatment interventions to students and families across a range of care settings. Additionally \$80 million, an increase of \$50 million above FY 2023 enacted, is requested for the Suicide Prevention Program to expand CDC's work to all 50 states, the District of Columbia, and 18 tribal and territorial communities, as well as other nongovernmental organizations.
- **Global and Domestic Immunization:** The budget request includes \$240 million, \$10 million above FY 2023 enacted, for the Global Immunization Program. As a complement to the successful Vaccines for Children program, the budget also establishes the Vaccines for Adults program. This new capped mandatory program will provide uninsured adults with access to routine and outbreak vaccines recommended by the Advisory Committee on Immunization Practices at no cost. The budget would also expand the Vaccines for Children program to include all children under age 19 enrolled in a separate Children's Health Insurance Program..
- **Emerging Infectious Diseases:** The budget request includes an additional \$40 million above FY 2023 enacted, to expand CDC's core emerging infectious disease work. This includes improving laboratory capabilities at the federal, state, and local levels that are necessary for response to outbreaks for a range of critical and emerging pathogens, including mpox, Ebola, anthrax, and rabies.

# Memorandum

March 9, 2023



- **Ending HIV/AIDS:** The budget request I includes \$310 million, an increase of \$90 million above FY 2023 enacted, to continue to advance HHS's efforts to end the HIV/AIDS epidemic.
- **Reducing Injury and Violence:** The budget request includes \$1.4 billion, an increase of \$590 million above FY 2023 enacted to expand activities related to opioid overdose (\$713 million), rape prevention (\$102 million), firearm injury and mortality research (\$35 million), the National Violent Death Reporting System (\$35 million), and adverse childhood experiences (\$15 million).
- **Assistant Secretary for Preparedness and Response (ASPR) (p.148)** – The FY 2024 budget provides ASPR \$10.5 billion in mandatory funding, available over five years, and \$400 million in discretionary funding for ASPR to invest in long-term capabilities to enable a rapid response to emerging biological threats.
  - **Research for High Priority Viral Families:** As part of the plan for the HHS-wide \$20 billion in mandatory funding, ASPR will invest \$10.5 billion to conduct advanced research and development of vaccines, therapeutics, and diagnostics for high priority viral families; scale up domestic manufacturing capacity for medical countermeasures; and support the public health workforce.
  - **Pandemic Preparedness:** The budget provides \$400 million in flexible, discretionary, two-year funding to bolster pandemic preparedness and biodefense by providing ASPR the ability to rapidly respond to future challenges, supporting just-in-time development, manufacturing, and procurement of innovative medical countermeasures, and making strategic investments that expand and sustain the domestic manufacturing capacity of the medical supply chain.
  - **Biomedical Advanced Research and Development Authority (BARDA):** The budget provides \$1 billion for BARDA to develop innovative vaccines and therapeutics, as well as non-pharmaceutical interventions that protect Americans from health security threats. The budget also provides \$375 million for the Pandemic Influenza program at ASPR, which BARDA will use to implement an end-to-end strategy to prepare for the next influenza pandemic by supporting the development, licensure, and manufacturing of better diagnostics and treatments to prevent and respond to seasonal and pandemic influenza.
  - **Strategic National Stockpile (SNS):** The budget requests \$995 million to the SNS to support the procurement of products, expand the stockpile's capacity and infrastructure, sustain current product lines and to procure targeted countermeasures previously supported by BARDA that lack a significant commercial market.
  - **Project Bioshield:** \$830 million for Project Bioshield to develop and procure up to three new antibiotics to bolster preparedness against drug-resistant pathogens, ebolaviruses therapeutics and smallpox antivirals and a smallpox vaccine for which a live smallpox vaccine is not recommended.
  - **National Disaster Medical System:** The budget requests \$130 million to support the recruitment and hiring of intermittent employees, provide team and individual training to ensure mission readiness, including continuing the Pediatric Disaster Care Program, and maintain equipment.

