

Earlier this week President Trump released his 2019 budget proposal to Congress. His FY 2019 budget request totals \$4.4 trillion for the next fiscal year and includes cuts to programs that benefit low-income children and their families including the Children's Health Insurance Program (CHIP), Medicaid, and eliminating the Affordable Care Act (ACA).

The proposal reduces the funding for the Department of Health and Human Services (HHS) by 21 percent. For FY 2019 HHS funding would be set at \$68.4 billion in discretionary funding down from \$69 billion in FY 2018 and \$84.1 billion in FY 2017.

Along with Medicaid and CHIP funding cuts, the Centers for Disease Control and Prevention (CDC) received a cut of more than \$1 billion, the Substance Abuse and Mental Health Services Administration (SAMHSA) budget is reduced by almost \$700 million, and the Administration for Children and Families sees a decline in funding of almost \$4 billion.

The Trump budget calls to repeal the ACA including the Medicaid expansion. The budget imposes Medicaid per-capita-caps and block grants as well as promoting the Medicaid work requirement policy recently introduced by CMS.

The Trump budget proposal would allow states to continue to give Medicaid coverage to individuals before proving their citizenship or immigration eligibility upon application to the program, but would end federal reimbursement for that coverage while individuals document their status.

The President's budget doesn't match up with the two-year budget deal that he signed into law on Friday, February 9th, 2018.

That bill raised military and domestic spending by \$300 billion. However this budget letter says the president proposes to transfer much of that agreed-to domestic spending into defense spending after all.

Here are the leading proposals in the President's FY 2019 budget that significantly affect children's health:

Severe decreases to Medicaid Funding. The budget proposal cuts Medicaid funding by almost \$1.4 trillion over the next ten years. The proposal goes back to the same recommendation from the FY 2018 proposal which included eliminating the Medicaid expansion and implementing block grants and per-capita-caps for Medicaid funding that would reduce access, benefits, and services available to recipients. The block grant proposal itself would result in a \$680 billion cut to health coverage programs between FY 2019-2028. Currently 37 million

children, including children with disabilities and complex medical conditions, are covered by Medicaid. Cuts, caps, and changes in the funding system would imperil their coverage and care.

Decrease to funding and alterations to the Children's Health Insurance Program (CHIP): The budget was completed before the two Continuing Resolution bills that passed Congress in January and early February 2019 that funded CHIP through 2027.

However the President's budget calls for a reduction in the CHIP allotment by almost \$7 billion through policy changes that were recently addressed by Congress. The Trump budget reaches savings in CHIP by eliminating the ACA provision that increased the federal matching rate by 23 points in FY 2019 and caps federal funding for CHIP at 250% of the federal poverty level (FPL). In the recent CR passed by Congress and signed into law by the president, the CHIP 23-point matching rate is extended through 2019, decreases to 11.5% in FY 2020 and is removed in FY 2021. Also, the CHIP extension passed by Congress maintains CHIP at 300% FPL through FY 2027.

Increase to funding for the Centers for Medicaid and Medicare Services (CMS) stays level with \$402 billion in Medicaid outlays, an increase of \$18 billion from FY 2018.

The administration requested \$10.9 billion for 2019 for the Centers for Disease Control and Prevention, a cut of more than \$1 billion.

The Substance Abuse and Mental Health Services Administration would face a reduction of \$688 million cut, coming to about \$3.5 billion for FY 2019.

The National Institute of Health would get a boost of \$1.4 billion in the proposal, with total funding of \$35.5 billion for FY 2019.

The President's budget makes significant cuts to overall funding for the Centers for Disease Control and Prevention (CDC) by \$878 million over FY 2018 Annualized CR, down to \$11.1 billion in FY 2019. This includes:

- A \$138 million cut in funding for Chronic Disease Prevention and Health Promotion, from \$1.1 billion in FY 2017 to \$939 million in FY 2019.
- American's Health Block Grant, a new program proposed in the Administration's FY 2018 Budget is proposed for FY 2019 at \$500 million.
- An increase of \$326 million for the Vaccines for Children Program in FY 2019
- A \$27 million cut in funding for Birth Defects, Developmental Disabilities, Disability and Health from \$137 million in FY 2017.

- A \$44 million cut in funding for Immunization and Respiratory Diseases, down from \$793 million in FY 2017.
- A \$21 million cut in funding for Environmental Health from \$215 million in FY 2017. This includes a \$4 million cut to Asthma funding, from \$29 million in FY 2017.
- Funding of \$17 million in FY 2019 for the Childhood Lead Poisoning Prevention Program.

