

IMPACT OF THE PRESIDENT'S FY 2020 BUDGET ON CHILDREN'S HEALTH

MARCH 2019



On March 11, President Trump released his 2020 budget proposal to Congress. The FY 2020 budget request totals \$4.7 trillion for the next fiscal year and includes cuts to programs that benefit low-income children and their families including dramatic cuts to Medicaid and effectively eliminates the Affordable Care Act (ACA). The proposal cuts the Department of Health and Human Services (HHS) funding by 12% in FY 2020, with the department receiving \$87.1 billion in funding.

HHS Division budget reductions in this fact sheet feature:

- » The Center for Medicaid and Medicaid Services (CMS),
- » Centers for Disease Control and Prevention (CDC),
- » Health Resources and Services Administration (HRSA),
- » Substance Abuse and Mental Health Services Administration (SAMHSA),
- » National Institutes of Health (NIH), and
- » Indian Health Service (IHS).

Cuts to Medicaid

The proposal severely decreases Medicaid Funding. The budget proposal includes a gross Medicaid funding cut of \$1.48 trillion over the next ten years. The proposed budget returns to the same recommendation from the FY 2018 and 2019 proposals 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 \$777 billion cut to Medicaid's health coverage funding between FY 2020-2029. Currently 37 million children, including children with disabilities and complex medical conditions, are covered by Medicaid. Cuts, caps, and deviations in the funding system would imperil their coverage and care.

BUREAUCRATIC THREATS TO MEDICAID COVERAGE

Enrollment for Children

Like the 2019 budget proposal, this year's Trump budget would allow states to continue to give Medicaid coverage to individuals during the "reasonable opportunity period" before proving their citizenship or immigration eligibility upon application to the program, but would end federal funding for that coverage while individuals document their status. Even when eligibility is established, states would not be repaid for coverage provided during that time. This could continue to reduce coverage rates for children and their parents as well reduce state budgets and

potentially provider reimbursements. Along with the Administration's proposed Public Charge Rule, this policy would negatively affect immigrant children and children of immigrants.

Limits Continuous Eligibility

A new administrative change in this plan would allow states to "conduct more frequent eligibility redeterminations" for Medicaid recipients. Now, states can provide up to twelve months of continuous eligibility for Medicaid, and CHIP, allowing children and families to remain covered for a full year after enrollment, stabilizing coverage. This policy, coming through a potential regulation, would dismantle that continuous, seamless coverage and increase the number of eligible children who churn on and off coverage due to paperwork and administrative burdens. This policy would make children's coverage rates decline.

Medicaid Work Requirements

The budget also expands Medicaid work requirements to "able-bodied, working-age individuals" in Medicaid across the country. Currently, state Medicaid offices may request a work requirement through a Medicaid waiver which involves public comments at the state and national level, but this proposal would make fulfilling a work requirement a stipulation to receive Medicaid. This will could reduce parental coverage as well as reduce the welcome mat for children's enrollment.

CHIP

Alters the structure of the unused annual appropriations in the Children's Health Insurance Program (CHIP) to a "Shortfall Fund." Beginning in 2020 HHS would be allowed to transfer unused appropriations to this fund making the money available to states facing funding shortfalls. The details of this funding change are unclear. CHIP funds are otherwise stable after two Continuing Resolution bills passed in January and early February 2019 funded CHIP through 2027. In that legislation, the CHIP 23-point matching rate was extended through 2019, decreased to 11.5% in 2020, and is removed in FY 2021. Also, the CHIP legislation of 2018 maintains CHIP eligibility up to 300% FPL through FY 2027.

Cuts to CDC, HRSA, SAMHSA, NIH, And IHS:

- » The administration requested \$11.9 billion for 2020 for the Centers for Disease Control and Prevention (CDC), a cut of more than \$1.2 billion
- » The Health Resources and Services Administration (HRSA) would be cut by \$981 million under the president's proposed budget. Funding would decrease to \$10.7 billion.
- » The Substance Abuse and Mental Health Services Administration (SAMHSA) would be cut by \$65 million under the president's FY2020 budget proposal, to a funding level of \$5.68 billion.
- » National Institute of Health (NIH) would lose funding of \$4.5 billion in the proposal, with total funding of \$34.3 billion for 2019.
- » The Indian Health Service request includes a 7% increase over FY2019, to \$5.9 billion.
- » Funding for the Centers for Disease Control and Prevention
- » The President's FY 2020 budget request for the Centers for Disease Control (CDC) is \$11.9 billion, which is \$1.2 billion below the FY 2019 enacted level.

America's Health Block Grant

The administration again proposes to establish a block grant at a level of \$500 million that would cut or eliminate numerous CDC chronic disease prevention and health promotion programs and allow these activities as options for states to spend block grant funding on.