# Memorandum

March 9, 2023



- **Health Care Readiness and Recovery (HCRR):** The budget provides \$312 million to support the country's health care systems and medical infrastructure to prepare for and respond to public health emergencies. The budget also provides \$240 million in funding for Hospital Preparedness Program (HPP) cooperative agreements with states and territories to develop coalitions of health care facilities that collaborate to prepare for large scale emergencies.
- **HHS Coordination Operations and Response Element (H-CORE):** The budget requests \$83 million for H-CORE's logistics and operations work, including with leading the interagency coordination surrounding the procurement, production, and distribution of COVID-19 vaccines and therapeutics.
- **Medical Reserve Corps:** The budget requests \$6 million for the Corps, which is flat compared to FY 2023, and the funding builds on the American Rescue Plan supplemental funding to support overarching national and regional coordination and technical assistance to Medical Reserve Corps unit leaders.
- **Preparedness and Response Innovation:** The budget request \$3 million for ASPR to continue its work to develop innovative products that produce advancements in health security products, technologies, and solutions that invigorate operations and response activities, including artificial intelligence, biofeedback sensors, monitoring devices, and data analysis tools.
- **Health Resources and Services Administration (HRSA) (p. 24)** – The President's budget requests \$15.9 billion for HRSA, \$1.5 billion above the FY 2023 enacted level, which includes \$9.2 billion in discretionary budget authority and \$6.6 billion in mandatory funding. The budget prioritizes workforce training, behavioral and maternal health, and health care needs in rural communities.
  - **Expanding Access to Direct Health Care:** The proposal requests \$7.1 billion for Health Centers, \$1.9 billion of which would be discretionary funding, and proposes a pathway to double program funding with a three-year down payment. \$700 million in the mandatory funds would go to behavioral health service expansion and requiring that all health centers provide behavioral health services. \$172 million would be dedicated to expanding PrEP and HIV/AIDS services, and \$20 million would go to increasing equitable access to cancer screenings and treatment.
  - **Workforce:** The budget would provide \$2.7 billion for HRSA workforce programs, including:
    - \$966 million for the National Health Service Corps and expand mandatory funding through FY 2026;
    - \$157 million in mandatory funding for the Teaching Health Center Graduate Medical Education Program and extend and increase funding through FY 2026;
    - \$349.9 million for the Nursing Workforce, including an additional \$32 million to expand, enhance, and modernize nursing education programs;
    - \$17 million for Advanced Nursing Education to grow and diversify the maternal and perinatal health nursing workforce by increasing the number of Certified Nurse Midwives, especially in rural and underserved communities;
    - \$28 million for a new program to stimulate and develop innovative approaches to recruiting, supporting, and training new providers; and
    - \$25 million to implement the Dr. Lorna Breen Act for a new program to support the development of a culture of wellness in health care facilities and improve retention.

# Memorandum

March 9, 2023



- **Maternal Health:** The budget dedicates \$276 million to reducing maternal mortality and morbidity and reducing racial and ethnic disparities by considering the person's social, emotional, and behavioral health needs along with their physical health. \$25 million would be directed to expand support for comprehensive and integrated health care services, an increase of \$15 million over FY 2023 enacted levels. The budget also provides \$5 million for the Training for Healthcare Providers program to reduce and prevent biases among providers in maternity care settings. Finally, the budget directs \$185 million for the Healthy Start program to reduce disparities in infant mortality, including \$15 million to hire clinical service providers to provide well-woman care and maternity care, and \$40 million above FY 2023 enacted levels for a Benefits Bundle demonstration project.
- **HIV/AIDS:** The budget directs \$2.7 billion for the Ryan White HIV/AIDS Program, \$125 million above FY 2023 enacted levels. The budget would also provide \$290 million for the Ending HIV Epidemic in the United States Initiative to support HIV care and treatment.
- **Rural Health:** The budget invests \$416 million in the Federal Office of Rural Health Policy for grants to increase health care access, strengthen health networks, and improve quality of care for Critical Access Hospitals, small rural hospitals, and Rural Emergency Hospitals. \$30 million is included to help rural communities sustain their health care infrastructure, with \$10 million going to start a new program to target rural hospitals at risk of imminent closure. The other \$20 million would go to a new pilot program to support at-risk hospitals to enhance or expand needed service lines by providing market assessments and helping hospitals provide in-demand services.

