House Ways and Means Committee Holds Hearing on Fiscal 2021 Budget Request for the Department of Health and Human Services

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Body

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SPEAKERS:

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[*]NEAL: The Ways and Means--the Ways and Means Committee will now come to order. Good morning, and welcome to Secretary Azar. We want to thank you for joining us for this important hearing. I think we all understand that you have had a very busy week with competing priorities, including a number of hearings here on Capitol Hill. I

appreciate that you and your staff, working with the committee to make the appearance today possible, has occurred.

Americans, including many of my constituents in Western Massachusetts, have deep concerns about their ability to afford and access the healthcare they need. They watch prescription prices continue to skyrocket, and they worry that the administration will succeed in their court case to strike down protections for people with pre-existing conditions. They also fear that at some point Medicare benefits that they earned won't be there for them. This committee has been hard at work in the 116th Congress trying to address these concerns and to strengthen our healthcare system.

So far we have tackled issues of lowering drug costs, protecting Americans with pre-existing conditions, putting an end to surprise billing, fighting the opiate epidemic, reducing youth vaping and combating maternal mortality and the crisis that accompanies it. We've also taken steps to increase opportunities for Americans to earn good jobs in health fields that talented workers are sorely needed. President Trump's proposed budget is a direct contrast to this work. His plan makes funding cuts designed to destabilize consumer protections under the Affordable Care Act, slashes funding for vital healthcare programs and creates more barriers to families trying to make ends meet.

The president's budget, as proposed, cuts $1.6 trillion from healthcare programs over the next decade, including Medicare, Medicaid and programs that train doctors and support hospitals. Notably, these proposals, these proposed cuts in Medicare being on the chopping block, cutting close to half a trillion dollars from vital programs that 10,000 baby boomers will join every day, these proposals would lead to more hospital closures in underserved communities like rural and urban areas, and I'm pleased with the tone you've taken because many members of our committee here today, Republican and Democrat, are very interested in providing more rural healthcare.

Members of the committee are particularly attuned to these healthcare challenges in these underserved areas around the country. To this end, I hope the administration will support the bipartisan effort of rural and underserved task force work led by our colleagues Sewell, Davis, Arrington and Wenstrup, and I want to thank the colleagues that are here today for coming together to tackle these important issues.

The president's budget includes close to $1 trillion of cuts to Medicaid that would be very harmful to families and individuals. Medicaid has become a middle-class benefit as long-term care becomes less and less affordable. As the opiate crisis continues to ravage communities across our country, it is unfathomable to cut nearly $1 trillion from the biggest source for funding substance abuse services. All of these sweeping cuts are being proposed amidst growing concern about coronavirus. The CDC has stated that it is not a question of if, but when, an outbreak will occur in the United States and that the coronavirus could cause severe disruptions to American lives.

Despite these efforts, the president's press conference last night was not one that would inspire confidence. We depend at this time in America on health experts and careerists to give us advice and guidance, and the time used in front of our cameras today should not be used for any of us to try to score political points about the shocking advance of coronavirus and the public health and common illnesses that accompany it through issues like the flu. The president expressed an openness to accept additional funds from Congress. I remain deeply concerned that the president's meager request for supplemental coronavirus funding needs to be upped. We also need to work together to ensure that there are sufficient resources to prepare for and stem this tide.

Healthcare is the number one issue on our constituents' mind. My objective here in Congress is to create policies that provide American workers and their families with high-quality, low-cost healthcare. The president's budget directly undermines that effort. Despite all of this, I remain hopeful that we can come together to work for the good of the American people. I must tell you that I've been very encouraged over your time with the words that you've had to say about lowering prescription drug costs. That is a priority for all members of Congress, and the committee here has put out a pretty good piece of legislation, known as H.R. 3, that we passed earlier.

This transformative prescription drug pricing legislation provides close to $500 billion in drug savings and expands Medicare to include dental, vision and hearing coverage for beneficiaries. Americans shouldn't pay more than patients in other countries for the same drugs. I know that our Republican colleagues have ideas on this issue, as

well, and the Senate also has a proposal. But we need the president to weigh in. And so, Secretary Azar, I hope that you can take back to the president we're ready to get to work on that issue. We're ready to hear his proposal, to get into the room and to hammer out a solution that will be well met by the American people. And with that, let me recognize the ranking member, Mr. Brady, for an opening statement.

BRADY: Thank you, Mr. Chairman. Secretary Azar, thank you for joining us today. I am--I commend the Trump administration for its aggressive response to the coronavirus. I think the decisive actions the administration took at the beginning, the prudent travel restrictions, the early containment strategy, your leadership with the corona task force--virus task force, I think America has been able to stay ahead of outbreak as it develops abroad. We're going to explore that more today.

So Mr. Secretary, we have quite a contrast before us. On one hand, under the leadership of President Trump and yourself, with the support of Congressional Republicans, we're making progress toward creating a healthcare system that is truly patient-focused rather than focused on the needs of Washington. On the other hand, we have the Democrats' dangerous and controversial Medicare for all scheme, embraced by leading Democrat presidential candidates and 118 House Democrats, including many on this committee. Make no mistake; Medicare for all guts quality healthcare in favor of delays and long waiting lines. It gives Washington politicians unlimited control over your healthcare. It cancels good quality healthcare plans for millions of workers, children and seniors. And it's so costly, trillions of dollars, it will bankrupt America.

Imagine that you're one of the 158 million American workers whose healthcare plan at work is canceled, or the union worker whose collectively-bargained health benefits are eliminated, or the single mom who relies on the Children's Health Insurance Program that disappears, or the millions of seniors in Medicare Advantage thrown off your plan, or the military family that counts on TRICARE that sees it ripped from your hands. You used to have good, dependable healthcare. Now you wait four weeks to see a doctor and get that test she says you need. And since doctors and hospitals lose money on nearly every treatment they provide Medicare, experts predict Medicare for all will cause a chronic shortage of doctors and nurses and increase closings of hospitals in underserved and rural communities.

While our American healthcare system does have problems, we should focus on improving what's working and fix what's broken rather than starting over with a massive new socialized medicine scheme that will leave many of our families worse off. As Republicans, we are proud to be the party responsible for creating the crucial Children's Health Insurance Program, Medicare Advantage for seniors, the life-saving and popular Medicare prescription drug programs the Democrats opposed in mass, and every Democrat on this committee voted against at the time. And we're proud to have approved America's first law establishing protections for people with pre-existing conditions.

We will not stand by and let Democrats seize your healthcare, your choices and your control over life and don't health decisions with Medicare for all. By contrast, President Trump's leadership, we've made great strides in healthcare, including expanding health savings accounts, repealing harmful Affordable Care Act taxes, pulling back the curtain on secret hospital prices, accelerating new cures and helping local businesses offer affordable insurance plans to their workers.

Mr. Secretary, from drug pricing to surprise billing, we believe there is a great deal of progress that can be made this year to make healthcare better if we, as both parties in the White House, work together. Our top priority is to protect the vulnerable, especially patients with pre-existing conditions. Under Republican Congress we approved America's first law establishing protections for people with pre-existing conditions through HIPAA. It covers millions of Americans.

Republicans have proposed to do the same throughout this Congress. Representative Walden and I introduced House Resolution 280, which require Congress and the administration to work together to protect all Americans with pre-existing conditions, to lower premiums, to reduce drug prices, strengthen Medicare and employer-provided coverage. Regrettably, our Democrat friends blocked consideration of this bill last April. I hope they will work with us and you to make sure that that is a law of the land for those not yet covered.

While the law's exchanges--Affordable Care Act's exchanges have stabilized under this president, while prices have fallen in many states after having doubled under President Obama, and there are more choices for many families, still too many Americans continue to suffer from the law's failure to lower premiums and offer better healthcare. We ought to work together to bring down the high cost of healthcare, something that Obamacare promised but never delivered. Let's work on policies that President Trump can sign into law. Let's work together, both parties,

[*]BRADY: on a plan that caps senior's drug costs, end surprise medical bills, address--address the crisis of moms dying during birth, to help rural and underserved communities end their struggle to retain and attract quality healthcare providers. Let's help more Americans get off the sidelines and into the workforce. With that, Mr. Secretary and Chairman Neal, thank you.

NEAL: Thank you, Mr. Brady. Welcome, Mr. Secretary. We certainly appreciate your presence here this morning. We've received your written testimony and it will be made part of the record in its entirety. I ask that you summarize your remarks in five minutes. We will then begin the questioning. To help you with that time, there is a timing light at your table. When you have one minute left, the light will switch from green to yellow, and then finally to red when your five minutes are up. Mr. Secretary, please proceed.

AZAR: Chairman Neal and Ranking Member Brady, thank you for inviting me to discuss the president's budget for fiscal year 2021. I'm honored to appear before this committee for budget testimony as HHS Secretary for the second time, especially after the remarkable year of results that the HHS team has produced.

With support from this committee, this past year we saw the number of drug overdose deaths declined for the first time in decades, another record year of generic drug approvals from the FDA, and historic drops in Medicare advantage, Medicare part D, and Affordable Care Act exchange premiums. The president's budget aims to move toward a future where HHS' programs work better for the people we serve, where our human services programs put people at the center, and where America's healthcare system is affordable, personalized, puts patients in control, and treats them like a human being and not like a number.

HHS has the largest discretionary budget of any non-Defense Department, which means that difficult decisions must be made to put discretionary spending on a sustainable path. The president's budget proposes to protect what works in healthcare and make it better. I'll mention two ways we do it. First, facilitating patient centered markets, and second, tackling key impeccable healthcare challenges.

The budget of healthcare reforms aim to put the patient at the center. It would, for instance, eliminate cost sharing for colonoscopies, a life-saving preventive service, it would reduce patient's costs and promote competition by paying the same for certain services regardless of setting. The budget endorses bipartisan, bicameral drug pricing legislation and the overall reforms will improve Medicare and extend the life of the hospital insurance fund for at least 25 years.

We propose investing $116 million and HHS is initiative to reduce maternal mortality and morbidity and we propose reforms to tackle America's rural health crisis, including Telehealth expansion and new flexibility for rural hospitals. I want to thank this committee for its attention to these issues.

Today, I'm pleased to announce I am appointing former Arkansas Governor Jeff Collier as chairman of the national advisory committee on rural Health and Human Services where he will work closely with me and senior HHS leaders on our rural health task force to develop creative responses for this challenge. The budget increases investments to combat the opioid epidemic including SAMSA (SP) state opioid response program, which we have focused on providing medication assistant treatment while working with Congress to give states flexibility to address stimulants like methamphetamines.

We request $716 million for the President's initiative to end the HIV epidemic in America, which we've already begun implementing with Congress support. The budget reflects how seriously we take the threat of other infectious diseases such as the novel coronavirus. It prioritizes CDCs infectious disease programs, raising spending by $135 million from FY 2020 levels to $4.3 billion and maintains $675 million in state and local preparedness.

We have only 15 cases of the novel coronavirus detected here in the United States alongside three cases among Americans repatriated from Wuhan and 42 cases among American passengers repatriated from the Diamond Princess and Japan. As president Trump, Vice President and I emphasize yesterday, the immediate risk to the American public remains low. It's significant in part because of the president's decisive actions so far.

We are working closely with state, local, and private sector partners to prepare for mitigating the virus potential spread in the United States because we expect to see more cases here. In terms of identifying cases, CDC has been able to test 3625 specimens as of this morning. At least 40 public health laboratories should now be able to test using modified existing CDC test kits. In addition, the newly manufactured CDC tests can be sent to 93 public health labs as soon as Monday, and there is a privately manufactured test based on the new CDC test that can be sent to those same labs as soon as tomorrow pending FDA clearance.

On Monday, OMB sent a request to make funding available for preparedness and response including four therapeutics, vaccines, personal protective equipment, state and local support, and surveillance. As the president made clear yesterday, we are open to your views on what levels of spending may be appropriate and politics have no place in our mutual efforts to keep the American people safe.

As chairman of the president's coronavirus task force and working in conjunction with the administration's lead for the virus, Vice President Pence, I look forward to engaging with Congress on that. This year's budget aims to protect and enhance Americans well-being and deliver Americans a more affordable personalized healthcare system that works better rather than just spends more. I look forward to working with this committee to make that common sense goal a reality. Thank you, Mr. Chairman.

NEAL: Thank you, Mr. Secretary. Without objection, each member will be recognized for four minutes today to question our witnesses so that we may ensure that all members have an opportunity to inquire before the Secretary's schedule requires that he leave. Yesterday, as you know, some of the questions ran over and I would encourage members to succinctly raise the questions that they have so that we can take advantage of the opportunity to question the secretary. I want to recognize those members present at the time that the gavel came down by order of seniority, and let me begin by recognizing myself.

Mr. Secretary, the president's budget includes $844 billion in unspecified cuts in the president's healthcare vision. $844 billion is a lot of money to cut, particularly since the administration has a history of putting Americans with pre-existing conditions at risk. Could this vision include proposals that the Trump administration has made in the past like expanding use of short-term limited duration plans?

AZAR: So the allowance that we put in the budget is the $844 billion over 10 year allowance to give us flexibility to work with Congress on reforms to the ACA structure. That's $100 billion really around economies on the individual market exchange program and then 744 in Medicaid. Those would be ideas such as fixing the F map, the federal matching rate to remove the distortion that prejudices Medicaid expansion and the able-bodied adults in favor of them over the traditional pregnant women, et cetera, in the program. It also would give states greater flexibility on managing the long term spend in that program, but these are flexible ideas really an allowance to open the door for us to work together.

NEAL: The answer certainly does sound like yes. And the problem with short-term limited duration plans and other junk plans that the administration is allowed to proliferate and asked her exclude maternity care, cancer treatments, hospital care and other needed services for conditions like coronavirus. These plans discriminate against families because of pre-existing conditions, and I hope that you will carefully proceed on that basis.

The administration is also supporting a lawsuit that would completely overturn the Affordable Care Act, including the protections against pre-existing conditions and requirements for Fosses hospital and drug coverage that would be necessary amidst coronavirus and other public health crises. Mr. Secretary, you have said that there does not need to be a plan if the courts strike down this important law. If the courts were to follow that advice and strike down the affordable care act, how indeed the administration handle the upheaval of Americans' coverage in healthcare systems at large without a specific plan?

AZAR: In--in that rather remote eventuality both in terms of time and unpredictable it he of an eventual Supreme Court decision, which at this point given the process in the courts could be years away from a final decision, it would depend on how much the court strikes down. Is it all, parts, or nothing of the Affordable Care Act, and also the composition of Congress and the political dynamic at the time of what we could work with the Congress to replace it with. So it's very premature at this point, but we would work, obviously with Congress on a bipartisan basis. The number one thing would be to ensure pre-existing conditions are protected and that the ACA would be replaced in relevant part to ensure that we are providing affordable access to Americans to healthcare.

NEAL: Well, as you know, the House is very interested in cutting drug prices for the American people and we have certainly passed a bill that would save $500 billion from what is currently occurring. Most of the savings are from giving the secretary the power to negotiate prescription drug prices. I certainly appreciate that you have said some very encouraging things and now we await the president to be consistent with the suggestions that you have made.

In fact, you said, and I'm going to quote here, "For far too long, American patients have been paying exorbitantly high prices for prescription drugs that are made available to other countries at lower prices." The Trump budget includes a number for drug pricing changes but not a (INAUDIBLE) this vague drug policy budget number include prescription drug negotiating for the secretary and you probably can sum that up in one or two words?

AZAR: So, we are open to that it just has to be practical and implementable but most importantly, it's got to be passable. It has got to be bipartisan and get through the bicameral legislature so that's really the biggest thing. We're probably--we're probably the most flexible party in the room on drug pricing if it gets list prices solved, if it gets out of pockets down for seniors and if it gets the drug plans to have the insurance companies to finally negotiate better against the drug companies we're open to working bipartisan, bicameral with congress to get that done.

NEAL: Let me now recognize Mr. Brady, the ranking member for five minutes.

BRADY: Thank you, Mr. Chairman. Thank you for being here, Mr. Secretary, let's start well, I have a question about the coronavirus start with debunking a few things here with you today. So far, from sabotaging Obamacare the truth of the matter is after years of double digit increases through the affordable care act average benchmark premiums are actually down in most states, certainly in Texas in our region--there's far more competition and choices including in my home region and enrollment is stable.

You're offering queues of somehow slashing Medicare/Medicaid but under the President's budget Medicare gets another 25 years of solvency under this budget--so crucial for that program. The way I see it--Medicaid grows over 6% a year but it will look more like the families, the elderly, the poor in each state. So, it looks like the states that you're serving.

I know we have disagreement over short-term duration plans for our constituents it's really crucial to have up to three year option for small businesspeople and their workers, for those in between jobs, and those who are 62 and don't have healthcare until Medicare to have these short-term duration plans for that coverage is really crucial for them.

And, again, democrats don't have a budget so we can't really compare those two again this year. But I think you've been very helpful in addressing some of these issues and debunking some of these myths.

I want to talk about coronavirus. I think again, the administration is clearly prepared for all possible outcomes. You're taking every imaginable step to protect the health and safety of the American people. Even John Hopkins University, their global health security index shows United States is a country most prepared to deal with the pandemic.

