
Health Law Daily Wrap Up

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By Kathryn S. Beard, J.D.

On March 16, 2017, the Trump Administration published a "blueprint" laying out the president’s priorities for the federal government’s fiscal year (FY) 2018 budget. At the beginning of the document, President Donald Trump wrote that the budget seeks to increase military spending without adding to the federal deficit; therefore, the blueprint includes reductions to many federal agencies, including HHS, CMS, and the FDA. The House Budget Committee began and completed its markup of the American Health Care Act (AHCA), the GOP’s budget reconciliation legislation that would begin altering the Patient Protection and Affordable Care Act (ACA) (P.L. 111-148). Lastly, Trump recently announced his pick for HHS Deputy Secretary.

Budget plans for HHS. Two pages of the 62-page blueprint address HHS, with Trump requesting $69 billion in spending for the department for FY 2018, a 17.9 percent decrease from the 2017 budget that excludes some mandatory spending changes. The priorities in the FY 2018 HHS budget blueprint are:

• direct health care services delivered by community health centers, Ryan White HIV/AIDS providers, and the Indian Health Service;
• the Health Care Fraud and Abuse Control (HCFAC) program;
• Medicare, Medicaid, and Children’s Health Insurance Program (CHIP) operational efficiencies;
• substance abuse treatment services, including those to address the opioid epidemic;
• FDA medical product user fees; and
• investments in mental health activities awarded to high-performing entities.

The budget would eliminate $403 million in health professions and nursing training programs that have not proven effective in significantly improving the health care workforce of the United States.

AHCA marches on. One week after the House Committees on Ways & Means and Energy & Commerce approved the AHCA (see American Health Care Act’ earns first stamp of approval, March 9, 2017), the House Budget Committee began its markup of the legislation. The Budget Committee is not permitted to revise the substance of reconciliation legislation like the AHCA; therefore, there were no amendments to discuss in markup, despite the Congressional Budget Office (CBO) report showing that many millions of Americans would lose their health insurance coverage under the Act (see CBO: Republican plan saves billions as 24M lose coverage, March 14, 2017). One hour after the markup hearing began, the Committee approved the bill by a vote of 19 to 17, with three Republican members joining the Committee’s Democrat members in voting against the bill. Approval by the Budget Committee is the last step prior to consideration of the bill on the open floor of the House.

HHS Deputy Secretary. On March 14, 2017, Trump announced his intent to nominate Eric D. Hargan to serve as Deputy Secretary under HHS Secretary Tom Price. Hargan, currently a shareholder in Greenberg Traurig’s Health & FDA Business Practice in Chicago, previously served HHS as Deputy General Counsel, Principal Associate Deputy Secretary, and Acting Deputy Secretary, and is a previous HHS Secretary’s Award for Distinguished Service recipient. Hargan has recently served on transition teams related to health and human services for Illinois Governor Bruce Rauner (R) and for Trump.

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