The budget also directs \$165 million for the Rural Communities Opioid Response Program, an increase of \$20 million above FY 2023 enacted levels. Another \$10 million would go to a new Rural Health Clinical Behavioral Health Initiative to expand access to mental health services in rural communities.

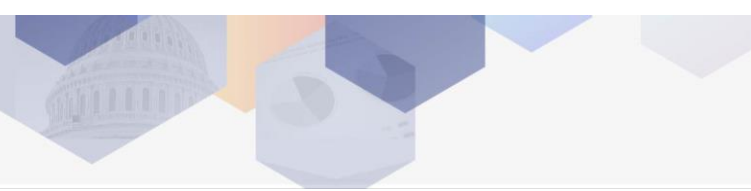
- **Organ Transplant:** The budget proposal includes \$67 million for the Organ Transplantation Program, \$36 million over FY 2023, to modernize the Organ Procurement and Transplantation Network.
- **340B Drug Pricing Program:** \$17 million is dedicated to the 340B Drug Pricing Program, \$5 million over FY 2023, to provide oversight of drug manufacturers and covered providers. The budget also proposes requiring covered entities to annually report to HRSA how the savings from the program benefit the communities they serve.
- **Telehealth:** The budget requests \$45 million to support telehealth services and expand provider trainings.
- **Long COVID:** \$100 million in new resources is directed to fund Long COVID Integrated Diagnostics and Care Units to provide integrated multispecialty evaluation and care for uninsured patients with Long COVID. An additional \$30 million is directed to support Provide Training, Capacity Building, and Consultation to provide primary care providers with knowledge about Long COVID diagnostics and treatment.
- **Family Planning:** The budget proposes \$512 million for the Title X Family Planning Program, a 76 percent increase above 2023 enacted levels, to support family planning and related services for low-income individuals.

# Memorandum

March 9, 2023



- **Administration for Community Living (ACL) (p. 135)** – The budget provides \$3.1 billion for the ACL in FY 2024, an increase of \$493 million above enacted FY 2023 levels. Investments address the following priorities:
  - Expanding access to direct services;
  - Strengthening the caregiving infrastructure;
  - Protecting rights and preventing abuse;
  - Nutrition services for older adults (\$1.4 billion);
  - Home and community-based supportive services (\$500 million);
  - Support for family caregivers (\$250 million);
  - Supporting families affected by Alzheimer’s disease (\$32 million);
  - Independent living services (\$161 million); and
  - Improving systems to meet the needs of people with intellectual and developmental disabilities (\$46 million).
  
- **Substance Abuse and Mental Health Services Administration (SAMHSA) (p. 60)** – The budget proposal requests \$10.8 billion for SAMHSA, an increase of \$3.3 billion above FY 2023 enacted levels. Proposals include:
  - **Mental Health and Crisis Response:** The budget requests \$4.9 billion for SAMHSA’s work on mental health to address suicide prevention, increase crisis response, and provide direct services to individuals experiencing homelessness. The budget also includes \$100 million for mobile crisis response, which is \$80 million over FY 2023 enacted levels. The investment is intended to expand partnerships with crisis centers, community providers, and first responders.
  - **988 Crisis Lifeline:** The Administration will continue to support the transition of the National Suicide Prevention Lifeline to the new 988 number and dedicates \$836 million to increase capacity, including for specialized services for LGBTQI+ youth, Spanish speakers, and local crisis centers.
  - **People Experiencing Homelessness:** The Administration would invest \$100 million in the Projects for Assistance in Transition from Homelessness program. The proposal says that the costs associated with the program have increased while the number of providers has decreased, so the increased funding should improve access to services.
  - **Mental Health Infrastructure:** The budget requests funding for several mental health programs including \$1.7 billion for the Community Mental Health Block Grant and \$553 million for the Certified Community Behavioral Health Clinics program. The Administration also includes \$2 billion for a mandatory Mental Health System Transformation Fund to expand access to mental health services through workforce development of nontraditional health delivery sites, integration of behavioral health care into primary care settings, and dissemination of evidence-based practices. The Office of the Assistance Secretary for Health (OASH) will coordinate the work.
  - **Opioid Epidemic:** The budget requests \$5.7 billion for substance use prevention and treatment activities. These activities include:
    - \$158 million for the Targeted Capacity Expansion program, including \$10 million for a pilot initiative to combine services that incorporate harm reduction, treatment, and recovery supports with housing and intensive case management;