Let me ask you about--about medicines. These are the times where you need lifesaving medicines coming to the rescue. I worry that under dangerous policies like Medicare for all or Speaker Pelosi's drug plan that it would be harder to react to pandemics like this. Can you talk a little about what's happening in the pharmaceutical area? My

understanding is two companies Gilead and AbbVie are working on medicines in this area, NIH and others are working on the vaccines--being and they will be ready for human testing somewhat shortly.

You talked about the CDC tests, FDA working on other medical products--can you tell us what you see in that regard of those medicine helps that could come to the rescue?

AZAR: You bet. So, Dr. Fauci talked last night at the press conference about the vaccine that invented it at IID and we are partnering with Maderna in terms of the clinical testing on it. Rather remarkably that should be in humans within three months of the initial specimen being provided by China. That is just historic levels of progress. And we will work to ensure because this is a joint venture that will be under contract with HHS, we will work to ensure that there are appropriate protections to ensure the affordability of any vaccine produced out of joint venture work that taxpayers are funding as part of these cooperative--cooperative ventures through our BARDA(PH). So we have that.

We also have some purely private sector endeavors around vaccine candidates. Gilead is doing clinical trial research on one of their antivirals that is not approved for anything yet, Remdesaveer(PH) that's in clinical trial now in Japan, China as well at--at the University of Nebraska with patients.

So, there is much promise, but it will take time.

BRADY: Thank you. Thank you, Mr. Secretary. And I think you know this that our response to this virus is bipartisan. So, I know there will be tired old political arguments about the funding, but I think you know and expect congress will come together to do whatever is necessary to support response to this virus. Thank you.

NEAL: Thank the gentleman. Mr. Thompson, from California, is recognized for four minutes.

THOMPSON: Thank you, Mr. Chairman. Mr. Secretary, thank you very, very much for being here. I want to revisit some of the things that the Chairman had mentioned. It--it seems to me incongruent to be for protecting people with pre-existing conditions and to sue to do away with the protections for pre-existing conditions. And the lawsuit that has been referenced al--already today would do more than just that it would preclude people from being able to keep their kids on their plan, it would end healthcare for 20 million A--Americans and it would affect how we deal with people with mental illness.

And, the issue of mental illness is so profound. It's found in our addiction problems, in our homeless problems, in our law enforcement, our jails--we're filled with--are filled with people with mental illness. And the affordable care act was the first time we ever put mental health on par with physical health. And to sue to do away with this at the same time propose a budget with $844 billion in cuts I find very difficult to believe that it's going to do anything but worsen our healthcare--our healthcare problems. And we've yet to see anything written that suggests that the administration ahs a plan to deal with healthcare. Is there a written proposal?

We were promised that this President was going to repeal the Affordable Care Act and replace it with something even better. Is there a written plan for that?

AZAR: So, we've put in the budget the $844 billion allowance that would be for us to work together with congress in a flexible way. We're trying not to stake out a--a firm demand around the approach that would replace the Affordable Care Act there so that we have flexibility to work together. We can see the composition of congress. But frankly, right now, it is so far off that we would see any supreme court decision and how it would rule it--any--any plan, any document, any notion like that would be so hypothetical and distant as to be meaningless.

THOMPSON: Thank you--thank you, Mr. Secretary. But if that's your position that the court case is going to take a long time to settle--why don't you just work with congress now to improve the affordable care act?

AZAR: So that's exactly what the $844 billion allowance is there for. That would actually be reforming of the Medicaid expansion-

THOMPSON: The cuts?

AZAR: --reforming of the individual market approach. So we are open to working with you on ways in which we can provide better healthcare for the American people.

THOMPSON: Well, I don't know how you can improve healthcare at the same time you're proposing to cut it by $844 billion. On the issue of the coronavirus, Mr. Secretary--one thing that I'm especially concerned about is that we're running out of isolation wards. Patients with coronavirus need to be held in isolation and right now, they are being sent to wards at acute care hospitals. I know folks in my district are concerned. What--what are we doing about that?

AZAR: I actually really appreciate you raising that question. So, we are right now in a very active containment mode. And so, that means an individual who tests positive for coronavirus we are putting them into these types of Ebola like isolation units that will look very extreme. That is not what's indicated medically for these individuals. Most individuals who get this coronavirus will have mild to moderate symptoms, will be able to stay home and treat it like the flu or a severe cold and present at a hospital only for urgent care comorbidity. So, it's really important we correct this impression that it will require this massive hospital isolation for normal patients.

We are in containment mode right now to stop any further spread. But once, if we end up having broader spread it will be much more common approach--as Dr. Shuket(PH) called it, it will look and feel to the American people more like a sever flu season in terms of the interventions and approaches you see.

So, thank you for helping me to clarify that for folks.

THOMPSON: Thank you.

NEAL: Thank the gentleman. Let me recognize the gentleman from Florida, Mr. Buchanan, to inquire for four minutes.

BUCHANAN: Thank you, Mr. Chairman. Mr. Secretary, good to see you. Appreciate you coming out. I had an opportunity before the press conference last night did a telephone town hall with a lot of seniors. I'm in Sarasota, Tampa Bay area. And it's all about the virus that was what the discussion is.

I want to give some of the questions I got asked last night I didn't see the press conference but I have seen some of the highlights. In terms of resources there has been discussion about the President mentioning $2.5 billion, some people $4 billion, you know, Chuck Schumer the Senator you know $8.5 billion--where are we at in terms of that? They want to make sure we are going to have the resources if this thing gets more aggressive. So, I want to get your thoughts on it.

AZAR: So, we have proposed $2.5 billion in spending in 2020. So in the next several months with open (INAUDIBLE) this around adjusting 2021 appropriation to fit needs as we see them over the next several months. But, the President has made it very clear, on national TV last night, that he is open to working with Congress to, on a bipartisan basis, to provide what--the funding amounts that Congress feels it needs. And, the Vice President has already been working with bicameral, bipartisan leadership on this.

BUCHANAN: Let me ask you of some misinformation, Mr. Secretary. Is it fair to say that the President's funding of the agency has put over--put our nation in danger by cutting lifesaving programs, like CDC and BARTA?

AZAR: No. Actually, working with Congress, the President--during the President's tenure, every part of our preparedness and infectious disease program activity has been enhanced and expanded. CDC's budget is up $667 million during his tenure. NIH, up $7.3 billion. ASPR, our preparedness and response function, up $621 million, Global Disease Detection, up $183, pandemic preparedness, $200 million, the net strategic national stockpile, up $130 million, BARTA and BioShield, up a total of $275 million for procurement of countermeasures.

BUCHANAN: But, yet I was watching the news this morning, that's not--that's not what a lot of them are saying. That's why it's kind of surprising--

AZAR: --Well, what they talk about is budgets, but, you know, budgets are like the first--the first move in a chess game with, I'll be honest, a fairly profligate Congress and the President starts that move with a budget, knowing that we're going to get a lot higher there as we work with Congress.

BUCHANAN: The other question that, you know, interested myself just with the leadership going forward and Vice President Pence, how are--what's the interface going to be with yourself, Mr. Secretary, between the two of you? Who's going to do what and how do you see that working in terms of the taskforce?

AZAR: Yep, so it'll be very--it'll--a lot of continuity with what we've already been doing. (INAUDIBLE) will remain the Chairman of the taskforce, the interagency taskforce. What the Vice President will do is actually a function that's been very similar to what acting Chief of Staff, Mick Mulvaney has been very ably doing for me, which is I'm in constant communication with him and he's able to clear barriers, get alignment across cabinet departments and agencies, and frankly, deal with and coordinate areas that are outside of the healthcare expertise, broader economic questions, trade issues, etc.

And, the Vice President's involvement and the leadership across the whole of government brings just the weight of the office of the Vice President to that task.

BUCHANAN: And, then last question is just in terms of the China factor. I know we want to get people on the ground, or maybe we have people on the ground. Do we feel like we're getting the real scoop there? I mean, the sense is we're not, but I want to get your thoughts on it.

AZAR: So, we had an NIH and a CDC official, two of them, as part of the WHO's team and we're waiting for the final report out of that WHO team. But, the report I got from one of our individuals was they felt that they did get transparent access to data and had--and saw a very--a lot of consistency in the information they were seeing, as well as interactions that were productive with their Chinese colleagues.

So, again, with China, I'm always in a wait and see mode, but the report was very positive coming back on that--in that regard.

BUCHANAN: Thank you and I yield back.

NEAL: Thank the gentleman. Let me recognize the gentleman from Connecticut, Mr. Larson, to inquire.

LARSON: Thank you, Mr. Chairman, and thank you for holding this hearing and Secretary Azar, thank you for your--your service and the manner and the integrity you bring to approaching this current crisis that we face. I think clearly, this is something that has to be approached and will be approached in a nonpartisan nature.

A couple of the questions that I have relate to testing and you talked about getting, I think, diagnostics is the key with respect to this, both in terms of containment and also in terms of getting a handle on this. But, my understanding is only five states, labs, have received tests so far, kits. My state hasn't in the state of Connecticut.

How soon can they expect to get those?

AZAR: So, CDC invented a diagnostic within, I think, a week of getting the sequence from China. It has three steps to it. They probably, in retrospect, maybe over engineered it a bit. We, at CDC, have done over 3600 tests there. We have had no backlogs, we've added staff, etc.

We shipped to all of our labs the test once it was approved by the FDA. What we found was that in some labs, the third step of that, they were having trouble with getting a control--a quality control validation on that, so it led to inconclusive results.

We now, as of yesterday afternoon, the FDA authorized the use of those tests by using just the first and second step, provide a definitive diagnostic. So, 40 labs are qualified to already be doing that, and then by this weekend, all 93 labs around the country that get these will have either CDC or on Monday--we'll have the private sector on Monday a modified test that's even easier.

LARSON: How about in the case of hospitals? Will hospitals be giving the same end number of--doctors and hospitals in our major cities have raised questions with respect to this. How would you respond?

AZAR: Yeah, so that's the next step is working with the private sector and also CDC to develop a--basically a bedside diagnostic. So, that--that's really the next step we've got to get to and I think--

LARSON: --Ballpark timeline with respect to that?

AZAR: I--I try not to make predictions about medical technology, but we've got--I think the Commissioner told me as many as 70 possible diagnostic makers are looking at how to get this up and running at the bedside.

LARSON: Well, that's encouraging to hear, but I know from talking to a number of the docs and the hospitals, the sooner they're able to do this, obviously the better. But, I--I thank you. I just would add, only as a--as a comment here, given the bipartisan nature, our dear colleagues on the other side of the aisle, when they, for eight years, had the ability to modify the Affordable Care Act but they said they were going to replace and repeal it and they did very little other than weaken it, so it's heartening to hear that we're going to be pulling together to strengthen that in a way, and especially in this time of crisis. And, thank you for your service. (OFF-MIC)

NEAL: The gentleman from Nebraska, Mr. Smith, is recognized to inquire.

ADRIAN SMITH: Thank you, Mr. Chairman, and thank you, Secretary, for sharing your expertise and insight. These are important topics that we are discussing.

It would seem to me that there's bipartisan agreement that there are a lot of problems with the so called Affordable Care Act and the--the question is, what do we do about that? And, so I guess first of all, can we get your commitment to working with us to--to navigate through this? And, especially, can you commit to the committee that the Trump administration would support pre-existing condition protections no matter what happens in the courts?

AZAR: President Trump has been adamant, he will never approve any piece of legislation that doesn't protect pre-existing conditions in terms of replacing the ACA or fixing the ACA.

ADRIAN SMITH: Okay, thank you. I--I certainly appreciate that. I know he stated that in the State of the Union speech. We saw what the Speaker's response to that was. But, certainly, the American people have--have suffered greatly in--in many ways.

Constituents of mine who are paying $30 and $40,000 a year out of pocket when they were told, they were promised, that they would save $2500 per year per household. So, we can do a lot better than what is currently in place and we passed a bill here--here in the House that would have actually reduced premiums. It was roundly criticized and opposed by--by folks who had supported the so called Affordable Care Act. But, I--I think things are way too important for us to just dismiss and--and walk away from bipartisan concerns that we know exist and that we want to address.

More specifically, I've been working on a rural health clinic legislation and I know that this is important to a lot of Americans all across the country. There is a proposed perspective payment system for rural health clinics that some of us are concerned might have some unintended consequences that would strain lower volume hospital affiliated clinics and--and push rural health clinics to prioritize volume over value and--and patient outcomes.

Could you give us any detail on that about the proposed payment modernization and its expected impact on both independent and hospital affiliated rural health clinics?

AZAR: So, Congressman, I had not heard of those concerns around the rural--rural--rural clinic and a perspective payment system there, and I--I'd love to learn more about that with you, because of course we don't want to do anything that harms rural healthcare access. In fact, we're trying to do exactly the opposite with the budget proposal and the rural healthcare initiative. So, please, offline, if we could discuss the concerns there, I'd love to hear them.

ADRIAN SMITH: I certainly appreciate that--

AZAR: --Thank you.--

ADRIAN SMITH: --I know that there is--you know, I'm impressed with many of the delivery systems in rural areas. Of course, rural can mean different things in different parts of the country and--and now, you know, Nebraska, my home state, is--is a major player in coronavirus. And, I guess, can you perhaps elaborate, briefly as time is limited, on the quarantine efforts and how that can, you know, obviously prevent the spread of the virus and--and we have quarantined folks in Nebraska right now. Can--how can you assure that we can contain-

[*]ADRIAN SMITH: --in the units that do exist?

AZAR: Yes. So the University of Nebraska of course is one of our finest institutions and partners with us on the Ebola treatment center that we have there--

ADRIAN SMITH: --Very successfully, I would add--

AZAR: --And bio containment--absolutely. And so this should really have no risk to any individuals in the community. These--these are highly contained controlled environments where if an individual tests positive, even if they're not symptomatic, they can't remain on military bases, and so we move them into these treatment centers that are negative airflow appropriate containment units, they are treated with protective equipment, et cetera while they get better. And so this really is not a risk to anybody in the community and the visual may scare people, but they should be reassured, actually, by the quality of containment.

ADRIAN SMITH: Very well. Thank you.

NEAL: Thank the gentleman. Let me recognize the gentleman from Oregon, Mr. Blumenauer to inquire.

BLUMENAUER: Thank you. Thank you, Mr. Secretary. The notion that visual may disturb some people but there are opportunities perhaps to be reassured. I find reassuring that the administration is looking for $2.5 billion and may be open for Congress adding additional material--resources.

But I'm concerned about systematic cuts in this same area. I mean, overall budget, as I understand it, is a nine percent cut to the Department of Health and Human Services, 26 percent cut to the U.S. Environmental Protection Agency, $693 million in cuts to the Centers for Disease Control and Prevention, and $742 million in cuts to health resources and service administration proposals.

You started in 2018 focusing on eliminating funding for the Obama era programs that--for disease security programs. The Admiral Ziemer (SP) I think who is tasked with managing pandemics quit and his global health security team was dissolved. The CDC was forced to slash its efforts to prevent global disease by 80 percent. It cut that complex crisis fund that was created in that Secretary of State's office by Secretary Clinton $30 million fund to be able to deal with that cutting global disease fighting budgets at CDC, the national Security Council, the department of homeland security, and the Department of Health and Human Services.

The budget cries out undermining the ability to respond on a global sense on the programs that were designed for situations like this. How are we to take comfort with the notion that you'd accept $2.5 million to try and deal with a problem that has been created, yet over time, this administration has been steadily attacking funding for the very programs that would help manage and perhaps prevent this outbreak? Would you care to give me some assurance?

AZAR: Absolutely. So in this budget, for instance, we increase by 135$135 million--

BLUMENAUER: --Over what the administration has done since it took office in this area.

AZAR: Well, that actually is an increase over existing funding, so $135 million over--over present funding for global health security infectious disease--

BLUMENAUER: --Which has been cut--

AZAR: --And preparedness. That gets to a total of 4.3 billion at CDC. As I mentioned, we've increased CDC over the president's term by $670 million over that time, its annual budget. So it's been increased. Our budgets are and opening bid in interactions with you all because we know how that--how the dance is going to work on budgets, but where we get to has been consistent level increases in these priority programs.

BLUMENAUER: Reclaiming my time, I really would like to have some assurance in terms of the specific programs that were developed to deal with situations like pandemic. There have been fluctuations up and down, but for 2017 on, it appears to me that you have--this is ministration has targeted the very programs it provided, that sort of very sort of ends for structure infrastructure that would help us respond.

And looking at the modest adjustments in what you call an opening bid relies belies what this administration has done since it's been in charge. And I would appreciate having the opportunity to flesh out comparing apples to oranges what happened over the three years we've watched this stewardship. I appreciate your help.

NEAL: I thank the gentleman. With that, let me recognize the gentleman from New York, Mr. Reed to inquire for four minutes.

REED: Thank you, Mr. Chairman. And thank you to the secretary for being here today. Mr. Secretary, my--my questions are going to be focused on the area of innovation and what you're referring--what you're doing in regards to the proposal and elsewhere. So just taking innovation in regards to the coronavirus situation, my colleagues on the other side of the aisle have passed a bill dealing with prescription drugs costs that acknowledge and concede will negatively impact the amount of cures coming to the marketplace for the American citizens as a result of that proposal.