Health Resources and Services Administration (HRSA) would remain level-funded at \$9.8 billion. Within HRSA, programs that affect children see these funding changes:

- **Decrease in the Maternal and Child Health (MCH) Block Grant** funding from \$637 million in FY2017 to \$628 million in FY 2019. This funding supports half of all pregnant women and one-third of all children in the country.
- **Level funding for Healthy Start** at \$104 million.
- **Poison Control Centers** flat-funded at \$19 million
- **Cord Blood Stem Cell Bank** flat-funded at \$12 million
- **Children’s Hospital Graduate Medical Education (GME)** discretionary funding of \$298 million is discontinued. Instead the budget consolidates the Children’s Hospital GME into a new mandatory graduate medical education capped program within CMS and HRSA Administration.
- Additionally, the Trump budget moves the following programs from mandatory funding to discretionary: Community Health Centers, National Health Service Corps, the Maternal, Infant, and Early Childhood Home Visiting Program (MIECHV), and Family-to-Family Health Information Centers
 - **Extends the Community Health Centers program** through FY 2019 and provides \$4.9 billion in funding in FY 2019, an increase of \$9 million under Discretionary Budget Authority
 - **MIECHV is funded** at \$400 million in FY 2019 under Discretionary Budget Authority
 - **Family-to-Family Health Information Centers are funded** at \$5 million under Discretionary Budget Authority
 - **National Health Service Corps (NHSC) is flat-funded** at \$310 billion under Discretionary Budget Authority

These HRSA child-related programs were zeroed out in the Trump FY2019 budget:

- **Autism and Other Developmental Disorders** was cut from \$47 million in FY 2018 to \$0 in FY 2019
- **Emergency Medical Services for Children** was cut from \$20 million in FY 2018 to \$0 in FY 2019
- **Universal Newborn Hearing Screening** was cut from \$18 million in FY 2018 to \$0 in FY 2019
- **Heritable Disorders** was cut from \$14 million in FY 2018 to \$0 in FY2019

The Children's Mental Health Services program at the Substance Abuse and Mental Health Services Administration (SAMHSA) is level funded at \$119 million. SAMHSA received an overall reduction of \$688 million in funding. However, the budget Appendix includes additional funding for SAMHSA that may reduce the amount of this funding cut.

Removes funding for the Agency for Healthcare Quality and Research (AHRQ). AHRQ funding at \$322 million is eliminated but the budget provides \$256 million to consolidate AHRQ activities under the National Institutes of Health.

Increased funding to the National Institutes of Health (NIH) including a \$750 million portion of the \$5 billion in opioid money spread throughout this budget this budget. Two programs within NIH that impact children are cut: the National Institute of Child Health and Human Development loses \$31 million and the National Institute on Minority Health and Health Disparities is cut by \$7 million. The Addendum to the President's budget states that \$9.167 billion will be provided to NIH to restore the agency topline to the 2017 enacted level. Those funds will be appropriated to the office of the Director to be allocated across the NIH Institute and Centers.

On opioids: the HHS budget includes \$5 billion to fund a response to the opioid epidemic. The money stretches across programs areas. The Administration rightly recognizes the need for funding to combat the opioid substance abuse epidemic, which has threatened the health and welfare of millions of children around the nation. However, rather than treat the opioid crisis as an emergency, which would allow Congress to quickly and adequately fund the government's response, the President's budget proposes only an additional \$10 billion dollars.

It simultaneously cuts complementary discretionary and mandatory funding within the Center for Disease Control, Health Resources Service Administration, and Substance Abuse and Mental Health Services Administrations making the opioid funding request a reallocation of funds rather than a new investment.

As children's advocates we are disappointed in the cuts in this budget. In particular, the cuts to Medicaid, a critical health program that serves almost 37 million children including children

with disabilities and complex medical conditions, would leave children worse-off and their families finances at risk.

Conclusion

We note that the President's budget represents the Trump Administration's policy and spending priorities. However, Congress is the entity that allocates federal dollars to programs and agencies. As Congress moves forward with the appropriations process, it will be essential for leaders and members to provide funding that supports the healthy growth and well-being of our nation's children. As advocates for children, we will continue to remind lawmakers that investing in children not only protects their health, well-being and futures, it helps secure the success of our nation.

For more information about First Focus's Health Portfolio visit www.firstfocus.org, or contact Carrie Fitzgerald, Vice President of Children's Health Programs (carrief@firstfocus.org)