# Memorandum

March 9, 2023



- \$28 million for the Building Communities of Recovery program, an increase of \$12 million over FY 2023 enacted levels;
  - \$50 million for a harm reduction program to continue the [initiative](#) created by the American Rescue Plan;
  - \$78 million for the First Responder Training program, an increase of \$22 million above FY 2023 enacted levels;
  - \$28 million for grants to prevent overdose, and increase of \$12 million above FY 2023 enacted levels;
  - \$2.7 billion for the Substance Use Prevention, Treatment, and Recovery Services Block Grant, an increase of \$700 million above FY 2023 enacted levels; and
  - \$2 billion for the state Opioid Response (SOR) grant program with \$75 million set aside for Tribes.
- **Workforce:** The Administration requests \$37 million for SAMHSA's Minority Fellowship Programs, an increase of \$17 million over FY 2023 enacted levels, to expand and diversify the behavioral health workforce. The proposal includes a service requirement to ensure participants are supporting communities in need and to add addiction medicine, and sexual and gender minority populations as participants.
- **Agency for Healthcare Research and Quality (AHRQ) (p. 59)** – The budget requests \$564 million, including \$403 million in budget authority, \$45 million in Public Health Service Evaluation Set Aside funding; and \$116 million in mandatory transfers from the Patient-Centered Outcomes Research Trust Fund. Investments include the following:
    - **Primary Care Research:** The budget provides \$11 million to continue its support of clinical, primary care research and translating the research into patient care.
    - **Behavioral Health:** Invests \$5 million in new funding to allow AHRQ to expand behavioral health activities, including conducting new research to better understand how to scale and spread existing Local Integrated Care Network models.
    - **Maternal Health:** The budget provides \$7 million to fund AHRQ's contribution to the HHS-wide Improving Maternal Health Initiative and would focus the investment on expanding state capacity to link local and federal healthcare.
    - **Long COVID:** The budget requests \$19 million to continue Long COVID research and to ensure that healthcare systems are prepared to provide patient-centered, coordinated care.
    - **All-Payer Claims Database:** Provides \$7 million to advance HHS efforts to coordinate and align ongoing state-level efforts to develop the necessary infrastructure to create and regularly disseminate a national all-payer claims database.
    - **Patient Experience Measurement Tools:** The budget invests \$3 million to support one or two competitive grants to explore opportunities for low-burden, purpose-driven patient experience measurement tools that are designed to promote equity.
    - **Digital Healthcare Research:** The budget provides \$18 million for the digital healthcare research portfolio, which will support the establishment of two Centers of Excellence in Telehealthcare Implementation.