So as we talk about budgetary cuts, I also wanted to talk about the proposals that will limit innovation. And so if we don't have innovation, how are we going to get the treatment for things like the coronavirus? Am I missing something on what the policies we should be promoting here and how it should be?

AZAR: You're absolutely right. We--and we need the private sector to do this. We can do basic research, but to drive development across the finish line, whether vaccines or therapeutics or diagnostics, it's going to take partnership or even independent action by--by companies, and those companies are going to have to be able to have a reward on their endeavors. We propose at least $1 billion of vaccine funding in the emergency supplemental, but that's got to be in partnership with somebody.

REED: It's so if that--if that partnership is not there in that innovative environment of America pharmaceutical research and treatment research is not vibrant, issues like treatments for the corona virus are also going to be at risk of being delivered to the American people, is that--is that correct?

AZAR: They won't exist if we don't have a vibrant Viking bios biopharmaceutical industry that's willing to--that's willing to put significant amounts of capital up for very risky ventures. We talk about vaccines and therapeutics as if they are a sure thing. Actually, we're going to have to put many bets out on the table to see what--see what comes forward and see what works. We don't know what off target safety affects could be, we don't know efficacy until we get in human clinical testing on these things.

REED: I appreciate that. So following up on that, one of the issues I've made a career--my career in Congress to dedicate to is the issue of diabetic care. Being the father of a type I diabetic myself, working with Dina (SP) to get in

a bipartisan basis on the diabetes caucus, we had some really great successes in regards to working with the Department of Health in regards to continuous glucose monitors being covered at CMS, issues like the omnipod (SP) being covered and that reimbursement policies.

We just got the phone application use with the DESCOM (SP) CGM technology approved through the system, and so I was very improved and intrigued with your budget proposal that looked at the issue of innovative alternatives to durable medical equipment for treatment and management of diabetes. That's a specific provision in your proposal. So I just want to give you the opportunity.

I applaud that innovative work, I applaud what's going on in the diabetic research area, and as we dealt with that letter recently that got 218 cosponsors on the letter to deal with the issue of pricing and payment reimbursement for the artificial pancreas, which is great, exciting technology and innovation in America's private marketplace. Could you tell us exactly what you're looking to do in regards to that innovation in regards to diabetic care?

AZAR: Sure. As you know, Medicare durable medical equipment, the program excludes coverage for nondurable alternatives to DME. So essentially, we are stuck with durable. What we would propose in the budget is allow coverage of these nondurable alternatives to DME both to save money but also to enhance options for patients, and it could come--come about exactly as you say in the--in the diabetic care arena.

I know your passion on insulins also. I did want to say, you know, we're on a--we're very close to a very important date when it comes to insulins. March 2020 is when we could see the first filing of applications for insulin biosimilars, which Congress has enabled, and FDA has laid out a pathway for streamlined interchangeability and clinical information there. So we could, with insulin pricing, be seeing within the next year to two years a radical, radical transformation in every aspect of insulin pricing and delivery for patients.

REED: Thank you very much, Mr. Secretary. I yield back.

NEAL: I thank the gentleman. Let me recognize the gentleman from Wisconsin, Mr. Kind to inquire.

KIND: Thank you, Mr. Chairman. Mr. Secretary, thank you for your testimony here today Mr. Burgess and I, Dr. Burgess have introduced an immunosuppressive bill on the ministration has them favorable to it. It would extend reimbursement coverage beyond the 36 month cutoff. We think this is an important piece of legislation and we encourage the administration's continued support.

I'm also cochairing with Representative Kathy McMorris Rodgers the rural health caucus in Congress and we appreciate, you know, the focus that the administration is providing given the unique challenges that we face for with our rural providers. We certainly encourage continued support for critical access designation, thinking out of the box when it comes to the recruitment and retention challenges we have in rural areas. It also, a nationwide broadband deployment for 5G in order to really ramp up the potential of telemedicine that we have. All these things I think with your leadership we can start moving aggressively forward on. But like Mr. Buchanan I too had a telephone town hall last night. One out of every three caller in was talking about the Coronavirus. So certainly the concern if not the fear is starting to permeate throughout our communities and throughout the country. And we do face, I think some unique challenges in the rural providers fear of how we address the spread of this virus.

How confident are you in regards to the infectious disease protocols that we have in place with our rural providers right now that they are up to the task of what is appearing on our doorstep already? With 47 countries, first known nonorigin source detected here in the Untied States, it's coming and I'm concerned whether we're--we're ready for that.

AZAR: I--I think it's a very fair question because it--one of the bedrocks of our system is our great hospitals, our great public health infrastructure and our providers. That is how we are identifying these cases as the 15 cases that we have had here in the U.S. that weren't imported from repatriation all but one of them came from great doctors and nurses identifying symptoms and testing. I worry about infection control protocols in rural--in rural facilities. Just they don't see it as much and I--I do think we are going to perhaps the funding through the emergency

supplemental an help with that. I think we are going to have to up the game nationwide around immediate infection control on suspect cases so we don't get nosocomial infections.

KIND: And, I would also encourage the administration to really take a forward stance on the protection of our frontline rural health providers the provider community overall. Because if they start getting infected and start going down then we are going to be in a world of hurt. And likewise, how confident are you about the infectious disease protocols that we have in our schools? I mean China now is shut down, Japan just announced they are shutting their schools down, South Korea, soon we are probably going to see it in Italy and sweeping through Europe. Are we ready at the school level to protect our children?

AZAR: Yeah, so at the school level it's like at the employment level the most important thing one can do is if you are symptomatic if you are not feeling well you need to stay home and not go to school. You need to not go to work. It's really--Dr. Shukat(PH) spoke about this yesterday at the press conference. It's the same basic public health protocols for the common cold and for the flu which is proper hygiene, washing your hands, covering your mouth, not touching your face with unwashed hands and staying home if you are sick. We need schools to enforce that, we need employers to enforce that. It's also we don't over scare and have people walking around with masks on. That's not what we recommend. That's not the safe way to deal with things.

KIND: One thing I'd recommend that you take back the Vice President Pence and the taskforce, it's now formed first developing a strategy for online learning opportunities. Cause man, when this stuff starts spreading throughout the country the natural reaction of parents will be to bring the kids home and try to protect them and keep them out of school and we can't afford, as a nation to have them sitting at home without any course instruction in front of them for months at a time or however long it is going to take for us to get a grip on this.

So, and then being uniquely concerned about those kids at home who don't' have broadband access who aren't going to have those same online opportunities as--as other children. So that's one recommendation for the taskforce to look at. Thank you, Mr. Secretary.

NEAL: Thank you. Let me recognize the gentleman from Missouri, Mr. Smith, to inquire.

JASON SMITH: Than you, Mr. Chairman. Thank you, Secretary Azar for--for being here today. Just last week I brought together a--a roundtable in Southeast Missouri with myself, the governor, the state of Missouri Mike Parson and also some members from the White House in regards to talking about opioids but also talking about access to rural healthcare. And, I know that that has been very important to you and that's been important to the President and I want to thank you for that being addressed within the budget.

For so--for so long it has been overlooked by prior administrations in addressing access to rural healthcare. And I'm glad you are focusing on that. I would also like to applaud the administration's continued focus on advancing American kidney health. Which has been a priority for myself and many other members of this committee. American taxpayers spend more money on kidney disease annually than what we do on the Department's of Justice and energy and the State Department combined. Even more alarming of the more than 100,000 Americans who begin dialysis annually one in five will die within a year. I think we can do a whole lot better. I know there is members of this committee that I work with that believe that we can do better.

Your department's work to ensure fewer patients develop kidney failure to increase rates of home dialysis, and to increase the number of kidneys available for transplants have not gone unnoticed. The potential benefits for the more than 700,000 Americans who have end stage renal disease are amidst.

For most Americans with kidney failure as you know, the best treatment is a kidney transplant. Unfortunately, the Medicare program will only cover the cost of immune suppressive drugs for three years post transplant. These drugs are vital much like what representative Kind had said earlier in preventing a patient's body from rejecting their new kidney.

Congressman Kind and I have introduced legislation along with some members in the ENC field to correct this misguided policy. And I applaud the Administration for including that proposal in its budget request this year. So thank you very much.

I understand that HHS recently issued some data indicating that providing lifetime coverage for those drugs would lead to cost savings. Can you please talk about that data and the Administration's perspective on that issue of lifetime immunosuppressive drug coverage and do you have any insights on the savings?

AZAR: So, I don't have the exact number on the savings but I'm happy to get that to you. but yes, that is what we found is that by covering immunosuppressants we save the kidney. By saving the transplanted kidney it's a longer life, better healthcare for the individual and really appreciate your leadership and we're so delighted that that is in your budget.

JASON SMITH: It's very important to us and it's very important to so many patients across this country. So, thank you. Also, Mr. Secretary, I hear there are still issues with organ procurement, organization performance. It's something that a lot of members of the Missouri delegation especially on the other side of the building, my counterparts care about. What will you do to move the ball on organ donation overall?

AZAR: So, we've got a proposed regulation out to enhance the accountability of the organ procurement organizations to bring them all up to the higher standard. There is great variability in performance both on procuring organs and on securing live human transplantation of those organs successful transplantation. We have got to up their game by real accountability.

SMITH: I see my time is expired. Thank you for being here, Secretary.

NEAL: Thank the gentleman. Let me recognize the gentleman from New Jersey, Mr. Pascrell to inquire.

PASCRELL: Morning, Mr. Chairman. Mr. Ranking Member. Mr. Azar, were you aware--were you told beforehand that the President was going to name Mr. Pence Vice President Pence to lead--lead the charge against the coronavirus? Did you know that?

AZAR: Of course I did. Yes.

PASCRELL: You were told?

AZAR: Yes. I was consulted and told. Yes. Discussed it. Involved in it. Consulted. Discussed it. Worked on it and I'll be honest with you, my reaction when I heard the idea that the Vice President would be willing to help add his force of office to the--to this effort I said--I said "that's genius". I was delighted.

PASCRELL: Mr. Azar, the administration has proposed a $1.6 trillion cut to healthcare programs that would destroy the safety net programs that millions of Americans, my constituents rely on absolutely. A 9% cut for the entire health and human services cannot and does not lower drug prices. It doesn't protect pre-existing conditions. And it defends--and defends social security and Medicare. Doesn't' do those things.

I'm not sure who you're trying to fool in presenting this budget or what you're trying to sell. The FDA's budget request expresses unequivocal support for the adding that the vice identifiers to insurance claims. Adding identifiers to claims would provide better data to track the safety and quality of implants over time. Which in turn, would improve the outcomes and reduce costs. However, CMS seems to disagree with the widespread agreement from across the health industry and the HHS inspector general. Yes or no, will you finalize adding the vice identifiers to claims as the President's budget request claims?

AZAR: I wasn't--I wasn't familiar with disagreement with CMS so I want to get back to you once I look at that. I--I had no disagreement on the device identifier payment issue.

PASCRELL: It's a critical issue, Mr. Secretary. It goes back several years.

AZAR: --No, I agree on the importance of it.--

PASCRELL: It will help us respond, because this industry has gotten away with literally murder and if you know the court cases that were involved, you'll see how imperative this is.

I'm worried this administration is not prepared for the global outbreak. Many of us are. We're not going to sit back and simply say it's in somebody--in somebody's hands. We all have a responsibility here, especially when we hear the news of the first person to person transmission on U.S. soil.

The President is tweeting about the stock market. Senior officials are lying about containing it and I don't see a plan to manage the risk. So, we sent a letter last week highlighting the concerns about the risk to the medical supply chain due to global dependence on Chinese manufacturing.

Do you plan to ask Congress for additional appropriations as public health experts have suggested? And, what do you think about that supply change? Is it in serious--does it have serious problems as far as you perceive?

AZAR: So, we--we do have a real issue in terms of the supply chain being bound up so much in China. There is one bit of good news from our survey that FDA did. There are 20 products that are either whole or with a single source active ingredient sourced out of China. So, 20 of them, there's no alternative in that sense.

We're aggressively monitoring working with the industry. We're not aware of any potential shortages yet, but with device and pharmaceuticals, we are--we are very much on the lookout for that and working to find alternative sites and supply chain.

PASCRELL: Thank you, Mr. Secretary. Thank you, Mr. Chairman.

NEAL: Thank you, Mr. Pascrell. Let me recognize the gentleman from Arizona, Mr. Schweikert, to inquire.

SCHWEIKERT: Thank you, Mr. Chairman, and just a reminder to everyone, Medicare trust fund, five budget years, it's gone. So, anything we're doing here that can extend that or ideas of not laying on top of it. So, it's one thing to attack that, but also to deal with the reality where the math is right now.

Mr. Secretary, how familiar are you with democrat's HR3?

AZAR: Fairly familiar.

SCHWEIKERT: Okay, I--there's something I've been passionately trying to get our brothers and sisters, both on the republican and democratic side, to understand the cost savings from that piece of legislation comes from something in the vernacular that's referred to as referenced pricing.

So, if you and I are in Great Britain, a--what's the formula? A quality adjusted life year is worth $38,000. So, if a pharmaceutical costs $40,000 but would give you an adjusted great year, they don't buy it. And, it's that type of re-importation of that scarcity is how they save money on pharmaceuticals.

We are desperate, both republicans and democrats, as you have already spoken about, to lower pharmaceutical prices. My fear is the unattended consequence that by doing that, that the high risk, high reward, small biologics, small molecules, even the genomics that don't exist in those markets, that scarcity is going to be re-imported here. They're about to wipe out small pharma and functionally protect Big Pharma, because they just wiped out the capital stack for all the small pharma companies that--that are creating the disruptions.

Am I wrong? Tell--tell me, am I seeing it the wrong way?

AZAR: So, I would be--I would be a bit balanced on that in that as, of course, the President and I have been very supportive of notions of referenced pricing in Part B, where we are a price fixer and price setter and we just do it pretty stupidly at 106 percent of average--average sale price. In Part D, though, where we actually have competitive

marketplace that supply and demand curve are meeting to produce market competitive pricing for the most part, except in some areas where they've been precluded from negotiating, that system really does work and a system of reference pricing or price controls beyond that could lead to some real distortions in the system, as you said.

And, we also--HR3's so called negotiations, it's not clear how implementable or practical those really could be as crafted. Want to work with Congress on a system to get prices down, but it's got to be practical.

SCHWEIKERT: Have the democrats that care about pricing, have they been reaching out to your office and trying to come up with a method that actually would work without killing people because of the future curative drugs that will disappear?

AZAR: I'm not aware of that outreach with my office. I know there's been White House interaction with the Speaker's office. But, we want to work on a bicameral, bipartisan basis. You know, we've got the--the Grassley/Wyden package in the Senate as one that has proven bipartisan--that's one example of how we might move forward and real reform to Part D could bring huge benefit to our seniors.

SCHWEIKERT: So--so I'm hopefully hearing we all have the same goal. Some of us are very fearful that if we destroy those disruptive curatives, that 5 percent of our brothers and sisters that have chronic conditions that are the most of our healthcare spending, we lose that cure that--you know, the single shot drug that cures hemophilia and these other things that are coming here.

There is one other--and this one's a little tougher. Like, I have a series of alerts on just tracking testing for the--for the virus. Here's a company out of Israel that just announced they think they have one that, within 25 minutes, could do desktop analysis on--on the drug.

What do we as policymakers have to do to functionally legalize healthcare technology? The thing you blow into that could tell you you have the flu and order your anti-virals, except that technology today, because it's an algorithm writing the prescription, is substantially illegal.

How do we--how do we work with you to actually do the technologies that could crash the price of healthcare?

NEAL: We work together. Thank you, Mr. Secretary. I thank the gentleman.

SCHWEIKERT: Thank you, Mr. Chairman.

NEAL: With that, let me recognize the gentleman from Texas, Mr. Doggett, to inquire.

DOGGETT: Thank you, Mr. Chairman, and thank you, Mr. Secretary. Coronavirus, COVID-19, is a respiratory disease. Is it not?

AZAR: That's correct, sir.

DOGGETT: And, at the--at the Center for Disease Control, you have an expert who directs your respiratory disease section, don't you?

AZAR: Yes.

DOGGETT: And, what is her name?

AZAR: Dr. Nancy Messonnier runs the--the respiratory and influenza branch, yes.

DOGGETT: And, was it--was it your decision yesterday to exclude her from the press conference on this issue?

AZAR: No, we actually had her boss, the senior career official, Dr. Anne Schuchat, was at the press conference. She was up there.

DOGGETT: Yes, you did, but not--not the respiratory disease expert who is the truth-teller, not unlike Dr. Lee in Wuhan who spoke out on Tuesday, apparently drawing the President's attention, in saying, "We will see community spread in the United States. It's not a question of if this will happen, it is a question of when and how many people in this country will have severe illnesses."

Do you agree with her statement?

AZAR: First, I know Dr. Messonnier extremely well over decades. I have the highest respect for her and yes, we--we believe there will be--

DOGGETT: --All I want to know is if--

AZAR: --No, no, it's very--because we have to be careful with the public--

DOGGETT: --is if you agree with that statement (INAUDIBLE)--

AZAR: Community spread--

DOGGETT: --Do you agree with her or not?

AZAR: There is context needed. Community spread could be in a town, a locality, or could be nationwide, like China.

