

**TESTIMONY OF SECRETARY XAVIER BECERRA
BEFORE THE SENATE COMMITTEE ON FINANCE
MARCH 14, 2024**

Chair Wyden, Ranking Member Crapo, and Members of the Committee, thank you for the opportunity to discuss the President's Fiscal Year (FY) 2025 Budget for the Department of Health and Human Services (HHS). I am pleased to appear before you today, and I look forward to continuing to work with you to serve the American people.

When President Biden took office, the number of Americans with health insurance was declining. We changed that. Over 300 million Americans now have health insurance – the most under any other Administration.

Until now, Americans paying far too much for prescription drugs haven't had any relief. We changed that. The Inflation Reduction Act, signed into law by President Biden in 2022, caps the price of insulin at \$35 per month per insulin prescription for people with Medicare, and certain important vaccines, like the Shingles vaccine, are available for free. And now, for the first time, HHS is negotiating directly with drug companies to lower prescription drug costs for people with Medicare, and we're working to make health care markets more competitive across the board.

The Biden-Harris Administration has taken decisive action to protect access to reproductive health care, including abortion and contraception care. We are also fighting tooth and nail to stop the dismantling of the remaining rights and freedoms available to women across the country.

In three years, the Biden-Harris Administration has made the largest investment in behavioral health, which includes both substance use and mental health, in a generation. We are on the path to increasing the number of mental health counselors in schools, have improved support services for high-risk and underserved populations, and trained health care providers, families and school personnel on best practices for supporting young people with behavioral health needs, including those taking medications to treat opioid use disorder.

There are many, many more accomplishments that I could highlight – but, there is more work to be done. It is critical that we look forward to the challenges that lie ahead and take the actions that will ensure that we can continue to improve the health and wellbeing of all Americans.

This budget lays out a vision for a nation that fosters innovation, invests in health, and supports its most vulnerable.

HHS remains at the center of some of the most important issues for American families – including expanding access to care and lowering health care costs; protecting and strengthening Medicare, Medicaid, and the Marketplace; helping ensure access to reproductive health care; improving maternal health care; transforming the way we deliver behavioral health care, particularly for substance use disorders; improving care for older adults and people with disabilities; preparing for future public health threats; ending cancer as we know it; and ensuring access to high-quality education and support for children.

We also must continue to advance cutting-edge research, and meet the health needs of Tribal Nations and Native communities. And none of this would be possible without the resources to support our operations.

All told, the FY 2025 budget proposes \$130.7 billion in discretionary and \$1.7 trillion dollars in mandatory funding to advance our mission and invest in key priorities that will impact the lives of all Americans. We remain steadfast in our commitment to be good stewards of taxpayer dollars, and to continually improving the experience of the people whom our programs serve.

Expanding Coverage and Lowering Health Care Costs

Once again, a record-breaking number of Americans enrolled in the Health Insurance Marketplace in 2024—over 21.3 million people. That means more Americans are getting the health care coverage they need at an affordable cost. This is a testament to the success of the Affordable Care Act.

The FY 2025 budget continues to build on this success by making permanent the expanded premium tax credits that the Inflation Reduction Act extended and providing Medicaid-like coverage to low-income individuals in states that have not expanded Medicaid under the Affordable Care Act, along with financial incentives to ensure states maintain their existing expansions. For Medicaid and CHIP, the Budget allows states to extend the existing 12-month continuous eligibility for all children to 36 months, and allows states to provide continuous eligibility for children from birth until they turn age 6. Further, the budget prohibits enrollment fees and premiums in CHIP. It extends consumer surprise billing protections to ground ambulances, building on the No Surprises Act. The budget also advances the steps taken in the Inflation Reduction Act to improve access to affordable prescription drugs by further expanding Medicare's ability to negotiate prices directly with drug manufacturers, and expanding inflation rebates and the \$2,000 out-of-pocket prescription drug cost cap beyond Medicare and into the commercial market.