# Memorandum

March 9, 2023



- **U.S. Preventive Services Taskforce (USPSTF):** The budget requests \$18 million, a \$6 million increase, to all the USPSTF to expand the number of clinical preventive reviews in FY 2024 and increase the number of final recommendations.
- **Medical Expenditure Panel Survey (MEPS):** The budget provides \$72 million to carry out MEPS and support data collection.
- **Office of the National Coordinator for Health Information Technology (ONC) (p. 157)** – The proposal requests \$104 million for ONC, an increase of \$37 million above FY 2023 enacted levels, through the Public Health Service Act Evaluation set-aside. Proposals include:
  - **Trusted Exchange Framework and Common Agreement (TEFCA):** The budget requests \$39 million for ONC’s Policy Development and Coordination work, focused on accelerating the adoption and expansion of information exchange through TEFCA.
  - **Information Blocking:** The budget proposal again includes a legislative proposal to allow ONC to issue legally binding advisory opinions for information blocking.
  - **Standards:** \$52 million for ONC’s Standards, Interoperability, and Certification work, an increase of \$18 million above the FY 2023 enacted level.
- **Administration for Children and Families (ACF) (p.124)** – The budget requests \$94.4 billion for ACF, a \$22.9 billion increase above the 2023 enacted level. Major funding requests for Early Child Programs include \$13.1 billion for Head Start (\$1.1 billion over FY 2023 enacted), \$9 billion for the Child Care Block Grant (\$979 million over FY 2023 enacted level); and \$360 million for Preschool Development Grants (\$45 million over FY 2023 enacted level). Additionally, the budget requests \$5.5 billion in base funding for the unaccompanied children program and \$1 billion in Transitional and Medical Services for refugees (\$436 million over FY 2023 enacted).
- **Department of Veterans Affairs (VA) (p. 119)** – The President’s budget requests \$137.9 billion in discretionary budget authority for the VA, an increase of \$3 billion over the FY 2023 enacted level. Proposals of interest include:
  - **Cancer Moonshot Initiative** – The Administration would invest \$94 million within VA research programs with the \$215 million in the VA Medical Care program for precision oncology care.
  - **Mental Health:** The request includes \$139 million in VA research programs and \$16.6 billion in VA Medical Care to increase access to mental health care and lower the cost of care for veterans. The budget also includes \$559 million to support veteran suicide prevention. The Administration would also invest \$715 million in opioid use disorder prevention and treatment programs for veterans.
  - **Women’s Health:** The budget would invest \$12.6 billion for women veterans’ health care, including \$1 billion for gender-specific care. The Administration says that investment will support a range of care including eliminating copayments for contraceptive coverage.

## USDA

# Memorandum

March 9, 2023



Beginning on p. 55 of the full White House budget, the President's request includes \$30.1 billion in discretionary funding for the USDA, a \$3.8 billion increase from the FY 2023 enacted level. Proposals of interest include:

- **Nutrition Programs:** \$7.1 billion is requested for critical nutrition programs, including \$6.3 billion specifically for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). The President also requests \$15 billion over ten years to support more states and schools leveraging community eligibility to provide healthy and free school meals to an additional nine million children.
- **Broadband:** \$400 million for the ReConnect program that provides grants and loans to deploy broadband to unserved areas, especially tribal areas.
- **Climate Change:** The request includes \$1.2 billion to increase conservation adoption and farm income through the Natural Resources Conservation Service to support practices that sequester carbon and reduce greenhouse gas emissions associated with agriculture. Additionally, there is \$30 million for grants and \$1 billion for loan guarantees for renewable energy systems and energy efficient improvements for farmers and rural small businesses. Finally, the President supports rural clean energy including \$6.5 billion for rural electric loans to support clean energy, energy storage, and transmission projects and \$15 million for the creation of the Rural Clean Energy Initiative.
- **2023 Farm Bill:** The budget request emphasizes support USDA staffing levels to implement the upcoming Farm Bill. The Administration says that it looks forward to working with Congress and other stakeholders to develop the 2023 Farm Bill so that it strengthens nutrition programs and advances agriculture and rural economies in ways that address climate change. For nutrition programs, the Administration specifically calls out strengthening enrollment for low-income college students, individuals reentering society, youth who have aged out of foster care, kinship families, individuals in US territories, and Supplemental Nutrition Assistance Program (SNAP) non-disabled adult participants facing time limits. Additionally, the President supports expanding food purchasing options, fruit and vegetable incentives, and local food procurement in federal nutrition programs.

## DOL

- **Mental Health Parity:** The budget proposes about \$248 million for the Employee Benefits and Security Administration. This request includes about \$2.8 million to modernize outreach and education programs to inform the public about ERISA and other laws within the agency's jurisdiction, including the Mental Health Parity and Addiction Equity Act, the No Surprises Act, the Affordable Care Act, and other laws. The budget also proposes new mandatory funding for EBSA and the Office of the Solicitor to increase capacity for the agency to conduct investigations and pursue enforcement of mental health and substance use disorder parity requirements.
- **Worker Safety and Health:** Additionally, the budget proposes \$738.7 million for the Occupational Safety and Health Administration. This includes increased funding for safety and health standards, including rulemaking relating to the prevention of workplace violence in healthcare and social assistance and emergency response; federal enforcement; state programs; and other programs.