DOGGETT: It could--it could have begun yesterday or day before in North--Northern California. Let me ask you as well--

AZAR: --In fact, this 15th case could be a community case. We don't know.--

DOGGETT: --She continued, as you know, in saying, "Disruptions to everyday life may be severe, but people might want to start thinking about this now." Do you agree with her on that?

AZAR: That was a statement of a range of possibilities, which is yes, when dealing with a pandemic--

DOGGETT: --Is--

AZAR: --there are elements that could be--

DOGGETT: --Really, the question is whether or not the administration is moving based on this serious concern or just on putting a happy face on all this, that it'll go away when the spring flowers come out.--

AZAR: --That's a complete misrepresentation.--

DOGGETT: --I want to pursue with you some of the specific things the administration is and is not doing in that regard, beginning with the question of face mask. I'm sure you saw the--the story that the N95 mask that is important to those who are healthcare providers, that many hospitals only had a week's supply. What is the administration doing to assure that there's an adequate supply of those masks?

AZAR: We're asking you to fund us buying masks.

DOGGETT: I see. So, we don't have them now and 60 percent of large chain pharmacies also say that they--they've had--they've run out of masks for the public in general. On the question of lab tests, as you know, last Friday, the Association of Public Health Laboratories said that only three states had the capacity to test people for the virus and in the case of what might be the first community spread in California, it's taken four days to determine whether that person had coronavirus.

I've had this experience in San Antonio, where any--for anyone to determine whether those people that came off the ocean liner in Japan who are now at Lackland Air Force Base, we have to send the test off to Atlanta to get an answer on that, a problem about not testing people on the base, transporting them across town. Congressman Castro and I wrote you about this back in--on February the 13th, despite numerous calls, , it's been difficult to get any answer about the specifics on that, though my staff advises that finally in the midst of this hearing some message came through from you about that. Are localities even considering trying to put people in recreational vehicles to keep them separate if they have the coronavirus in full?

The city of San Antonio has not received any reimbursement for these matters to date. It's unclear to me whether the administration has in place a plan to send extra reimbursement to localities faced with the problem. The ineptness with which the administration has approached this problem is not only serious, it can be deadly if not changed in the approach.

NEAL: I thank the gentleman. Let me recognize that gentle lady from Indiana, Ms. Walorski to inquire.

WALORSKI: thank you, Mr. Chairman. Thank you, Secretary Azar. Good to see a Hoosier face in front of this committee. Before I ask my question, I just want to correct that record here to my good friend down there, Mr. Pascrell. I've not seen or heard anything--I've not seen any evidence that any senior official is lying about what's happening with coronavirus.

So I would like to say that, you know, I think we need to be very factual when we talk about this and I think you have been, Secretary Azar. I think it's apparent for the American people to know that this is priority one at the administration. I'm not seeing any evidence that there's anybody lying about what's happening with coronavirus.

But I just want to proceed by saying 10 years ago, Democrats rammed Obama care through the Congress based on the slogan if you like your plan, you can keep it. If you like your doctor, you'll be able to keep your doctor. That slogan, of course, turned out to be a lie. In fact, it was rated as political acts lie of the year in 2013.

Fast forward to today and a majority of House Democrats have cosponsored HR 1384, that Medicare for All Act, which would virtually outlaw all private insurance plans, all the coverage and force every American into a one-size-fits-all government plan. So in just 10 years, we went from if you like your plan you can keep it, too if you'd like your plan, too bad, it's gone. What a difference a decade makes.

Contrary to what my colleagues on the other side of the aisle might say, Americans do like their private insurance. A recent Gallup poll found that 71 percent of Americans rate their private coverage as excellent or good. The American people and the hard-working Hoosiers that I represent want that health insurance that they like. They don't want that health insurance taken away and replaced with a massive new government program, especially one that would require massive new taxes on workers and families. Secretary Azar, can you talk about the financial impact for Medicare for all and what kind of impact it has potentially on seniors and middle-class Americans that I serve in Indiana's second district?

AZAR: It would be absolutely devastating. We've got 180 million Americans who get their insurance through their employer or their, more importantly, their union. Their insurance would be taken away. Collective bargaining rights that they have given up in exchange for insurance would be taken away without compensation in wages.

For our 60 million seniors in Medicare, a third of them depend on private insurance of Medicare advantage, the ever more popular private option with added often dental, vision benefits and pharmacy benefits for them. Taken away as part of this. It would be devastating for Americans America's seniors.

WALORSKI: Now, let me ask you this, the rising rate of maternal mortality across the country is something I've been extremely concerned about and I'm glad to see the Trump administration is actually tackling this head on. Your budget describes the improving maternal health in America initiative aimed at improving maternal health outcomes through evidence-based programs. How do you see the maternal infant and early childhood home visiting program fitting into the department's maternal health initiative?

AZAR: So that program gives pregnant women and families particularly those considered at risk necessary resources and skills to raise children who are physically, socially, and emotionally healthy and ready to learn. So it's a very important part of--of our maternal health initiative.

WALORSKI: I appreciate your efforts. And let me just quickly bring to your attention here the administration's proposal to strengthen TANF focuses on work and families in direct--in a direct alignment with the Republican's job for success--success action. Are you worried about a lack of a countability in TANF?

AZAR: I absolutely am worried about the lack of accountability in TANF. We got dozens of states that are basically achieving their work participation rates without contribution to it. It has been perverted from the original meaning of TANF, which is to get people to work, get them trained. We've got to create real accountability again.

WALORSKI: I appreciate it. Mr. Chairman, I yield back.

NEAL: I think thank the gentle lady. Let me recognize the gentleman from Illinois, Mr. Davis to inquire.

DAVIS: Thank you, Mr. Chairman. Mr. Secretary, thank you for being here today and thank you for your testimony. In January 2019, you granted South Carolina a waiver of federal anti-discrimination regulations to allow Miracle Heal Ministries to reject Jews, Catholics, persons of other faiths, nonreligious persons, and LGBTQ individuals from being members to our caretakers of foster youth.

Stated mission of administration for children and families is to promote the well-being of vulnerable children and families and the directive of the children's Bureau is to act in the best interest of the children in its care. The crux of that waiver prioritizes the religious beliefs of an organization over the best interest of abused and neglected children, contrary to the stated mission of the administration for children and families. As Secretary, your position is that it is acceptable for Miracle Heal to use Health and Human Services provided funds to reject Jews, Catholics, persons of other faiths, nonreligious persons, any LGBTQ individuals from being mentors to our caretakers of foster youth, correct?

AZAR: so first, to clarify, the coalition for Jewish values as well as the Roman Catholic Diocese of Charleston are supportive of the approach we've taken, which is that the--we have to support the prompt placement of children in loving homes according to the best interest of the child and we need as many providers, faith-based and non-faith-based as possible to participate.

DAVIS: So the--

AZAR: --We should not be in the business of taking out faith-based providers who are the backbone of so much of our foster care placement.

DAVIS: So the answer is correct?

AZAR: Your question is--is not an appropriate question. It is--it--you stated it as if we are--as if we are encouraging that. We are encouraging more providers, not fewer providers because the priority is kids getting place, not who the providers are.

DAVIS: Did let me ask you, has the chair of the subcommittee with jurisdiction over programs critical to helping families and children in need, this budget is deeply disturbing and destructive to the health of the most vulnerable members of our nation. At a time when the Republicans gave windfalls to the wealthiest corporations and individuals, this budget flashes $200 billion from Medicaid and the children's health program, cuts child care assistance for working families, takes nearly $2 billion from the temporary assistance for needy families programs or TANF, eliminates the social service block grant, undermines adult detective services, Meals on Wheels, substance abuse programs, programs in rural areas, and mentoring. Could you assure us that these cuts are not going to negatively impact or take away services from the most vulnerable members of our society?

AZAR: So to achieve our budget targets and the overall administration caps agreed with Congress, we had to make some very difficult choices and we have to illuminate programs that are less effective, invest in priority areas, and support mostly those that provide direct services to individuals.

DAVIS: (OFF-MIC)

NEAL: Is your microphone on, Dan?

DAVIS: So the answer is we are cutting programs that are vital to the well-being of these vulnerable populations because we had to make some tough, hard choices.

AZAR: We are removing programs that are ineffective, that are--that have not proven results, and also focusing on those that most deliver direct services instead of those that in provide infrastructure support.

DAVIS: Thank you, Mr. Chairman. I yield back.

NEAL: I thank the gentleman. After we recognize Mr. LaHood, we will then proceed with committee practice and will recognize on a two to one ratio members on the Democratic side. The gentleman from Illinois, Mr. LaHood is recognized.

LAHOOD: Thank you, Mr. Chairman and, Mr. Secretary, welcome. The country and our healthcare system is well served by your leadership. I know you testified yesterday for almost seven hours. You did the press conference last night and you are here today for three or four hours, so thank you.

I just want to--I wanted to talk about rural healthcare, but before I do that, I listened to Mr. Doggett's comments and he must have watched a different press conference than I watched last night because I objectively watched that entire press conference and I think it couldn't have been more reassuring to the country the team of physicians, researchers, medical personnel that were put in place by this administration and under your leadership give confidence to the country. I know he mentioned--talked a little bit about community spread. I wonder if you could just comment on that for a second.

AZAR: Thank you, because I do think that--

[*]AZAR: exchange could unnecessarily worry the American public. When we say, when the CDC says, I say, the president says that it is quite likely that we will see more cases and quite likely we will see community spread that could be in one town a locality it could be in a neighborhood. It could also be nationwide, we say could, could, could.

We have to prepare for all eventualities and we have to educate the public for the potential of eventualities. That does not mean they will happen. It means we, responsible stewards, prepare for them. We have this 15th case in California that could be a potential first community spread in the United States. We have to now do the epidemiology behind that. We have been consistent from day one about this messaging across all levels of the government.

LAHOOD: Thank you for that. Thank you for clarifying that. And, I enjoyed hearing your comments at the beginning on your rural healthcare taskforce and putting the--the governor in charge of that. Appreciate that. I am concerned about rural healthcare. I have a district, 19 counties. I border Iowa and Missouri. And very interested in this subject. And I know as part of your four part strategy to transform rural healthcare increasing rural access to healthcare is a priority. In Illinois over the last five years frequent mental distress has increased by 14 percent and suicide now is the third leading cause of death for people ages 15 to 35 in Illinois.

Healthcare providers in my district are focused on the need for increased behavioral health and mental illness services to address these troubling statistics. And while there are many examples of innovated health approaches in my district I just want to point out one. Unity Health in Peoria, Illinois, is working on solutions to help broaden access to behavioral health providers through community organization partnerships.

And, they recently started a nonprofit organization called Unity Place that will work to better understand the unique mental health needs of rural communities in my district and how to transform our behavioral health system to ensure better delivery for these necessary health systems and services.

I wonder if you could discuss some of the successes you have seen from some of the programs and how the Department plans to expand access to programs like the behavioral health workforce education and training program in the 0 suicide initiatives.

AZAR: Absolutely. And, as you said we need better behavioral health and mental healthcare in rural America as well as all America. We have got to have a sustainable business model. They've got to work that they are economically viable. We have got to make sure that they are focused on key activities like suicidality, mental health prevention, health promotion. And then, third we have to use telehealth. So telehealth can be an important part of behavioral health delivery in rural America and using technology and innovation. And fourth, we have got to get the next generation of providers whether nurse practitioners, or--or primary care or PAs and let people practice to the maximum of their license especially in rural America.

LAHOOD: Well, we look forward to working with you on that. Thank you, Mr. Secretary.

NEAL: Thank you, gentleman. Let me recognize the gentlelady from California, Ms. Sanchez.

SANCHEZ: Thank you, Mr. Chairman and thank you, Mr. Secretary for being here. I'm going to be really honest with you--the budgets that have come out of this administration in each year have been truly upsetting and the budget this year is no different. I've said this before and I'm going to say it again, that I think the President's budget are out of touch with the needs and the concerns of everyday Americans.

Once again, the Administration is putting the well-being of the ultra-wealthy and corporations over that of hardworking American families. And the people that I represent and hear from every day would suffer greatly under the devastating cuts that are in his budget proposal.

Mr. Secretary, could you clarify if the administration thinks that children and adults should go hungry and a simple yes or no answer will do?

AZAR: So, the administration is fully funded in line with what the congress did previously--the Head Start program, the child

SANCHEZ: The question I asked you is whether or not you think said children and adults should go hungry

AZAR: (INAUDIBLE)

SANCHEZ: --because this administration's budget is cutting $181 billion from SNAP over the next 10 years. There's also a $500 million cut to the supplemental nutrition program for women infants and children otherwise known as WIC and in 2016, 41 percent of WIC participants were Latino.

So, the administration through these devastating cuts is actively making it harder for millions of Americans to receive--receive help with something as simple as putting food on their table. And I might remind you that one in every five SNAP recipients is a military family at that. I'm not sure what your values are but back in the district that I represent we don't believe in letting kids go hungry or those that are in need go hungry.

A country as great and as rich as the United States of America should not see food insecurity among its population and slashing the budgets of vital programs that provide basic necessities to human beings in this country--those programs should not be on the chopping block. But I guess I shouldn't be surprised though because this is the same administration that puts children in cages so I could see how food might not be a priority for them.

Where I come from, people's actions are worth a lot more than what they say than what their lip service is. President Trump, in his state of the union address said and I'm quoting him directly--I've also made an iron clad

pledge to American families. We will always protect patients with pre-existing conditions and we will always protect your Medicare. Does President Trump's budget protect patients with pre-existing conditions? People who have cancer or diabetes?

AZAR: It absolutely does and will ensure the protection against pre-existing conditions. The problem is the Affordable Care Act doesn't actually do what it says it does. When you have a

SANCHEZ: I'll stop you right there because the President's budget doesn't protect seniors or people with disabilities on Medicare. It's fascinating that the President's vision for healthcare requires $844 billion cut to healthcare. I'm going to say that again--$844 billion cut to healthcare. Again, actions speak louder--louder than his empty words.

If he wants to protect people with pre-existing conditions why is this administration arguing in favor of a lawsuit that would do the exact opposite and that's take away protections for people with pre-existing conditions? My district has over 300,000 non-elderly people with a pre-existing condition--why is he trying to mess with their--with their healthcare?

These sabotage attempts to our healthcare system and our immigration system are hurting and scaring millions from getting much needed medical care. So as much as you want to stand up here and defend the President this administration has made it more than clear on where they stand with the American public. This budget is not fair for hardworking families in my district or for families across this nation. And nothing that you can say reverses what the actions show. Thank you, Mr. Chairman. I yield back.

NEAL: (INAUDIBLE) recognize the gentleman from New York, Mr. Higgins, to inquire.

HIGGINS: Thank you, Mr. Chairman. Mr. Secretary, on Monday, January 13th of this year President Trump in a tweet said and I quote, I was the person who saved pre-existing conditions in your healthcare, end of quote. How did he do that?

AZAR: The President is going to ensure that any healthcare reforms protect pre-existing conditions unlike the Affordable Care Act where a 55 year old couple in Missouri making $70,000 a year and are unsubsidized would pay over $30,000 a year in premiums and have a deductible of over $12,000. That's a meaningless insurance card that's not actual protection of pre-existing conditions. He's the one that's actually committed to doing that if Congress will work with him.

HIGGINS: And concurrently, is trying to invalidate the only law that exists that protects people with pre-existing conditions. So, in other words, before the enactment of the Affordable Care Act, insurance company could deny you coverage if you had a kid who was stuck with childhood cancer. You can't' do that anymore. It's against the law.

There are a number of pre-existing condition whereby an insurance company could jerk you around just because you were born into a predisposition, a predisposition to a pre-existing condition or a chronic illness.

There was a lawsuit in the fifth circuit court of appeals challenging the constitutional--constitutionality of the affordable care act. The only law--the only law that protects people with pre-existing conditions and it was July of 2019, it was called Texas V Azar, that's you. And it was a suit brought by 18 state attorney's general and endorsed by the administration to invalidate the individual mandate and thus, the entire affordable care act--again, the only law--the only law in the books that protects people with pre-existing conditions. How do you reconcile that?

AZAR: First, that's a false statement. ARSA(PH) protects individuals with pre-existing conditions the 180 million individuals that have insurance from the private sector--employers as well as their unions, Medicare protects for 60 million Americans individuals with pre-existing conditions. Medicaid protects individuals with pre-existing conditions. And, in the Affordable Care Act litigation, this is a litigation position not a policy position and the President has made it clear that he will veto any piece of legislation that doesn't insure the individual market actual effective and real (INAUDIBLE).

HIGGINS: Mr.--Mr. Secretary, claiming back my time. The replacement to the Affordable Care Act that Congress tried to repeal and was defeated in the Senate had a provision as it relates to pre-existing conditions. And that provision said that insurance company could not deny some one coverage for a pre-existing condition but the coverage didn't have to include the treatment for the pre-existing condition. That is a fact and that is cynical.

And here is my concern with respect to what we are dealing with now. While the flu and COVID19, which is a disease caused by the Corona virus, may not be pre-existing conditions, those with pre-existing conditions, asthma, chronic congestive heart failure, younger kids under the age of five, the elderly are at greater risk because of their pre-existing conditions to become much worse triggered by this flu or this COVID19 that we are dealing with. And it is very clear to me and anybody that looks at this based on fact that the only law that exists that protects people with pre-existing conditions is the Affordable Care Act and you're trying to destroy that. I yield back.