Fundamental to our vision of affordable, accessible health care is ensuring Americans can rely on Medicare for generations to come. The FY 2025 budget proposes changes that indefinitely extends the solvency of the Medicare Hospital Insurance Trust Fund.

In addition, the budget continues on the path to doubling Health Center Program funding, which provides health care services to millions of Americans, particularly those in underserved communities. The budget provides \$8.2 billion for Health Centers in 2025, allowing the program to serve approximately 3.9 million additional patients. This investment also supports the expansion of behavioral health services at Health Centers.

Transforming Behavioral Health

The FY 2025 budget proposes over \$20.8 billion in investments to improve behavioral health across the Department. This includes \$602 million, an additional \$100 million, to the 988 Suicide and Crisis Lifeline for an expanded awareness campaign and increased technical assistance support and infrastructure. This investment in 988 also maintains specialized services for LGBTQI+ youth, Spanish speakers, and the Deaf and Hard of Hearing Community.

The budget seeks to expand access to high-quality mental health care, including through a \$1 billion investment in the Community Mental Health Services Block Grant. The budget also improves behavioral health benefits for people with Medicare and Medicaid and in the private insurance market, with an emphasis on improving access, promoting equity, and fostering innovation. In addition, the budget

invests \$1 billion in health information technology adoption for inpatient psychiatric facilities, as well as certain outpatient and residential behavioral health facilities. If we are serious about integrating behavioral health providers into the rest of the health care system, we must close the technology gap and advance better information exchange with other health care, public health, and community partners.

The budget also addresses the sobering impact of the behavioral health crisis on our nation's youth. National surveys of youth have shown significant increases in certain mental health symptoms, including depressive symptoms and suicidal ideation, compounded by the effects of the COVID-19 pandemic. The surveys underscore the urgency and importance of our commitment to equip our youth with the tools they desperately need to address these unique challenges. The budget expands mental health services in schools and bolsters youth mental health programs by investing an additional \$50 million in Project AWARE (Advancing Wellness and Resiliency in Education) and an additional \$50 million in Children's Mental Health Services. These programs provide services to states, tribes, and communities to support children with serious emotional challenges and their families. The budget also includes \$30 million for the Centers for Disease Control and Prevention's (CDC) Essentials for Childhood: Preventing Adverse Childhood Experiences (ACEs) through Data to Action Program, which will increase the number of states, territories, localities, and tribes implementing ACEs prevention strategies and approaches in their communities.

In addition, the budget increases funding to states for overdose prevention and substance use disorders treatment. In January 2021, the overdose death rate was increasing 31% year-over-year. Today, the rate of increase has dropped to about 2% year-over-year. We're making great progress, but in the face of an increasingly dangerous drug supply, we need to do more. The budget provides an additional \$20 million for the State Opioid Response program, which has provided treatment services to over 1.2 million people and has helped states to reverse more than 500,000 overdoses. It also includes a \$5 million increase for the Tribal Opioid Response program to address the disproportionate impact of the overdose crisis on American Indian and Alaska Native people.

The FY 2025 budget also continues to invest in growing and diversifying the behavioral health workforce. The budget includes \$254 million for the Health Resources and Services Administration (HRSA) for Behavioral Health Workforce Development Programs, including expanding the substance use disorder provider workforce. The budget also continues to expand key HRSA programs by providing \$916 million for the National Health Service Corps and \$320 million for Teaching Health Centers Graduate Medical Education programs in 2025 to ensure the continued growth of health care services and expand workforce capacity across the country, including for behavioral health. The budget also includes \$20 million for the Substance Abuse and Mental Health Services Administration's (SAMHSA's) Minority Fellowship Programs to reduce health disparities and improve behavioral health care outcomes for underserved populations.