# Memorandum

March 9, 2023



## HUD

On p.92 of the full White House Budget, the President requests \$73.3 billion in discretionary funding for HUD, a \$1.1 billion increase or 1.6 percent increase from the 2023 enacted level. Proposals of interest include:

- **Access to Affordable Rent through the Housing Choice Voucher (HCV) Program:** \$32.7 billion is to be provided to maintain services for all currently assisted families and expand assistance to an additional 50,000 families. Priority will be given to those who are experiencing homelessness or fleeing, or attempting to flee, domestic violence or other forms of gender-based violence. The budget includes mandatory funding to support youth aging out of foster care and extremely low-income (ELI) veterans.
- **Affordable Housing:** The budget provides \$1.8 billion for the HOME Investment Partnership Program (HOME) to construct and rehabilitate affordable rental housing and provide homeownership opportunities. \$258 million will also support 2,200 units of new permanently affordable housing specially for the elderly and persons with disabilities. \$51 billion is also included in mandatory funding and additional Low-Income Housing Tax Credits, and a new Neighborhood Homes Tax Credit to increase affordable housing development.
- **Investments to End Homelessness:** The request directs \$3.7 billion for Homelessness Assistance grants to meet renewal needs and expand assistance to approximately 25,000 additional households, including survivors of domestic violence and homeless youth.
- **Eviction Prevention:** \$3 billion is provided in mandatory funding for competitive grants to promote and solidify state and local efforts to reform eviction policies by providing access to legal counsel, emergency rental assistance, and other forms of rent relief.
- **Expanding Access to Homeownership:** Supports access to homeownership for underserved borrowers, including first-time, low-to-moderate income, and minority homebuyers by reducing the annual mortgage insurance premiums new borrowers will pay by about one-third. The Budget also includes \$100 million for a HOME down payment assistance pilot to expand homeownership opportunities for first-generation and/or low wealth first-time homebuyers and \$15 million to increase the availability of FHA small balance mortgages. In addition, the Budget proposes \$10 billion in mandatory funding for a new First-Generation Down Payment Assistance program to help address racial and ethnic homeownership and wealth gaps.
- **Promote Equity and Prevention and Redress Housing Discrimination:** \$90 million is provided to support state and local fair housing enforcement organizations and to further education, outreach, and training on rights and responsibilities under Federal fair housing laws.
- **Improve the Quality of HUD-Assisted Housing:** The Budget centralizes inspection-related funding for the 2.3 million affordable multifamily homes currently provided through HUD's rental assistance and Public Housing programs. The Budget provides \$3.2 billion for Public Housing modernization, and \$300 million to improve the energy efficiency, climate resilience, and physical condition of the Public Housing stock. In addition, \$7.5 billion is provided in mandatory funding for comprehensive modernization of targeted Public Housing communities.
- **Lead Reduction and Other Home Health Hazards for Vulnerable Families:** \$410 million to reduce lead-based paint and other health hazards in homes of low-income families with young children through Lead Hazard and Healthy Homes grants. \$25 billion to address lead-based paint in Public Housing. \$60

# Memorandum

March 9, 2023



million to prevent and mitigate fire-safety, mold, and other housing-related health hazards in HUD-assisted housing.

- **Economic Development in Underserved Communities:** \$3.4 billion for Community Development Block Grants to help communities modernize infrastructure, invest in economic development, create parks and other public amenities, and provide social services.
- **Affordable Housing in Tribal Communities:** \$1 billion is provided to tribal areas to address poor housing conditions and to fund tribal efforts to expand affordable housing, improve housing conditions and infrastructure, and increase economic opportunities for low-income families. Total budget includes \$150 million for increasing energy efficiency.