» Increases:

- ◇ Infectious Disease Rapid Response Reserve Fund: Increase of \$50 million for the fund, which brings it to a total of \$100 million. The budget also includes a \$10 million investment for combatting Acute Flaccid Myelitis (AFM), which is a serious condition of the spinal cord that affects mostly children.
- ◇ Vaccines for Children: \$4.7 billion, an increase of \$585.7 million from FY 2019.
- ◇ Ending the HIV Epidemic: A Plan for America: Includes an increase of \$140 million for supporting research to end the HIV epidemic. This brings the total funding to \$928.7 million
- ◇ Infectious Diseases and the Opioid Epidemic: Provides \$58 million for addressing the infectious disease consequences of the opioid epidemic. This number represents a \$53 million increase from FY 2019.
- ◇ Modernizing Influenza Vaccines: Includes an increase of \$10 million to influenza planning and response programs to improve the effectiveness of and reduces barriers to seasonal influenza vaccinations, which brings its total funding to \$197.6 million.

» Flat-Funded Programs:

- ◇ Safe Motherhood and Infant Health, \$58 million
- ◇ Neonatal Abstinence Syndrome, \$2 million
- ◇ Surveillance for Emerging Threats to Mothers and Babies, \$10 million

» Cuts:

- ◇ Chronic Disease Prevention and Health Promotion, Cut \$236.5 million to \$951.3 million
- ◇ Birth Defects, Developmental Disabilities, Disability and Health, Cut \$43.6 million to \$112 million
- ◇ Agency for Toxic Substances and Disease Registry (ATSDR), Cut \$12.7 million to \$62 million
- ◇ Immunization and Respiratory Diseases, Cut \$68.2 to \$730.2 million
- ◇ Injury Prevention and Control, cut \$20 million to \$629 million

» Programs Eliminated:

- ◇ National Early Child Care Collaboratives, \$4 million cut
- ◇ Hospitals Promoting Breastfeeding, \$8 million cut

HRSA

HRSA would receive a \$981 million cut under the president's budget. A number of important programs would be eliminated under this proposal, including those providing emergency medical services to children, newborn screening, and services for children with autism and developmental disabilities.

» Programs eliminated:

- ◇ Universal Newborn Hearing Screening, \$18 million cut
- ◇ Emergency Medical Services for Children, \$22 million cut
- ◇ Pediatric Mental Health Care Access Grants, \$10 million cut
- ◇ Screening and Treatment for Maternal Depression, \$5 million cut

- ◇ Autism and Other Developmental Disabilities program, \$50.6 million cut
- ◇ Heritable Disorders in Newborns and Children program, \$16.4 million cut
- » Programs changed or cut:
 - ◇ Maternal and Child Health Block Grant would be cut by \$17 million for a total funding level of \$661 million. HRSA would not renew or re-compete Special Projects of Regional and National Significance (SPRANS) grants that are currently set to expire in 2020, impacting work in childhood obesity, early childhood development, training to ensure an adequate maternal and child health workforce, and research to inform pregnancy-related care and maternal health, among other topics.
 - ◇ Cord Blood Stem Cell Bank would be cut by \$4 million for a total funding level of \$12 million
 - ◇ National Health Service Corps would be cut by \$15 million for a total funding level of \$310 million
 - ◇ Ryan White HIV/AIDS Program would be level-funded plus an additional \$70 million for a new Ending HIV Epidemic Initiative
 - ◇ Children's Hospital Graduate Medical Education funding of \$325 million would be eliminated under HRSA and consolidated into one program with other medical education programming under Medicare and Medicaid. The new program would be funded at 2017 levels and would be jointly administered by HRSA and CMS.
 - ◇ Overall, the HRSA health workforce programs would be cut by more than half, from \$1.6 billion to \$760 million.
- » Programs flat-funded:
 - ◇ Maternal, Infant, and Early Childhood Home Visiting Program, \$400 million
 - ◇ Healthy Start, \$122.5 million
 - ◇ Family-to-Family Health Information Center, \$6 million
 - ◇ Poison Control Centers, \$23 million
 - ◇ Title X Family Planning, \$268 million
 - ◇ Community Health Centers, \$4 billion

SAMHSA

SAMHSA funds a number of programs vital to children and their families, including in mental health, substance use, suicide prevention, and maternal health. Many of these programs would be flat-funded in the president's budget, although there are a few notable cuts and programs eliminated.

- » Programs eliminated:
 - ◇ Infant and Early Childhood Mental Health, \$5 million cut
- » Programs changed or cut:
 - ◇ Strategic Prevention Framework – Partnerships for Success would be cut by \$61 million for a total funding level of \$58.4 million
 - ◇ Project AWARE would be increased by \$10 million for a total funding level of \$101.9 million. The additional \$10 million would be set aside for expansion of these youth mental health services and training to rural communities.
- » Programs flat-funded:
 - ◇ Community Mental Health Services Block Grant, \$722.6 million
 - ◇ Certified Community Behavioral Health Clinics, \$150 million

- ◇ Children's Mental Health Initiative, \$125 million
 - ◇ Garrett Lee Smith State and Campus Suicide Programs, \$47.9 million
 - ◇ Residential Treatment Programs for Pregnant and Post Partum Women, \$29.9 million
 - ◇ Sober Truth on Preventing Underage Drinking, \$8 million
 - ◇ National Child Traumatic Stress Initiative, \$63.9 million
 - ◇ Project LAUNCH, \$23.6 million
 - ◇ Children and Family Programs (Mental Health), \$7.2 million
 - ◇ Tribal Behavioral Health Grants, \$20 million
 - ◇ Children and Families (Substance Use), \$29.6 million
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NIH

Under the President's FY2020 Budget, the National Institutes of Health would experience \$4.5 billion in cuts from last year's enacted funding. Some of the cuts will have notable effects on the health of children and families.