NEAL: I thank the gentleman. Let me recognize the gentleman from Ohio, Dr. Wenstrup, to inquire.

WENSTRUP: Well thank you, very much, Mr. Chairman. Mr. Secretary, thank you for being here. Let me just, in light of the recent conversation, one in the bill that we passed in the House of Representatives, we were giving states the opportunity for a waiver if they had a high risk or pre-existing condition program that actually functioned better than the federal program. That was the purpose of that.

But also let me go again to--to the budget. Medicare gets another 20--the president's budget. Medicare gets another 25 years of life under this budget and Medicaid grows year-over-year. Let me point out that this is--there's more than one body in this government that we have and budgets art law, they are a template. And you can rant all you want, but I find it interesting to complain about the president's budget when--that there is no House budget. Present your house budget and that's what drives the conversation.

So I would be hesitant to be too critical of the president's budget if you don't have one yourself to make the recommendations. It's easy to criticize, but it's better if you have your own solutions. Mr. Secretary, I'm glad to see you here and that you're going to focus on rural healthcare, that's very important to me as you're probably aware we have a nice bipartisan task force with Representative Sewall--Sewall, Davis, Arrington and me. We want to address workforce shortages, reimbursement and payment schedules to have some flexibility, especially for rural areas, digital and Telehealth and what we've come to call the social determinants of health, which I know are valuable and important to you that we--that we address those issues.

Another focus that I have been in particular too his undergraduate medical education. We can talk about healthcare all we want. If we are not graduating enough physicians and we don't have residency programs for them, none of this really makes much difference, does it? So I think that that's one of the things that I would like to work with the administration on along with these--these priorities for rural health, which I know are priorities of yours.

And, you know, we can do better. Residency programs in rural areas a lot of times people stay where they train. That's very common in medicine, as we both know. So how can the task force here on Ways and Means coordinate efforts with HHS to--to really serve our rural communities better?

AZAR: So we'd love to work together on improving rural health. One of the ideas you just mentioned around graduate medical education is in the budget, which would merge Medicare, Medicaid, and children's graduate medical education, take it off the books from Medicare, put it on general tax revenue, which is where it should be, and allow flexibility so we get out of the structures that were frozen in place in the 90s and allow people to have GME and in rural America, have primary care, psychiatrists, the--to have that flexibility to meet our under served needs right now.

WENSTRUP: Yeah, I agree with you. And it's not just rural. We have an urban under served areas that would benefit from the same type of approach. My best--my district is southern Ohio, as you're well aware. That's ground zero for our drug problem. It's not just opioids, heroin, et cetera, meth, on and on. Can you tell me about the additional flexibility in the president's budget that would allow us to use tools at our disposal, especially locally to fight the broader substance abuse etiquette epidemic?

AZAR: Absolutely. So actually, I was delighted last year when Congress added to the state opioid response grant program the ability for states to use money for methamphetamine and other stimulants because in states, and I know I've spoken with the governor of Ohio, in some states, methamphetamine is becoming more of an issue than--that even opioids. In some states it's always been. We've got--we got 15 of the 36 states the report overdose deaths by drug type. Matthews was refundable for more deaths than synthetic opioids like fentanyl. So that flexibility is critical for our--our states.

WENSTRUP: Well, thank you. My--my time is up, but I look forward to working with you and your team and with my colleagues from across the aisle.

NEAL: I think the gentleman. Let me recognize the gentle lady from Alabama, Ms. Sewell to inquire.

SEWELL: Thank you, Mr. Chairman. Mr. Secretary, in my Alabama district, we are always fortunate to get through each month without a hospital closure. I found out yesterday that we would not be so fortunate this month as one of my rural hospitals is going under. Without finances to pay their staff, one of our hospitals is set to close next week. When it closes, almost 150 people will do without a job and over 20,000 residents will lose their only hospital, leaving them to have to drive within an hour to get to another hospital.

Sir, I have a letter that I will present to you at the end of today asking for your emergency assistance in trying to keep this rural hospital open. You know, the stakes are high and I know that they are high and I know that this administration wants to focus on that, but I saw that in the budget this year that there's a proposed cut to DISH (SP) payments.

These disproportionate payments go for indigent care and I'm quite concerned that in addition to having a budget that doesn't reflect, I think, an emphasis on providing that healthcare needed, especially for those indigent in rural America, I was glad to hear that you are setting up a rural health initiative. As Dr. Wenstrup said, our chairman, Chairman Neal set up an under served and rural health care task force. It's a bipartisan task force of which I'm cochair along with Dr. Wenstrup, Mr. Arrington, and Mr. Davis.

So we look forward to working with you and I think one of the things that we need to start working on is the fact that these DISH payments, which are so critically important for indigent care, especially in rural America that we save those. I saw in the presidents cut--budget that he wants to accelerate the cut of these DISH payments to this May.

And what would happen is that the president's budget would cause a $4 billion cut in FY 2020 and in $8 billion cut each year 2021 to 2025. This was not good for Alabama, it's certainly not good for rural America, sir. My constituents in the healthcare providers in my district can't stand another cut, and I look forward to working with you as well as with this plural task force that we've set up to try to address that.

I'd like to now turn to CMS administrators proposal, the CMS administrator called for a proposal in Medicaid fiscal accountability. It is causing a lot of angst in Alabama and three of our major hospitals, that CEOs have asked for the proposal to be withdrawn. Healthcare in Alabama would be decimated by this proposal. It's--that CMS administrators proposal is called the Medicaid Fiscal Accountability and, Mr. Chairman, I'd like to submit for the record that CEOs of three of our major hospitals in Alabama, that's Children's Hospital of Alabama, U--UAB as well as Ascension, or at St. Vincent's Hospital.

NEAL: So ordered.

SEWELL: A CMS post suggested that the comment letters like the letters I am going to submit were alarmist estimates about the rules impact on beneficiary access as being overblown. I assure you, Mr. Secretary, that the fact that CMS administrator is now this rule would change the way, the imbalance that we currently have between state and federal funding and it does so without having an analysis.

I'd like for your assurance that we would work with CMS to try to get either this rule withdrawn or actually have an adequate analysis of how this state and federal funding imbalance would occur and how it would impact

beneficiaries in Alabama. Have you--do you have any thoughts about this proposed rule, and will you work with us to try to make sure (INAUDIBLE)--

AZAR: --Right. On that proposed regulation, I've obviously been hearing that great deal from states and hospitals, and we want to work with them on this.

SEWELL: Yes. Thank you, sir and thank you, Mr. Chairman.

NEAL: I thank the gentle lady. The secretary and I talked about that a couple of days ago as well. Thank you. With that, let me recognize the gentle lady from Washington state, Ms. DelBene, to inquire.

DELBENE: Thank you, Mr. Chairman, and thank you, Mr. Secretary for being with us. I think you said earlier that we are in active containment mode when it come sot the coronavirus. And I know there is work happening on vaccine and other medical countermeasures. But right now, I'd assume you'd agree that we're dependent on the ability of public health departments to identify, quarantine and monitor those at risk of contacting the coronavirus and that it's really state and local public health that are going to do the lion's share of that work.

AZAR: Oh, they are absolutely the backbone and in fact, the state of Washington and King County have been, as always, tremendous partners in public health measures and great--wonderful to work with as we have been dealing with this.

DELBENE: Thank you. So, after reviewing the supplemental request to address the coronavirus there is light on details and in just a few weeks of managing the potential coronavirus exposure in our state, the Washington State Department of Public Health has spent over--over $1.7 million, Snohomish County in my district which had the first U.S. case of the coronavirus they spent $200,000 just to manage and monitor individuals who came in contact with that one person. And King County, which you mentioned which is home to Seattle and Seattle/Tacoma International Airport, which is doing screening now is spending $56,000 a day to identify, monitor and quarantine possible--possible patients.

So, my question is--can you give us a commitment that the Administration is going to support backfilling state and local health departments for the work they are already doing on the coronavirus as well as support them going forward?

AZAR: So, of course, states are already receiving the $675 million annual payment for the public health emergency preparedness. I think Washington gets about $17 million for that. But the--the supplemental proposal does in fact, cover and want to and will work with congress on what the appropriate amounts are. We got, I think over $600 million in there for CDC but we will work with you on if more is appropriate to support state and locals who are having to engage in added expense, hiring contracts, lab work, contract tracing, so there is no current mechanism for reimbursement like that but we will work with you on the appropriate in the supp would be for that.

DELBENE: In the Zika supplemental back in 2016, they backfilled state and local public health departments? Did you know that?

AZAR: We're not opposed to doing that. We are happy to work with you as we work on a supplemental package of appropriate reimbursement for states if that is what congress would like to do.

DELBENE: And that ended up being $44 million to--to those state and local governments. This is critical these folks don't have lots of dollars to invest. So I think it's important that we backfill and I hope we have your commitment to do that.

AZAR: The state and locals are the backbone of our public health response which is the core to everything we have to do here.

DELBENE: So, I didn't get a yes there so I'm a little concerned, but

AZAR: I--I said we are in agreement.

DELBENE: OK.

AZAR: We want to work on the supplemental package to make sure the state and local governments are fully funded including if there is reimbursement needed. We will work with congress if congress wants to do that work. We want to make sure the needs are met.

DELBENE: OK. Also, I just wanted to quickly ask you in the President's budget, NIH is cut by 7 percent and given that there has been a bipartisan majority in the House to support increased spending for NIH, because of the critical work they do and we have done that consistently now in fact, this current fiscal year increase of $2 billion and that would take that away--how do you support making a--support a decrease to NIH funding?

AZAR: So, Congress every year has been increasing the budget of NIH at rates that of course, exceed the growth of revenue for the United States. It is 28 percent up since FY2016, I believe. Congress, obviously, will make the final decision on this. I've got the largest nondefense discretionary budget if I got to meet a 9 percent decrease--the largest discretionary pocket of that.

Obviously, we know congress will make different choices, likely--as they have.

DELBENE: Thank--thank you, Mr. Chairman.

NEAL: Let me recognize the gentleman from Texas, Mr. Arrington, to inquire.

ARRINGTON: Thank you, Mr. Chairman. And, thank you, Mr. Secretary, for your leadership, your good work to make our healthcare system more affordable, to give greater access to maintain and even to improve the quality of care I think you are doing a great job. And, I appreciate all your efforts, your sense of urgency, your commitment to taking on this very serious threat of the coronavirus. I think I'm comforted that you are leveraging every tool and every resource public and private and my comment there is whatever we can do to help you please let us know. And we are all in this together.

I represent hardworking farmers and ranchers that put the food on our tables and clothes on our backs and I'm proud to be their voice here. I was with a good friend from my college days at Texas Tech, Pat Green, a famous Texas singer/songwriter, one of his songs titled, Small Town Family Dream, goes like this--daddy was a farmer like his daddy was before. It only seemed fitting I walked through the same door. The only problem with it is--too few of the next generation of farmers and ranchers are going to walk through that door. We don't' do some very critical things with respect to sustainable healthcare.

Now, we got a farm bill. Republicans led the effort but it was a bipartisan bill. This President is working to hit reset with China and hit fair and reciprocal trade relationships that put our producers first, put America first.

We've reduced the tax burden, we've removed some of the unfairness like with respect to the death tax. People literally sell their family farms that are handed to them because they can't afford to pay the taxes. We've reduced unnecessary and ridiculous regulations like the Waters of the U.S., I could go on and on and I just appreciate all the good efforts.

But we have to give these young families that are going to be our ag producers and provide the country with a safe, affordable supply of food give us ag independence like energy independence, strengthen our nation's security. That will only happen if they have access to basic care.

And you and I both know and we have had great discussions and I appreciate your leadership in this area. But half of the 2000 roughly rural community hospitals are operating at a net loss. And--and that's up 40 percent over the last three years. So we are in a crisis mode. We have lost over 100 hospitals over the last several years--a few of those are in my district.

And, I want to thank the Chairman and the Ranking Member for allowing me to be part of this leadership team, this taskforce, Ms. (INAUDIBLE), Mr. Wenstrup, Mr. Davis, we've met, we are of one accord and we are ready to tackle this. And I believe our Chairman and my colleagues on the democrat side are going to solve this and we're not going to let this get bogged down in the petty politics of this place. We're going to do something to give these guys some breathing room out there.

And, we've talked about telemedicine, telehealth. I've ran a telehealth company where we were piping in specialty care to children's hospitals in rural Texas. It was saving lives. And I appreciate your efforts around that. I--I was reading about the--the virtual payment, virtual care the payment code that you are changing to encourage and leverage technology. Revised the Medicare wage index so that we have greater fairness in low wage communities. I just want to say thank you and I--I can't wait to get to a place where we have that solution and we get it across both sides of the aisle, both chambers sand to the President so that we can give rural Americans a fighting chance to continue to bless this nation.

Thank you, Mr. Secretary.

NEAL: Thank you, gentleman. Let me recognize the gentlelady from California, Ms. Chu, to inquire.

CHU: Yes. Secretary Azar, I would like to discuss how rumors and misinformation about the ongoing outbreak of coronavirus is impacting Asian Americans throughout the country. As a representative of a district with one of the highest Chinese American populations in the country, in Los Angeles, I believe it's our responsibility as public officials to stem misinformation and reassure our constituents not stoke fear and resentment.

This is critical because we have already seen examples of xenophobia directed at Asian Americans in this country. A woman on the subway in New York City was attacked by someone calling her vile names because she wore a facemask. In Indiana, two Mung guests checking in a hotel were told that Asians were not welcome and in California a 16 year old high school student, a boy was sent to the emergency room after being attacked at school by bullies who accused him of having the coronavirus simply because of his ethnicity.

Even just looking Asian has been enough to incite attackers to hurl insults and accuse the individuals of being disease carriers. So, yesterday, I sent a dear colleague letter to my colleagues in the House and Senate urging them to refrain from repeating unfound conspiracy theories and instead to commit to only sharing verifiable information from reliable sources like the CDC and local public health agencies.

Secretary Azar, as recently as Tuesday you referred to COVID19 as the China Coronavirus, which a reporter pointed out could further fuel these racist incidents. Secretary Azar, I have been listening to you carefully all morning and I commend you because you have been using only the term coronavirus and not China coronavirus. I thank you for that. Will you commit today to no longer referring to the virus by region but by the term coronavirus or its designated official name, COVID19 and yes or no is sufficient?

AZAR: Yes, I took that feedback to heart from

[*]AZAR: that reporter, absolutely.

CHU: --Thank you.--

AZAR: --It was a shorthand, just for easy understanding. It was not intended, but you're absolutely right, we must ensure nobody's discriminated against based on ethnicity. Ethnicity is not what causes the novel coronavirus.

CHU: In fact, will you affirm that racial stereotyping is not an effective way to prevent the spread of COVID-19?

AZAR: That is absolutely correct.

CHU: Thank you so much for that. Secretary Azar, and another yes or no question. On January 24th, your Office of Civil Rights issued a notice of violation to my state of California, erroneously claiming that California is in violation of

the Weldon Amendment because we ensure that all healthcare coverage offers the full range of reproductive healthcare, including abortion.

What's worse in this notice, OC--OCR threatens to rescind hundreds of billions in federal funding for California, but does not specify where this funding will come from. Secretary Azar, will this funding HHS is threatening to take from California come out of our CDC emergency preparedness funds to help combat the spread of coronavirus? Again, yes or no?

AZAR: The state of California has refused to bring itself into compliance and I've referred that to our lawyers to look at what appropriate penalties would be that we would act upon. But, they should be proportionate and related to the nature of the program involved.

CHU: Then, I want to ask, Secretary Azar, again yes or no, were you aware that there was a 2016 determination by the Office of Civil Rights that determined that California was in compliance with the Weldon Amendment and that nothing has changed since then in California's approach? Yes or no?

AZAR: I believe there was different leadership coming to that conclusion. We believe it's a black and white straight answer of--of straight violation of the law, black and white violation of law to force nuns to buy abortion coverage when the statute, the Weldon Amendment this Congress passed, says you may not force an insurer or a plan sponsor to pay for abortion coverage, for any reason.

CHU: I yield back.

NEAL: Let me recognize the gentle lady from Wisconsin, Ms. Moore, to inquire.

MOORE: Well, thank you so much, Mr. Chairman, and it's really--four minutes certainly is not enough to cover all of the budgetary questions, so I'll try to get through this as fast as possible. Thank you for appearing, Mr. Secretary.

The budget proposes to cut--over--over the budget window, $21 billion from Medicaid transportation and I guess a lot of arguments could be made for dynamic scoring. Don't you think that missed appointments for cancer treatments, dialysis, people who have high blood pressure would increase the morbidity rate and thus, really increase the cost of healthcare?

AZAR: So, the Medicaid transportation proposal would be to make that an optional benefit and that has been a source of tremendous fraud and abuse, and so it would make it (INAUDIBLE)--

MOORE: --There is no evidence that there's a lot of fraud and abuse in the program.

AZAR: I--I beg to disagree. We believe there is evidence of--of misuse of the program of funds there.--

MOORE: --Okay, let's--we'll agree to disagree, since I only have four minutes. The Medicaid fiscal accountability rule, which really changes the ability for states to--to meet their maintenance of effort in various ways. This will tremendously reduce the ability of states to meet their--their commitment to Medicaid.