Improving the Well-being of Children, Families, and Older Adults

The FY 2025 budget invests in the future of our nation's children through high-quality early childhood education. The budget proposes to guarantee affordable child care to low- and middle-income working families from birth until kindergarten and offer preschool to all four-year-olds, making early care and education programs affordable and available where families live and work, and increasing wages for early childhood education workers. Under this proposal, preschool would be free and the average family would

pay no more than \$10 per day for child care until their child starts kindergarten, saving them over \$600 per child, per month. This proposal will go a long way to support our most vulnerable children and their families.

The budget continues to bolster Head Start for children from birth to age five and provides an additional \$544 million for the Head Start workforce, allowing wages to keep pace with inflation and for us to maintain a high-quality child care workforce. As child care continues to be unaffordable or unavailable for millions of Americans, the budget provides funding to Americans that desperately need it to continue to work and support their families. It also provides an additional \$500 million for the Child Care and Development Block Grant to continue our progress in stabilizing the child care sector and helping more Americans afford child care.

The budget also invests in child welfare, with a package totaling \$11.4 billion over 10 years. This funding expands services and supports to families at risk of child maltreatment or involvement with the child welfare system, increases funding for prevention services and kinship placements and supports for older youth, and increases and streamlines funding to tribes.

Finally, we are also investing in supports for older adults and people with disabilities to ensure they can participate fully in our communities. The FY 2025 budget provides \$2.7 billion for Administration for Community Living programs—a \$70 million increase above the 2023 Enacted level. This includes additional funds for nutrition programs, as well as funding for suicide prevention for older adults.

Enhancing Long-term Care in All Settings

HHS programs support the health and well-being of people with disabilities and older adults. The FY 2025 budget includes a 10-year, \$150 billion proposal to expand Medicaid home and community-based services to allow more older adults and people with disabilities to receive care at home and in their communities. Recognizing that a strong, well-trained workforce is essential to delivering high-quality services, the budget initiative is designed to enhance the quality of these jobs. When older adults' support needs become so great that they must enter nursing homes, they deserve safe, high-quality long-term care. At the 2024 CR level, state survey agencies would complete just 65% of statutorily required nursing home surveys in FY 2024, down from 100% in FY 2022 and 75% in FY 2023. To address the increasing workloads and align with the Administration's commitments to improve the safety and quality of nursing home care, the budget requests an increase in funding to allow CMS to conduct 85% of the mandatory surveys, as well as legislative proposals that strengthen quality and care in long term care facilities for FY 2025. In addition, the Administration's proposal to shift survey and certification funding for nursing home facilities from discretionary to mandatory and increase that funding to conduct 100% of mandatory surveys, effective in FY 2026, would allow for sustained and reliable oversight and enforcement in the nation's nursing homes and ensure that Americans receive high quality, safe services within these facilities.

Strengthening Maternal Health Outcomes and Reproductive Health care Access

The budget reflects the Administration's commitment to address the U.S. maternal mortality rate, which is higher than all other developed nations and on the rise. The majority of these deaths are preventable, and Black and American Indian and Alaska Native women are disproportionately affected. Across HHS,

the budget invests in tackling this maternal health crisis, including \$376 million focused on addressing maternal mortality and maternal health equity. This includes targeted funding within the Indian Health Service (IHS) to provide culturally-relevant maternal health care in Indian Country, additional funding for CDC to expand maternal mortality prevention, and continued support for the Implementing a Maternal Health and Pregnancy Outcomes Vision for Everyone (IMPROVE) initiative in the National Institutes of Health (NIH). It also includes \$215 million in HRSA specifically for reducing maternal mortality and morbidity. This funding will improve access to pre- and post-natal care, including for behavioral health, provide access to emergency care services, expand maternal care in rural and underserved communities, and more.

To help improve maternal health coverage and prioritize person-centered care, the budget also includes an optional Medicaid benefit that expands coverage of maternal health support services across the prenatal, labor and delivery, and postpartum periods, with enhanced federal funding available for the first five years in which states take up the State Medicaid option. This includes coverage for a range of maternal health support workers, including doulas. With this benefit, we aim to bolster maternal health supports throughout the entire continuum of care and to demonstrate our dedication to supporting women at every stage of pregnancy and beyond.