National Cancer Institute (NCI)

The National Cancer Institute budget experiences a \$897.155 million cut in the President's budget request to \$5.247 billion

» Increases:

- ◇ \$50 million for a new Pediatric Cancer Research Initiative

» Cuts:

- ◇ Research Project Grants (RPG): Cut \$304.1 million to \$2.362 billion,
- ◇ NCI's Research Centers: Cut \$187.3 million to \$487.8 million

Eunice K. Shriver National Institute of Child Health and Human Development (NICHD)

NICHD is funded at \$1.297 billion in the President's FY 2020 Budget. This would represent a \$210 million cut from FY 2019's enacted amount.

» Cuts:

- ◇ The Reproductive Health, Pregnancy, and Perinatology Program: Cut \$50.4 million to \$301.1 million
- ◇ Global Network for Women's and Children's Health Research program: Cut \$1 million from to \$6.1 million
- ◇ Child Health Program: Cut \$52.8 million to \$315.1 million
- ◇ Technology and Child Development program: Cut \$2.3 million to \$13.8 million
- ◇ Intellectual and Developmental Disabilities research: Cut \$19.5 million to \$116.5 million
- ◇ Mitochondrial Disorders: Cut \$1.8 million to \$11.7 million
- ◇ Demography and Behavior programs: Cut \$41.3 million to \$246.4 million.
- ◇ National Center for Medical Rehabilitation Research (NCMRR): Cut \$11.8 million to \$70.7 million.
- ◇ Division of Intramural Research (DIR): Cut \$26.4 million to \$179.8 million
- ◇ Research and Management Support activities (RMS): Cut \$7.5 million to \$67.2 million

National Institute on Alcohol Abuse and Alcoholism (NIAAA):

FY 2020 President's Budget provides \$452.419 million for NIAAA, which is a cut of \$73.172 million from FY 2019.

» Cuts:

- ◇ Prenatal Alcohol Disposition programs: Cut \$2.7 million to \$14.7 million
- ◇ Youth/Adolescence Alcohol Abuse: Cut \$6.689 million to \$36.871 million

National Institute on Minority Health and Health Disparities (NIMHD):

Funded at \$270,870 million in the President's FY 2020 budget, a \$43.809 million cut from FY2019

» Cuts:

- ◇ Integrated Biological and Behavioral Research: Cut \$6.4 million to \$49.1 million
- ◇ Clinical and Health Services Research: Cut \$8.1 million to \$61.5 million

National Institute on Deafness and Other Communication Disorders (NIDCD)

Funded at \$408.358 million in FY 2020 President's budget, which is a \$66.046 million cut from FY 2019

» Cuts:

- ◇ Intramural Research: Cut \$6 million to \$36.5 million
- ◇ Research Management and Support: Cut \$2.3 million to \$21.1 million.
- ◇ Hearing and Balance Program: Cut \$32.4 million to \$197 million
- ◇ Voice, Speech and Language Program: Cut \$15.8 million to \$96.2 million

National Institute of Mental Health (NIMH)

-\$239.874 million; total funding of \$1.630 billion

» Cuts:

- ◇ Research Project Grants: Cut \$164.8 million to \$1.125 billion
- ◇ Research and Development Contracts: Cut \$17.9 million to \$67.5 million
- ◇ Intramural Research Programs: Cut \$23.9 million to \$170.8 million.
- ◇ Research Management and Support: Cut \$8.8 million to \$79.4 million
- ◇ Translational Research: Cut \$55.6 million to \$373.4 million
- ◇ Services and Intervention Research: Cut \$20.5 million to \$137.7 million

Indian Health Service

The Indian Health Service received a seven percent increase of \$392 million.

» Cuts:

- ◇ Community Health Representatives: Cut \$39 million down to \$24 million.

» Eliminated:

- ◇ Tribal Management Grant Program

Health Education

As children's advocates we are disappointed to see the proposed cuts, funding changes, and regulatory proposals in this budget. In particular, the cuts and policy changes to Medicaid, a critical health program that serves almost 37 million children including children with disabilities and complex medical conditions, will leave children worse-off and their families at financial risk. Additionally the programs throughout HHS that prevent childhood disease, provide research and treatment related to children's health, and promote child well-being are consistently flat-funded or eliminated.

We note that the President's budget represents the Trump Administration's policy and spending priorities and values. However, Congress 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 for and to support policies that ensure the healthy growth and well-being of our nation's children.

CONTACT

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