To what extent does the budget account for that and continue to provide Medicaid service to the needy populations?

AZAR: So, I don't know if the reform to the state intergovernmental transfer is in the MFAR proposed regulation is actually billed into the administration--the administrative budget there, but I've--I've told the Chairman that I am hearing very clearly through this process the feedback of states and hospitals. We're going to take that feedback to heart as we look at that.--

MOORE: --Thank you for taking the feedback, because it's really necessary. Let me talk a little bit about the TANF proposals. There's a slight increase in childcare. Thank you for that. But, you also cut the Social Services Block

Grant to zero out the health opportunities--health worker opportunity program, which might enable some welfare recipients to get meaningful employment.

How do you--and this is a program that was stuck at 1994 levels. So, how do you justify a cut in welfare when we continue to see people--the growing need, and especially for childcare?

AZAR: Actually, in terms of TANF, given the booming economy, the historic low unemployment rates, we should see and are seeing a decline in roles of--of welfare.

MOORE: --Well, we are kicking people off, sir. Well, what I--my question specifically is you're reducing opportunities for people to, in fact, get economic opportunities by zeroing out the--the health worker training program, somewhere where, you know, welfare recipients might logically go.

Also, childcare, by cutting out the Social Services Block Grant funds, reducing TANF funding, you're increasing the burden of--by definition, these are women with children--to be able to receive childcare. Even with that small up tick of childcare funding, it will tremendously reduce the ability for states to provide childcare. What's the--what's the reasoning behind this, sir?

AZAR: So, we--this has been a major investment area for us. We actually proposed a $1.3 billion increase in childcare, including $1 billion mandatory investment in innovation for making cuts.--

MOORE: --But, never has the childcare pot been big enough. They've always combined it with TANF funds, with supplementary funds, with Social Services Block Grant funds, and you're cutting those other things. Do you understand my point?

AZAR: I understand your point, but the Social Services Block Grant is one that doesn't have discernable outcomes, goes for--goes for basically (INAUDIBLE)--

MOORE: --Well, and it feeds elderly people. It has discernable outcomes in our communities, and I know you're glad my time is up.

NEAL: I thank the gentle lady. Let me recognize the gentleman from Georgia, Dr. Ferguson, to inquire.

FERGUSON: Thank you, Mr. Chairman. Mr. Secretary, thank you for--for being here. First off, I--I want to thank you for your service to America in this position. It is an enormous branch of the federal government and I know it is an extreme challenge to manage all the--the moving parts, so--so thank you so much for your efforts there.

I'd like to start with a couple of questions on anti-microbial resistance. I think this is a good time to talk about giving what we've seen public health crisis that--that the potential health crisis that we have with dealing with the coronavirus.

As you know, the anti-microbial resistance letter that I and several of my caucus colleagues sent earlier this week, and you're aware--I hope that you're aware that--that that came from--that this issue is critically important and now, giving the fact that we have more emerging threats to public health, it's going to be an important issue in the future.

As you're aware, the letter focused on the marketplace challenges that are hindering the development of new antibiotics and I kind of want--I want to get your thoughts along--along those lines. I also want you to comment on the challenges with the creation of new antibiotics to fight the super bugs.

You know, how--how--how are we going to meet that demand? Can we do that domestically? I think we've seen some exposure here that so much of our pharmaceutical pipeline is--now comes from China, and we've seen what happens there.

Can you--can you speak a little bit to that, very quickly? I've got another question, but if you--if you can--if you could speak to that, I would appreciate it.

AZAR: Absolutely. So, scientifically and technically, we can and are making advances. So, BARTA, which is funding development of antibiotics, we have 16 novel antibiotic projects. We've got 38 projects in CARB-X for a total of 54 current portfolio. We've dragged three new antibiotics across the finish line with FDA approval.

The bigger challenge is not scientific. It's market based and effectively, we--it looks like we're facing a market failure problem, because we're asking companies and us to develop an antibiotic, but then to use it sparingly, which is not necessarily sustainable business model.

So, I've asked my team, who want to with you all, how do we think about this maybe in the countermeasures approach of government--government backing, etc. for a market failure situation.

FERGUSON: So, would--with that in mind, would you be willing to continue to work with Congress to develop solutions to this problem?

AZAR: Absolutely, it's vital that we do so.

FERGUSON: Okay. Mr. Chairman, if I could--if I could enter in the letter that we (INAUDIBLE)--

NEAL: --So ordered.--

FERGUSON: --And, also there's a--there's a recent op-ed that was in the Washington Times and highlights that. If I could

NEAL: --So ordered.--

FERGUSON: --If I could enter that as well. And, finally, Mr. Secretary, you know, in talking about eliminating ineffective programs, I believe the administration's budget does not propose reauthorizing the--the Health Professional Opportunity Grant and correctly asserts that the program is duplicative of 47 other training programs of--that the federal government operates.

In addition, it's been--it's been shown to be completely ineffective at improving work outcomes. And, a recent long term evaluation analyzed impacts on participants using a three year randomized trial and the evaluation confirmed that the program had no impact on employment or earnings and did not decrease the individual's public assistance use.

Last year, one of--every one of my colleagues on the other side of the aisle voted to expand this program by over 500 percent. It's baffling to me that we continue to fund ineffective programs that waste government taxpayer dollars.

And, really, if folks really cared about helping families in--in poverty, they would spend more time making sure the federal dollars go to those program that actually work. Most importantly, the best way out of--out of poverty is a job and being prepared for those jobs, and we need to have the most effective training there.

So, with that, I--I will yield back. But, thank you again for your service.

NEAL: I thank the gentleman. Let me recognize the gentleman from Michigan, Mr. Kildee to inquire

KILDEE: Thank you, Mr. Chairman and thank you, Mr. Secretary, for--for being here. In the interest of time, if I could just be blunt, I assume you have some awareness of the Flint, Michigan water crisis.

AZAR: Yes of course

KILDEE: Are you generally aware of the situation there?

AZAR: Yes, of course.

KILDEE: Thank you. I want to address that. I was pleasantly surprised to see that the CDC's fiscal year 21 budget highlights that really good work done by Dr. Monahan Atisha (SP) and her team at the Flint lead registry in response to the water crisis.

So if I could just read directly from the CDC's budget document, "CDC worked with local health departments to connect more than 90 percent of the children with elevated blood levels lead levels to follow-up services. Medicaid expansion increased access to screening healthcare education and social services for affected children in the Flint community. CDC support has enabled Michigan State University to implement an innovative one-of-a-kind lead exposure registry creating the model for the nation's first lead-free city."

So this budget document also correctly states that lead exposure harms a child's health. We all know there's no safe level of lead. It can affect growth and development, hearing, speech, IQ, academic achievement, and behavior, and we are really seeing this in terms of behavior. So even though my hometown of Flint has made progress since the water crisis, lead poisoning is still a problem for Flint's children and families and we'll be grappling with this for a long time.

Congress authorized the Flint lead registry in a bipartisan effort through my legislation, which was signed into law in late 2016 and I'm now working with my colleagues on both sides of the aisle to reauthorize this program. We do these things in five-year bytes and we need to get it reauthorized. So my first question is a simple one, and that is whether the Trump administration, who obviously views this work is important and successful will commit to work with us to reauthorize the Flint lead registry.

AZAR: We'll be happy to work with you on that. I can't of course be a statement of administrative position, but will--that's a critical public health priority that we'll work with you on, absolutely.

KILDEE: Thank you. I'm also pleased to note that the administration in this document highlighted the critical importance of Flint's Medicaid expansion waiver, which was very much a part of the response to the lead crisis. The expansion also expires next year and my office has been working with the state of Michigan and with officials in the city of Flint to get the expansion extended.

It was planned to be extended at the time that it was initiated, but as we know, these--these waivers have a life span to them. So Secretary Azar--Secretary Azar, I think more importantly, because this does fall clearly within your jurisdiction and authority, can I get a commitment from you to work with Michigan officials, my office, and with people representing the city of Flint to--to extend this--expand the waiver and extend it so that children can continue to receive the critical services that the highly successful led registry makes them eligible for?

AZAR: So I don't have the details on that waiver, but we'll be happy to work with you and the state to--I'll check with CMS administrator and see if there are any issues and be happy to work with you on that.

KILDEE: Thank you. I will note that this is important. This is the most important priority for me in terms of the work of your department at this moment and I want to make sure that we can continue to do this work and I am concerned that in an era where it appears that there's a--there's a desire on the part of the administration to reduce expenditures in the--in Medicaid that these very important programs will be difficult to continue and I just hope that we can reconcile those two.

NEAL: I think the gentleman. Let me recognize the gentleman from Pennsylvania, Mr. Boyle to inquire.

BOYLE: Thank you. First, I'd like to highlight serious concerns about a recently proposed change to Medicaid. Your Medicaid fiscal accountability rule. I'm leading a bipartisan letter with my Ways and Means colleague on the other side of the dais, Representative Kelly that dives into the impact this proposed rule would have on healthcare for some of the most vulnerable Pennsylvanians, mostly children, seniors, and low income individuals.

Seeing as the administration admitted to not knowing what the impact of this rule will be, we are asking again on a bipartisan basis to work with all--we are asking for you and this administration to work with all the stakeholders to

ensure that this proposal does not place an insurmountable burden on our hospitals, networks, and providers. Now, in the interest of that brief amount of time I have, I'll let our letters speak to the specifics, but I just wanted for today to bring this letter to your attention and I look forward to your response.

Second, I did want to ask you about the--the coronavirus happening literally at the same time as draconian cuts are being proposed by your administration's budget. Specifically, I'm referencing the budget proposal to cut the Centers for Disease Control by 16 percent. Is it appropriate to stand by a 16 percent cut to CDC at the same time we are facing that unique worldwide health crisis?

AZAR: So the changes at CDC are actually to chronic disease and prevention programs. The increases--we actually have $135 million proposed increase on infectious disease, global health security and preparedness. So we already had in their increases, and then of course, the emergency supplemental undoubtedly there will be significant funding going to CDC.

BOYLE: And well, what we are also seeing though is a certain, to use a phrase, robbing Peter to pay Paul in terms of directing some of this increased funding that your shift shifting. But in the interest of time, let me just delve into another point of our response in coronavirus. At a time like this, making sure that the people can trust what government officials are saying is really paramount. And we've seen that in previous crises.

So I was concerned just yesterday when the president called a press conference and he referred to only 15 cases of coronavirus and the CDC has confirmed that it's 60. The president said that Americans are not at risk to contract the disease, but literally the same day the CDC confirmed that an American living in Northern California contracted the disease without traveling outside the U.S. or apparently coming in contact with another patient known to have the infection. So I ask you, who should Americans trust, the president or the CDC?

AZAR: Your statements would misrepresent what the president said. He said there are 15--as--as I did in my opening statement, there are 15 cases from individuals in the United States who traveled to Wahine or their spouses. There are 45 additional cases from individuals we repatriated from Wahine or from that Diamond Princess that's exactly what the president said. That's our data, that's the CDC's data and that's

BOYLE: --Let me just dashed reclaiming my time. Thank you. And since I only have under that minute, I do just want to reiterate something I went into at length a couple of weeks ago when the OMB Director was in front of the budget committee and focused at length on the scale of the proposed cuts to Medicare and Medicaid. So I just wanted to briefly read into the record what, not me, but what the American Hospital Association has said about these--this proposed $500 billion cut for Medicare and 900 billion for Medicaid.

The AHA has said "This budget would result in hundreds of billions of dollars in cuts that sacrifice the health of the seniors, the uninsured, and low income individuals. We in Congress cannot allow these cuts from this administration to move forward." I yield back.

NEAL: I thank the gentleman. Let me recognize the gentleman from California, Mr. Nunes to inquire.

NUNES: Thank you, Mr. Chair. As I follow up to what I said yesterday in our China trade hearing, I wanted to enter in the record at peace from this morning's Wall Street Journal called Trump Versus the Coronavirus. Of note, the author writes, and I quote, "A Medicare for all system in the U.S. with minimal private hospitals or physicians would collapse beneath a real virus crisis. Medicare for all would smother the public-private infrastructure in the U.S. the develops manufacturers and distributes lifesaving therapies for viruses or anything else."

NEAL: So ordered.

NUNES: Thank you, Mr. Chairman. There are several legislative proposals to address the high cost of prescription drugs. Some of them have no chance to be enacted into law like Speaker Pelosi's HR-3, which the president has already said he would veto. However, there is a broad bipartisan agreement that Medicare part D needs to be

reformed and modernized, HR-19. The only bipartisan, bicameral drug reform bill would cap senior's drug prices at no more than $259 per month. That's real relief we can accomplish right now.

Mr. Secretary, the administration's budget includes the part D out-of-pocket cap and further policies to improve that benefit. How are the part D reforms in HR-19 consistent with the budget and how it lower patient out-of-pocket costs?

AZAR: Thank you. One quick clarification, the case yesterday is unknown etymology, but it is not from the repatriation. I just want to clarify that.

As to--as to HR 19 and Part D reform, what we can do is limit seniors' out of pockets to no more than $3,100 a year, the first ever catastrophic cap on what people would pay. Seniors would pay for their drugs, and we could allow them to opt into spreading that cap over the course of the year such that, each month, the senior would be guaranteed to never pay more than $258 a month for their drugs no matter what the cost of their drugs.

What a historic opportunity we have, if we could just get our act together and work on a bipartisan, bicameral faces to enact these reforms and bring that kind of savings to seniors from out of pockets.

NUNES: And your--your budget is matching up with the reforms in HR 19.

AZAR: That's consistent with the budget, absolutely.

NUNES: Furthermore, Mr. Secretary, we hear a lot of proposals that the federal government should step in and dictate drug prices to manufacturers. When Congress created Medicare Part D, it did so with the belief that private organizations, which are already administering employer-sponsored drug benefits, could be used to administer a Medicare drug benefit and, under Medicare Part D drug plans, compete against each other to provide the lowest price to beneficiaries.

So, I have one additional question. Do you think the government can negotiate a better deal than what the plans have been able to negotiate over the past 15 years?

AZAR: As Peter Orszag, who ran the Congressional Budget Office and OMB under--in the Obama administration has made clear, you can't get a better negotiation than these massive middlemen get unless you have a restricted formulary, meaning unless the United States government for all seniors is willing to deny access to drugs and ration them to seniors, you can't get a better deal than these middlemen do. It's--it's just--it's basic economics. And there are not going to hand you more money just because they like you.

NUNES: Thank you for that, Mr. Secretary. And I know you have a real crisis on your hands and I want to be respectful of your time. And with that, yield back the balance of my time.

NEAL: Thank the gentleman. Let me recognize the gentleman from Pennsylvania, Mr. Evans, to inquire.

EVANS: Thank you. Thank you, Mr. Chairman. Mr. Secretary, I've read over the mission statement of the Health and Human Service. The mission of this department is to enhance the health of well-being of all Americans by providing for effective health and human services, fostering sound, sustainable advances in science. My understanding is that's the mission statement.

But I want to talk about the healthcare environment back in my district in Philadelphia, the city of brotherly love and sisterly affection. Now, I know how many people don't know this, but Philadelphia is the home of nation's first hospital, Pennsylvania Hospital. It was founded by Ben Franklin in 1751. And was born--I was born at that hospital a few years later.

Since its founding, Pennsylvania Hospital has become renowned for its innovation and patient care and treatment practice and medical research. The city of Philadelphia has become one of the nation's most critical centers for

healthcare, healthcare research and the country. And while we have seen so many--growth in innovativeness in our city, we have also seen our fair of challenges.

Over the last 20 years, Philadelphia has experienced 20 hospital--10 hospital closures, with the latest one being Holloman Hospital, which made national news when it filed bankruptcy last summer. When a hospital shutters its doors, it does more than loss of the building. It's a loss of hundreds, if not thousands, of jobs. It's a loss of resources for patients, families that have come to trust and rely on for generations, somewhere familiar, they--they don't feel safe, and for care. It's that loss of education security for medical education for research,

It is either the increased burden on neighboring hospitals or the scrambling for patients to find new doctors who they have to travel farther distances. I have gone back home and they tell me I want my hospital back. What has happened in Philadelphia can happen anywhere. Holloman is the canary in the coal mine.

The loss of this hospital and all the disruptions that came with it should serve both as a warning and testimony to the attention we must pay to the subject. Hospital closures are a lot of underlying issues and not you.

So, I say to you, Mr. Secretary, that this is something that requires everybody in the Congress and the executive branch, of us working together. There is no simple answer. But the reason I read your mission statement, is the budget inconsistent with your mission statement? Now, I know you don't have full responsibility of the budget, because there's a budget office. But you make recommendations.

So, taking your mission statement and taking what I read in the case of Philadelphia, but you can read--anything can go out. In your own judgment, and maybe you will say it or maybe you will not say it, but your mission statement and actually what you have heard, please tell me that there is some inconsistency here with that this statement.

AZAR: We never have unlimited funds. One could use that rationale for just and limited expenditure on anything. One has to pick programs that work and make sense.

I did want to say I want to thank you and I want to thank the chairman for arranging for the meeting that we're going to have to focus on Holloman Hospital, because you're right. Hospitals are vital parts of our community, whether in rural or urban areas or underserved areas. And your leadership's been very important there, and I'm looking very much forward to our event together related to Holloman.