Access to reproductive health care, including contraception, is a more urgent issue now than it has been in decades. The budget provides \$390 million, a 36 percent increase, to the Title X family planning program to meet the increased need for family planning services, which are essential to ensuring women have control over personal decisions about their own health, lives, and families. Title X remains the only federal grant program dedicated solely to providing individuals with comprehensive family planning services in communities across the United States.

Preparing for Future Public Health Threats

While this Administration has made tremendous strides in preparedness capabilities since the pandemic, there are many public health threats beyond COVID-19. The budget therefore includes over \$28.9 billion in total resources across the Department to support preparedness, including efforts to prevent future pandemics, in addition to response capabilities, consistent with the President's plan to prepare for and respond to biological threats, as outlined in the 2022 National Biodefense Strategy and Implementation Plan.

This includes \$8.9 billion in discretionary funding for preparedness across the Department. The budget invests an additional \$38 million for CDC to manage the Response Ready Enterprise Data Integration platform, and an additional \$20 million for the Biomedical Advanced Research and Development Authority to invest in medical countermeasures that combat drug-resistant microbes.

Our nation continues to face emerging public health threats and it is important that we are well positioned to adequately respond. The budget continues to strengthen our domestic supply chain by investing \$95 million to accelerate development and domestic production of medical countermeasures, and onshore production of active pharmaceutical ingredients and essential medicines through the Administration for Strategic Preparedness and Response. It also includes \$12 million to support the Food and Drug Administration (FDA) in addressing medical and food shortages and \$10 million for a new supply chain coordination office within HHS.

As a continuation of our work to treat and prevent infectious diseases, the budget also includes a new HHS-wide proposal to eliminate hepatitis C infections in the United States. This five-year program focuses on high-risk populations and will increase access to curative medications, and expand implementation of complementary efforts such as screening, testing, and provider capacity.

Advancing Health in Indian Country

HHS remains committed to addressing the significant health disparities faced by Tribal Nations and Native communities, and the chronic underinvestment in the Indian Health Service. The budget proposes \$8.2 billion for IHS, a \$1.1 billion increase above the 2023 Enacted Level. This includes the proposed reauthorization of the Special Diabetes Program for Indians. This will maintain direct health care service levels, address targeted public health issues, and advance critical operational efforts like Health Information Technology modernization.

Beginning in FY 2026, the budget proposes full mandatory funding for all IHS accounts, and automatically grows funding each year to account for factors like inflation and pay. This approach will address chronic underinvestment by ensuring funding grows along with IHS's needs. The budget also includes a dedicated funding stream for public health capacity and infrastructure needs in Indian Country, a key lesson learned from the pandemic.

This budget also addresses health care workforce needs across the Indian Health Service by providing hiring authorities to improve the recruitment and retention of providers in our system. Workforce challenges— including significant staffing needs in behavioral health fields, such as substance use disorder care — are one of the top concerns raised by tribes to HHS. Addressing these challenges is critical to providing better-quality health care to the people IHS serves and to continuing to fight the concurrent substance use and suicide crises tribes are currently facing.

The Department will continue to partner with Tribes and Congress to realize mandatory funding, and to ensure we can continue to provide advance discretionary appropriations so IHS can maintain critical health care services if there is a lapse in appropriations.

Advancing Science to Improve Health

Cancer impacts Americans of all ages and from all walks of life. Decreasing the cancer death rate and the number of loved ones we lose to the disease remains a top priority for the Administration. The Biden Cancer Moonshot set ambitious goals to cut the cancer death rate by 50 percent over 25 years, preventing more than 4 million cancer deaths by 2047, and to improve the experience of people touched by cancer. The FY 2025 budget invests \$2.9 billion across the Department to make that possible, including \$716 million in discretionary resources at the NIH National Cancer Institute to continue their efforts to speed delivery of cancer drugs and vaccines and ensure access to current and new standards of cancer care. An additional \$100 million increase for CDC will support cancer prevention activities, including tobacco prevention and cessation. The Advanced Research Projects Agency for Health (ARPA-H) will also support Cancer Moonshot goals by investing in the development of unprecedented breakthroughs to prevent, detect, and treat cancer.