EVANS: And I'd like to thank you and your staff, along with the chairman, who came to the city of Philadelphia, for having this discussion, because it's not unique to where it all started in America. I mining that to the chairman. He tells me of Ben Franklin from there. But the fact of the matter is we're still there. Thank you. I yield back, Mr. Chairman.

NEAL: Ben Franklin of Massachusetts.

(LAUGHTER)

Let me recognize the gentleman from Illinois, Mr. Schneider, to inquire.

SCHNEIDER: Thank you, Mr. Chair. And thank you, Secretary Azar, for coming before our committee today.

As you know, my home state of Illinois had the second confirmed case of coronavirus, as well as Chicago O'Hare, directly adjacent to my district, is one of a--of the select screening airports passengers for China. That means that we have primary, secondary, and tertiary quarantine sites in and around my district.

These facts have sparked a fair degree of concern and worry among my constituents, as it has across the country. I am a strong believer in the axiom prepare for the worst, hope for the best. I wish I could with confidence simply ease my constituents' fears by saying our administration is fully prepared and has the situation under control.

But right now, I feel like saying so would be, generously speaking, a stretch of the truth. The--Trump's administration's response has been at best lethargic, at worst incomprehensibly shortsighted. The budget you are presenting to our committee to--today only stands to further weaken the agencies like the CDC that are critical to the response to the coronavirus outbreak.

On top of--of that, the president in your department are requesting a mere $2.5 billion in emergency funding. You said it was a chess game. To put in context how insufficient this funding is, our Illinois state government projects a 15 percent decrease in GDP in the worst-case scenario of a widespread outbreak. That totals to $131 billion per year--per month--per year, rather, or $10.5 billion per month.

The state would need 1,000 state responders at the cost of $70 million every 30 days. Illinois alone will need 500,000 units of personal protective equipment, gowns, gloves, masks, face shields per month totaling $35 million there. And the cost of the current standard 14 days of quarantine, including housing, food, medical support, and law enforcement is estimated at $10,000 per individual. That's just for one person.

These numbers are staggering, and that is only one state representing a mere fraction of the national need. You just said a few minutes ago that we need to prepare for all outcomes. Secretary Azar, do you think the president and your agency's budget request is sufficient to be prepared for just the most likely, let alone the worst-case scenario? And if not, do you expect states, communities, and local hospitals will need to, in fact be able to, foot the rest of the bill?

AZAR: So, we do believe it is the appropriate response for the remaining months of 2020. But the president has made it very clear that we will work with Congress on a bipartisan, bicameral bases to secure additional monies such that Congress sees fit.

I did want to mention it is not part of our doctrine for pandemic that we would be using mandatory institutional quarantine like we've dealt with in Chicago there. That's the unique circumstances of federal quarantine from these passengers coming in from out of the country in this active containment period. So, it would not be part of the expectation for Americans that you would see this

SCHNEIDER: --Well

AZAR: --It would be--home isolation is really much more

SCHNEIDER: --Just briefly

AZAR: --What we would do

SCHNEIDER: --The case in California, is that person in quarantine, or is that

AZAR: --Because we are still in an active containment strategy, which is to put people into mandatory--mandatory quarantine. At some point, if we were in a mitigation mode, people will stay at home just like with severe flu.

SCHNEIDER: Okay. So, and just for the sake of time

[*]SCHNEIDER: my constituents in general would feel more confident if we were preparing to protect us against the worst case. We're asking for all the funding and never had to use it.

But, you're not, which is, I believe, unnecessarily putting our communities and our nation at risk when lives are at stake. And, we also have to--and this may be a question you need to answer separately--deal with the logistical issues, like supply chain management with stockpiling we need to be dealing with today, not tomorrow.

Can you provide us with concrete examples of how the agency is preparing for shortages in supplies like gowns, masks, etc. and what you've done so far and what you plan to do in the future to make sure we have things placed where we need them, when they need them, as they need them?

AZAR: So, we're already using the transfer and reprogramming money to initiate contracts for gowns and--as well as N95 masks and with the emergency supplemental funding that we hopefully will get, we will acquire massively more amounts of that. But, we've started the seed contracts so we can build on those quickly.

SCHNEIDER: My time is up. I yield back.

NEAL: I thank the gentleman. The gentleman from Texas--from Kansas, I'm sorry, Mr. Estes, is recognized.

ESTES: Thank you, Mr. Chairman, and--and I want to start with thanking Secretary Azar for being here. I know it's been a long morning already for you to work through this.

I know under--under your leadership, HHS has been refocused to address some of the major issues that impact many Americans, including in my district and across--across Kansas. We've got to remain committed to protecting access to quality rural healthcare, addressing the need for more transparency in our medical billing system, and ensuring that we're helping families in need.

And, I want to thank you for some of your policies that you put into budget that would allow flexibility to combat substance abuse of--of any sign that it takes. I know in our state, methamphetamine is still an issue, as well as opioids. And, so wanted to ensure that the State Opioid Response Grant program addresses all aspects of--of how to treat those--those devastating addictions.

Since last year, I've been working closely with district attorneys and--and healthcare providers in--in the state, looking at how do we increase support against the--those addiction programs. So, I appreciate the support from the federal level and important that we make sure that we continue to make sure those federal resources get out to the states.

I do appreciate the admin--the administration's collaboration with Congress and want to continue to help improve our healthcare, make sure that we keep prescription drug prices lower, make sure we (INAUDIBLE) medical billing. And, I also look forward to continuing all of this vital work with you.

I'm particularly here--proud to hear about your announcement earlier today about former Governor from Kansas, Jeff Colyer, to head up the HHS rural health initiatives. Our former Governor and a medical doctor, Kansans know that Dr. Colyer is dedicated to rural America and to patient wellbeing. I can personally attest to his qualifications and I know his--that he's very fit for this initiative.

Can you help talk through a little bit about how you want to make sure that there's a major focus on rural healthcare in America with this--with this initiative?

AZAR: Absolutely. So, we really have four parts to our rural healthcare strategy, which involves first, we've got to get an economically sustainable model, just as I was talking with Congressman Evans about. It's about we can't paper over facilities if the economic model doesn't work. We've got to make them work. So, part of that was changing the--the wage index to redirect monies to rural hospitals, but then how do we make them actually sustainable?

One of the budget proposals that I'm really excited about to stop rural hospital closures is the Critical Access Hospital Plan that would let you switch to be an emergency room, an outpatient, and not have to be inpatient, as well as get you supplemental payments to--to enhance that work. So, that for hospitals would be a great part of it.

So, that's--part of it. Happy to go into more detail, but I don't want to use up all your time.

ESTES: Okay, great, thank you because there are some different initiatives and--and different hospitals that maybe have a different footprint in terms of how they were built and changes in the community over time have--have had a major change.

I do want to follow up with one other--one other comment while I still have some time, is that we know you've been working a lot, we've talked a lot this morning about the COVID-19 and--and it's critical that those rural areas also have access to--to protections against that. And, want to make sure that the funding gets out to that rural areas as well.

I mean, maybe it needs to be as much as 25 percent or even more of the funding to help make sure that it covers those rural areas and not just the urban areas. Particularly, I mean, using tele--telemedicine, being able to prepare for staff shortages, being able to address overflows from some of the urban areas that are--that are over--that are critically hit in terms of when--when the crisis does hit.

So, I don't know if you've had some time to look through as you're working through this as what you're looking at in terms of helping to make sure the rural hospitals and providers can help be part of this plan.

AZAR: As we work together on an emergency sup, on money that would go to states, I think it's important that we make sure that gets out there, because the states make so many decisions. So, that'll be criteria we work on with you all.

ESTES: Thank--thank you, Secretary. I yield back.

NEAL: I thank the gentleman. Let me recognize the gentleman from New York, Mr. Suozzi, to inquire.

SUOZZI: Thank you, Mr. Chairman. Thank you, Mr. Secretary, for taking the time to be here today. We appreciate it very much. I'm going to ask you just some very straightforward yes/no questions to try and just establish a clear record on certain things.

So, Mr--Mr. Secretary, you're the former President of Eli Lilly USA, is that correct?

AZAR: Yes, that's--that's pretty clear.

SUOZZI: Mr. Secretary, is it true that Americans pay as much as four times as much for prescription drugs as people in other countries pay for the exact same drugs?

AZAR: The numbers that we have in Medicare Part B would demonstrate about 1.8 to 2 times what European (INAUDIBLE)--

SUOZZI: --But, in some instances, it can be much--in some instances, it's much higher.

AZAR: It could depend on the drug, but absolutely, and that's why the President has made getting drug prices down such a critical priority.

SUOZZI: Thank you, sir. Are you aware that in January of 2016, candidate Trump said that Medicare could save hundreds of billions of dollars by negotiating drug prices with Big Pharma companies?

AZAR: Yes, I am aware.

SUOZZI: Are you aware that the President in January of 2017 said of Big Pharma, "These guys are getting away with murder"?

AZAR: Yes, I am aware he said that.

SUOZZI: Are you aware that in December, the House of Representatives passed HR3, the bipartisan Drug Cost Now Act, which would empower you as the Secretary to negotiate lower drug prices on behalf of the American people?

AZAR: I heard of that, yes.

SUOZZI: Are you aware that the CBO, the Congressional Budget Office, estimates that just the negotiation aspect of HR3 would save the federal government almost $500 billion over the next decade?

AZAR: It would also lead to dramatic reduction in new therapies for Alzheimer's, cancer, and other treatments.--

SUOZZI: --I understand that your--that's your position, but do you know that the CBO says it'll save $500 billion?

AZAR: Yes, I do.

SUOZZI: Okay. Has the Trump administration endorsed HR3?

AZAR: No because we don't believe it can pass both chambers of Congress

SUOZZI: --Okay, I understand.--

AZAR: --And, we also don't believe it's (INAUDIBLE)--

SUOZZI: --You haven' endorsed it. Has the President endorsed any bill that allows the federal government to negotiate drug prices?

AZAR: We have been supportive of the Grassley/Wyden package, which would have inflation (INAUDIBLE)--

SUOZZI: --So, have you endorsed that bill?

AZAR: We are--we are supportive of it, as we're supportive of other options also that would be bipartisan and bicameral.

SUOZZI: Thank you, Mr. Secretary. Are you aware that when President Trump was running for President, he tweeted, "I was the first and only potential GOP candidate to state that there will be no cuts to social security, Medicare, and Medicaid"?

AZAR: Yeah, I'm aware he said that.

SUOZZI: Are you aware that as recently as this month, he said--he tweeted, "We will not be touching your social security or Medicare in the fiscal 2021 budget"?

AZAR: I don't remember that quote.

SUOZZI: He did--he did do that, just so you know. Mr. Chairman, I ask that we have unanimous consent to insert into the record a statement from the American Hospitals Association saying the following. "This budget would result in hundreds of billions of dollars of cuts that sacrifice the health of seniors, the uninsured, and low income individuals."

NEAL: So ordered.

SUOZZI: Thank you, sir. Mr. Secretary, is it true that the budget proposal by the administration proposed to reduce Medicaid spending by $844 billion over the next 10 years through the allowance or the President's health reform vision?

AZAR: We reduced the rate of growth from 5.4 percent per year to a 3.1 percent per year with growth in every single year of the budget period for the Medicaid program, even with those changes.

SUOZZI: Is it true that the administration proposes to cut Medicare through reduced payments to hospitals for uncompensated care by $88 billion over the next 10 years?

AZAR: We recued the rate of growth of Medicare from 7.3 percent per year to 6.5 percent per year and extend the life of the program by over 25 years.

SUOZZI: Mr. Secretary, is it true that your budget proposed to cut Medicare spending through reduced payments to on--on campus hospital outpatient departments by $117 billion over the next 10 years?

AZAR: We propose to require site neutral payments, so hospitals can't game the system by where they locate providers and facilities.

SUOZZI: And, finally, Mr. Secretary, is it true that your budget proposes to cut Medicare spending through reduced payments for off campus facilities that are hospital owned physician's office by $47 billion over the next 10 years?

AZAR: Again, we do propose that we have site neutral payments so that you don't game the system by where you locate a facility.

SUOZZI: Thank you, Mr. Secretary. I really appreciate your time today.

NEAL: I thank the gentleman. Let me recognize the gentleman from California, Mr. Panetta, to inquire.

PANETTA: Thank you, Mr. Chairman, Ranking Member Brady. I appreciate both of you having this hearing. Secretary Azar, thanks for being here. Thank you for your service.

Last night's press conference, the President referenced a vaccine being rapidly developed. A hearing earlier this week, an administration official testified that one would be ready within 1.5 months. You then today said three months.

Where are we at on that? What is the timeline for it actually being available to address COVID-19, please?

AZAR: I'm--I'm sorry, but you completely misrepresent what I said. Within three months of the

PANETTA: --I thought--and I apologize for that. I didn't mean to

AZAR: --(INAUDIBLE)--

PANETTA: --I did not mean to do that, that's what I heard.

AZAR: So no. Dr. Fauci said within three months of the invention of the vaccine it would enter phase 1 clinical trials within three months. So that's--that's what I preferred to. For the acting Secretary of Homeland Security, he was--he was--he's not a doctor. He was asked a question that said several months. We were very clear last night, Dr. Fauci 12--12 to 18 months likely time frame and even that would be record speed for vaccine development.

PANETTA: Understood. Understood. In your role as secretary, will you commit to us that any vaccine that is developed--developed will be provided at no cost or at a very low cost at least to the American public?

AZAR: I've directed my teams that if we do any joint venture with a private enterprise that we are co-funding the research and development of the program that we would ensure that there's affordable access to the fruits of that, whether vaccine or therapeutics.

PANETTA: Okay. And God forbid, if a vaccine cannot be developed in a short period of time, what's your public health strategy?

AZAR: So our public health strategy is always based first and foremost on our state and local public health departments, the blocking and tackling of public health, which is identify cases, diagnose, treat, isolate, and contact trace. And that's where the emergency supplemental is so important to make sure we have adequate funding out there to those frontline workers and frontline public health people.

PANETTA: Got it. Moving on, you know, obviously we're getting a lot of calls, as you can tell. Our constituents are nervous and fearful, and not just because of this virus but I admit because of the way the administration is handling

it. And as you know, one of the largest outbreaks of another virus, HIV, occurred in Indiana. It was the result of critical testing sites, title X clinics being closed due to cuts in state funding.

When it was determined that the cases were spiking due to needle sharing, then Governor Pence failed to heed the advice of medical experts and related slow walk the needed public health response. Now Vice President Pence has been named to lead the nation's response to virus experts know little about. Incubation periods, specific modes of transmission, or short or long-term public health costs. Can you ensure us, Mr. Secretary, that H--HHS will follow the advice of that nation's leading medical experts and not delay implementation of the recommendations so that the health of untold numbers of Americans aren't jeopardized?

AZAR: I always follow the advice of my top public health career officials in these matters. They--these--we--we had them on stage last night. These are the best people in the world and I--I've known them for decades. I've worked with them for decades. I trust them completely and rep--and very proud to represent them.

PANETTA: Okay, thank you. And in regards to how long the coronavirus lasts on services, I mean, we're hearing hours, we're hearing over a week, what is it? How long does it last on a--on a surface?

AZAR: So we don't--yeah, recall that fomite (SP) transmission. We don't have firm data. Dr. Fauci has said if it's consistent with normal permanent virus, he would expect several hours, but of course, we do have other viruses that can last on surfaces longer. We don't have study data on that yet.

PANETTA: Okay. And like influenza, it is the corona virus affected by change in the weather?

AZAR: Normal--the regular cold coronavirus is affected by changing weather, as is the flu. That type of respiratory illness, but SARS, MERS, for instance, which are also modified coronaviruses, they do not seem to have the same impact of warm weather in terms of impeding the--the transmissibility of it as a respiratory illness. So we do not know with regard to the novel coronavirus what will happen when we hit warmer seasons.

PANETTA: Appreciate your candor. Thank you. I yield back.

NEAL: I thank the gentleman. Let me recognize the gentleman from Texas, Mr. Marchant to inquire.

MARCHANT: Thank you, Mr. Chairman. Mr. Secretary, last November, CMS proposed a Medicaid Fiscal Accountability Regulation, or MFAR, to improve countability of that Medicaid system. We are very supportive of that and very supportive of what you're trying to accomplish. However, our hospitals in Texas are encountering some difficulty with the implantation of that and we would like to secure your commitment to sit down with them and see before the final policy is implemented, see if you would be willing to sit down with them and hear them out and either clarify or make some suggestions.

AZAR: I will be happy to talk to them. I've spoken with--with many members, senators about this issue, especially with Texas. We want to just make sure that we've got good integrity in the Medicaid system and we want to make work with states in a productive way. We don't--we aren't looking for it to be penal.

We want to be perspective in our outlook and we want to even, if there--if they are intergovernmental transfers that really are impermissible and not right, work with states to restructure the funding so that it can be on a sound footing. So that's the intent of it and we want to work with states and if we go forward with regulation.

MARCHANT: So

AZAR: --Yes

MARCHANT: --The regulation is not completely formulated. You're not in--in a position to enforce it just yet?

AZAR: Oh no. It's a proposal only. It's only a proposal at this point.

MARCHANT: Okay.

AZAR: So we're taking that feedback and were taking it to heart. I'm hearing it quite vigorously today as I have throughout this week.

MARCHANT: Okay. Thank you very much. And the other issue I'd like to discuss with you quickly is about home infusion and there's some confusion, I know you've heard this from another--the other committee in the House, Energy and Commerce, that Congress passed legislation and in the proposed implementation of it there is some concern among several congressmen, and I got--I'm working on legislation with some Energy and Commerce, I'm working with some legislation with Ms. Sewell that the congressional intent is not being followed. Can you comment on that?

AZAR: So we certainly want to follow the language that Congress passed, and I understand there's been concern about how the language was written. We want to make sure that people can receive care in their home appropriate--in the appropriate setting. We believe in home-based care and we actually implement some temporary transitional payments for home infusion for 19 and 20 and finalize the permanent one.

We are trying as best we can to implement the congressional language passed, but if Congress modifies that, we will be very glad to implement that also. We tried to come up with solutions to ensure adequate home-based infusion services.

MARCHANT: Thank you very much. I yield back.

NEAL: Thank you. Mr. Secretary, I want to complement Mr. Marchant for the question on Medicaid. As you can see talking to the ranking member and talking to the others on the committee today, this issue that Medicaid waiver from Austin to Boston, it's pretty consistent, the apprehension that we all feel about that change. So we take you at your word that you're going to give us ample time to review the proposal. Thank you.

AZAR: Absolutely. We want to work with the--we want to work with the committee. This would be an important change and we want to make sure that, if it happens, if we do go forward with it, and we're getting the comment on that that it's something that works for the system, brings integrity, but that doesn't bring undue harm to states or providers.

NEAL: Thank you. Let me recognize the gentleman from California, Mr. Gomez to inquire.

GOMEZ: Thank you Mr. Chairman. Mr. Secretary, thank you for being here. I wanted to focus today on my concerns with the ministrations management of the novel coronavirus, including programs within this committee's jurisdiction. Your overall supplementing funding request has been determined to be inadequate to the circumstances, but I do see that you requested an increase from $1 million to $10 million for the U.S. repatriation program within the Administration for Children and Families, ACF, which I find interesting. Secretary Azar, the ACF repatriation program is a human services program that provides temporary assistance to U.S. citizens returning to the United States. Is that correct?

AZAR: Yes, it is.

GOMEZ: Thank you. To you--to your knowledge, is the program typically used to respond to mass health events?

AZAR: It's used whenever the State Department does at repatriation from abroad of American citizens to provide help for low income individuals to resettle and with transitory assistance. We've had very few claims, but just as part of the sup, we thought it prudent as was done I think with Zika and some other situations to ask for an increase just so that it would be covered in the event we had low income individuals who needed assistance.

GOMEZ: Thank you. So do these employees, if they are used, have any background in public health emergency response?

AZAR: This is funding--this is for ORR and supporting if they need transit back home once they landed in the United States if they have a human service need it's very--

GOMEZ: --Let me--let me--let me--

AZAR: --This is not a health issue. This is really new just resettlement--

GOMEZ: --Let me rephrase my--my question. Were any ACF repatriation employees part of the teams employed deployed to Travis and March Air Force Base to receive evacuees from Wuhan?

AZAR: Yes to assist--to assist with repatriation of American citizens, which is part of the program. Yeah.

GOMEZ: Thank you. So you--what sort of health and safety training, if any, do these individuals receive?

AZAR: Health and safety in terms of health needs of individuals, well they would be--

GOMEZ: --No, protocols--again, they were going--

AZAR: --Any individual--

GOMEZ: --Let me ask real quick because--let me ask another question. To your knowledge, or any of these ACF employees exposed to high risk evacuees from China?

AZAR: It was not Zika. Haiti and hurricane Maria--

GOMEZ: --To a your knowledge, or any of the ACF employees exposed to high-risk evacuees from China?

AZAR: They should never have been without appropriate PPE.

GOMEZ: What's PPE?

AZAR: That's personal protective equipment.

GOMEZ: So, that is one of the things that's required, right, to have equipment, to wear suits?

AZAR: If you were with anyone who's in quarantine, to maintain quarantine, that's be the case, yes.

GOMEZ: Okay. Are you aware--it is my understanding that, you know, there was a team, as you just confirmed, that was sent to the March and Travis Air Force Bases, and there was a lot of--it was kind of chaotic on the ground. To your knowledge, were protocols followed at all times?

AZAR: I would not accept your proposition that--chaotic at all times. And I--and I would want to get a report--

GOMEZ: --No--

AZAR: --From my team. I am not aware of any violation of quarantine or--or isolation protocols.

GOMEZ: So, you're not aware, okay. May--could there have been any protocols may have been broken given the perceived emergency and urgency of the situation on the ground?

AZAR: They should not be. Urgency does not--urgency does not compensate for violating isolation and quarantine protocols for personal protection, no.

GOMEZ: Okay. Do you think that breaking proto--basic protocols and exposing untrained human service employees to the coronavirus before allowing them to be dispersed around the country could have endangered the employees and other Americans?

AZAR: I don't believe that has taken place. And the isolation in quarantine protocol should always be followed according to whatever CDC or loc--state and local public health officials have recommended.

GOMEZ: Okay. If they were not followed, say they weren't followed, what would be the steps to deal with the--those employees?

AZAR: Well, I'd want to know what--the full facts, and we'd take appropriate remedial measures.

GOMEZ: Do you know who--the employees that were part of these teams that were deployed to Travis and March Air Force Base?

AZAR: I don't know their names, no.

GOMEZ: Does HH--

AZAR: --I have 83,000 employees. I apologize.

GOMEZ: No, no, no.

AZAR: I don't know all of their names.

GOMEZ: But do you guys know who they are?

AZAR: Of course, yes. Yes.

GOMEZ: Okay. Well, Mr. Chairman, I--thank you for your time. I yield back.

NEAL: Thank the gentleman. Let me recognize the gentleman from Nevada, Mr. Horsford, to inquire.

HORSFORD: Thank you so much, Mr. Chairman, and thank you, Secretary, for your indulgence today.

The Trump budget proposal cuts the graduate medical education program by $52 billion over the next 10 years. This does not work for my home state of Nevada. We need more doctors, not cuts to the very program that trains them.

Nevada ranks 48th in the nation for primary care doctors. They're just over 180 full-time doctors for every 100,000 residents compared to 303 per 100,000 on--on average. I literally have parts of my district in the rural areas that do not have OB/GYN services available, and there are only 259 OB/GYNs in the entire state of Nevada. So, how does the administration justify to Nevadans who desperately need to see a doctor but can't--can't find one the--the cuts to the GME program?

AZAR: So, I actually hope you'll take another look at this because, for Nevada, with exactly the issues you raised, primary care, OB/GYN, and rural, what we propose doing is taking Medicare, Medicaid, and children's GME, putting it instead all on the general fund and creating a flexible--more flexible fund that's not frozen in terms of the--

HORSFORD: --Does that add money to the GME program--

AZAR: It--it would pull down over--

HORSFORD: --Or does it divert money?

AZAR: It would pull down overall, but it would actually allow refocusing on primary care, OB/GYN--

HORSFORD: --Does it--does it add money--

AZAR: --And rural. So, it actually--you might actually benefit--

HORSFORD: --I'm asking the question, Mr.--

AZAR: --From those changes--

HORSFORD: --Secretary. Does it add--

AZAR: --No, it removes, as you said, I think approximately--

HORSFORD: --Okay. So, it diverts money--

AZAR: --$50 billion. But, you might actually--your state might actually benefit from those changes.

HORSFORD: No, we won't because we need more resources, not less.

The Trump budget also claims to improve access to rural healthcare, but it eliminates the Health Profession Opportunity Grant. Again, we have huge growth and demand for home health aides, medical insurance coders, medical assistants. I introduced a bill, HR 3342, the Health Providers Training Act, which was included in HR 3, the Elijah Cummings Lower Drug Costs Now Act.

Do you believe that eliminating the HPOG training program will help the existing healthcare workforce shortage in the United States?

AZAR: The Health Professions Program funds institutions. We believe in the Health Service Corps, which actually gets us healthcare providers going to rural, underserved areas as a tuition reimbursement program, a forgiveness program.

HORSFORD: So, HPOG doesn't help to meet our huge shortage?

AZAR: We don't--we don't believe it provides discernible results in terms of the shortages, unlike the National Health Service Corps, which we are very committed to.

HORSFORD: Lastly, number of my colleagues asked about the issue about drug pricing. You said earlier that President Trump is willing to consider a bill that is brought forward through this process, but then candidate Trump said that he was going to lead on this issue and forced drug companies to negotiate. What's changed?

AZAR: Well, we have a Democratic House and a Republican Senate that we have to get--

HORSFORD: --So, he doesn't believe that the leadership of the executive branch is important to come--fulfilling his promise to lower the--

AZAR: --He--he has--he has been leading. This issue of drug pricing has been led by him, but we do need the two sides, the two chambers and the two parties, to get together to pass something for the American people. We've got some really good--

HORSFORD: --Well--and we need to--

AZAR: --Options out there.

HORSFORD: We need the president's leadership to follow through on a campaign promise that he made to the American people to lower drug costs. Our committee has passed HR 3, the Elijah Cummings Lowering Drug Costs Act Now bill. That is a bill that caps out-of-pocket expenses. It allows Medicare to negotiate for the first time directly with drug companies, which overwhelmingly Americans believe should be done, and it makes sure that there is actually transparency in the process.

So, I just would hope that the administration would follow through on its commitment. I know you have prior affiliations with a drug manufacturer, as my colleagues have pointed out. But this is important to the American people and it's important that we follow through on a promise. With that, I yield back.

NEAL: Thank the gentleman. Let me recognize the gentleman from Pennsylvania, Mr. Kelly, to inquire.

KELLY: Thank the chairman. And Mr. Secretary, thanks for being here today. My colleague, Ms. Walorski, mentioned that your Hoosier, but I don't know that a lot of people know you actually got your start in Johnstown, Pennsylvania. So, listen, thanks for being here today, and I--and I know this--you're taking time to be here is really critical for all of us.

I just want--if you could, just repeat again--and I--I mean, it's hard to talk about the president's budget when--and say it's not providing things when we don't have another budget to compare it to. You made a statement about Medicare and you said it gets another 25 years of life under this budget. That's something I think that needs to be repeated and repeated and repeated, because we keep throwing out this other information that somehow it stops.

AZAR: That's right. Right now, medic--the Medicare Hospital Trust Fund, which this committee has jurisdiction over, will go bankrupt, I believe, in 2026. With the changes that we proposed, which are changes that really are for providers, they make no change to beneficiary access to beneficiary benefits, would extend the life of the trust fund by 25 years or more and still grow Medicare, grow Medicare annually at 6.5%, 6.5% growth throughout the period.

KELLY: Okay. I really appreciate that. And I think, you know, the longer and the louder you say something the more it becomes true. I think we need to talk more about what's really happening, the truth, as opposed to trying to scare people.

There's one thing I do want to thank you for, another--there's a lot I want to thank you for but I don't have enough time to do it. We have a huge problem today with foster care funding and adoptive care funding. And in Mr. Evans' city of brotherly love, right now the Supreme Court is going to hear a case.

I find it almost incredibly hard to understand how we can say that the faith-based community, which was the start of adoptive care and foster care, no longer can receive federal funds because they discriminate against the LGBTQ community. And it seems to me that discrimination means, look, if you don't agree with me, then--then you're discriminating against me. And it only goes one way. It doesn't go both ways.

So, I want to thank you for HHS's position on that and pushing on pro-life issues and on this issue. This is incredibly important. This is about kids. This is not about different parts of our society or--or some--some movement that yearns for all kind of--of spotlight on it. It's about kids, 400,000, they're looking for foster care, and 100,000 looking for adoptive care. And if we're going to attack the very start of where this all began, that's in the faith-based community, I think we better go back and actually take a look at history and how things work.

Listen, I--I guess is we keep going on and on, and--and one of the things that you--you referenced and I think Dr. Davis brought this up, is about insulin. I'm a type II diabetic. There is a--there's 7 million type I diabetics, and there's a 30 million total diabetics. But one of the things that bothers me is we cannot develop a generic substitute. I know we talk about biosimilars, but when you talk about biosimilar, just concentrate on the similar of it, not the exact replica, which is a generic substitute that we need to develop.

On March 23rd of 2020, about 25 days from now, that's going to sunset under a provision that was put in the Affordable Care Act. And for the life of me I can't understand why that was part of the Affordable Care Act? Why would we not encourage and try to develop a clear and permanent path for makers to go ahead and attempt to--to develop a generic substitute, which would slash the cost of--of--of insulin?

I--and I get the biosimilar part, but I just don't understand why we can't have the generic substitute. And I keep banging my head against a wall because I can't find anybody that says, you know what? I agree with what you're saying, but I can't be on that bill with you. And the question is why in the hell can't you?

AZAR: I--I do think that FDA would say the biosimilar pathway with the--with the interchangeable guidance we put out is actually a speedier path to a pharmacy level flipped insulin that would effectively genericize that industry. So, we're happy to brief you on that. I think it actually will do exactly what you want the pathway that we got right now.

KELLY: OK. Let's get the briefing because we are running out of time on this and honest to god this is something that is jut bizarre to me when the cost of insulin since 2001 has gone up over 600%. I can go to Canada or I can go to--go to the over to Europe and buy it for a fraction of what--what is being charged today. Thank you very much for being here. I appreciate your time and devotion.

NEAL: Thank you, gentleman. Recognize the gentlelady from Florida, Ms. Murphy, to inquire.

MURPHY: Thank you, Mr. Chairman and thank you, Secretary Azar for your service and for being here before this committee today. I really appreciate your leadership when it comes to reducing the cost of prescription drugs. And I'm hopeful that between the House, the Senate and the White House that we can get a good, strong and bipartisan bill over the finish line this year because it is only bills that make it all the way through that can have a significant and immediate impact on the lives of my constituents and provide much needed relief for them at the pharmacy counter.

But I--I have to be honest if you want to understand why so many people are cynical about politics in this country you really need to look no further than the administration's budget request for HHS. The administration is proposing draconian and dangerous cuts to key public health investments ranging for Medicaid to SSBG which helps prevent elder abuse. And this includes deep cuts to accounts used to combat the coronavirus which poses a growing threat to global health and global economy.

And the Administration is recommending many of these cuts in the name of fiscal responsibility. You know, I'm sorry but in the sincerity here is almost too much to bare. You can't pass a partisan tax bill that primarily helps the very wealthy and explodes our deficits and then turn around and cite those very deficits as the basis for your proposal to severely cut critical accounts that protect the safety and wellbeing of everyday Americans.

And it's not principle nor is it even responsible. It's really the height of hypocrisy. Excessive debts and deficits threaten our economy, our security and our children's future. Policymakers must work to bring government revenues and spending into better alignment. And it's hard to make bipartisan progress on this issue when republicans approach our fiscal problem in such a cynical and imbalanced way.

Turning to the little bit of substance you know, there has been a lot of talk about coronavirus today and for a good reason. Earlier this month, I convened a roundtable of experts in my central Florida district to give my constituents accurate information abo the co--coronavirus helping them to separate fact from fiction.

And my goal is to ensure that people are vigilant not apathetic but not alarmist either. I have some experience with pandemics in 2005 when I worked at the Department of Defense, I helped to lead the Department's responses to the threat posed by the avian flu working in coordination with other departments and agencies.

And that experience really taught me about the importance of public education, of coordination, of a whole of government approach, of preparedness and finally, proper funding. And I'm confident congress will do what the administration neglected to do which is to properly fund key accounts used to combat coronavirus at home and abroad in the coming fiscal year. I'm also confident we'll work together to enact an emergency supplemental bill to fund essential anticoronavirus efforts that are needed right now. I don't believe that there is any time to waste.

Mr. Secretary, picking up on a theme raised by Congresswoman Moore and others--you proposed to eliminate SSBG, the largest source of federal funding for child and adult protective services. And this account helps state agencies prevent and punish acts of abuse and neglect against vulnerable people. And in 2017 alone my home state of Florida received over $91 million for this purpose. And Florida is home to the largest percentage of seniors in the country and elder abuse and neglect occurs all too often.

Can you explain to me why your agency wants to eliminate funding that protects vulnerable children and seniors?

AZAR: So the SSBG is basically a large fund of money that goes out that doesn't have discernible, measurable outcomes in an environment where we are focused on eliminating programs that either have proven ineffective or don't have discernible results.

MURPHY: Do you have a substitute program for how to protect our vulnerable children and seniors?

AZAR: So, of course, within our administration for community living we--we fund that actually increased by $2 million the adult protective services program, we flat fund the Senior Medicare Patrol and the long-term care ombudsman critical programs to ensure the protection of our seniors.

MURPHY: Thank you. And I yield back.

NEAL: Thank you, Ms. Murphy. With that, the Secretary is acknowledged for his time with us today. Members should be advised that they have two weeks to submit written questions to be answered later in writing. Those questions and your answers will be part of the formal hearing record. Thank you, Mr. Secretary. And with that, the Ways and Means Committee stands adjourned. Thanks, Kev.

Load-Date: March 4, 2020