Additionally, ARPA-H will maintain its role as a catalyst for transformation in the health ecosystem— including through its recently-announced Sprint for Women's Health. With its \$1.5 billion budget, the

agency will continue finding real-world solutions for real-world problems, driving biomedical innovation in a variety of arenas.

The budget continues the Administration's commitment to support scientific innovation. It includes \$50.1 billion in total resources for NIH, prioritizing in particular women's health research and firearms and gun violence research with additional funds. The budget also continues to support Brain Research Through Advancing Innovative Neurotechnologies, All of Us, and important research on opioids and pain management, HIV/AIDS, and health disparities to improve American health outcomes.

To keep our nation at the forefront of scientific innovation, we must seize the promise of artificial intelligence—while also managing its risks. NIH is committed to harnessing the power of artificial intelligence to advance research, and has already launched ambitious initiatives to propel the fusion of biomedicine and artificial intelligence and machine learning. In addition, the FY 2025 budget provides resources to oversee artificial intelligence within the Department to advance its responsible use in public health and health care.

The FY 2025 budget also invests in scientific research that has resulted in significant improvements to American lives. CDC's overall budget—increased by \$499 million—prioritizes investments in areas such as improving public health data, preventing and mitigating the impact of infectious diseases, reducing injury and violence, and protecting against environmental health hazards. The budget also provides a total of \$513 million to the Agency for Healthcare Research and Quality to further invest in their mission to produce scientific evidence that makes health care better, more accessible, and more affordable.

Supporting Program Operations and Mission-Critical Infrastructure

HHS needs sufficient operational funding to fulfill our mission. This includes resources to allow the Office of the Secretary to oversee the federal government's largest budget. The budget makes badly needed investments in Centers for Medicare & Medicaid Services (CMS) Program Management to ensure CMS can carry out its core operations, such as surveying hospitals and nursing homes to ensure quality care is being delivered to millions of Medicare and Medicaid enrollees. It also invests in FDA to support the agency's expert staff that ensures the safety of our food supply, guarantees the effectiveness of our medicines, , and that conduct rigorous and transparent scientific reviews.

The Nonrecurring Expenses Fund is a key source of funding for Departmental operations. The Fund permits HHS to transfer unobligated balances of expired discretionary funds into an account for necessary information technology and facilities infrastructure acquisitions. Since FY 2013, the fund has allocated over \$6.5 billion in capital investment projects across the Department. HHS's proposed FY 2025 projects will address aging systems and facilities, including at IHS, NIH, and CDC. These improvements are integral in improving the health and well-being of the American people.

A fundamental component of HHS's infrastructure is its cybersecurity capabilities. We have seen a dramatic rise in large data breaches reported to HHS, and the health care information HHS protects is a prime target for cybercriminals. Our plan sets the direction for cybersecurity in health care, both from a policy and operational lens, and commits HHS to pursuing new priorities to both strengthen and support the sector at this critical time. The FY 2025 budget prioritizes investments to address cybersecurity threats and invests \$141 million in cybersecurity initiatives in the Office of the Chief Information Officer to address cybersecurity mandates and allow deployment of cybersecurity initiatives and tools that will keep

the Department at the forefront in battling ever-evolving cyber threats. The investment in cybersecurity includes \$11 million for the Department's Health Insurance Portability and Accountability Act modernization to increase compliance, enhance the privacy and security of health information, and to improve breach prevention and response efforts. The budget also includes an increase of \$12 million above FY 2023 for ASPR as the agency designated to coordinate cybersecurity incident prevention and response in the health care and public health sector. The budget also establishes a Medicare incentive program to encourage hospitals to adopt essential and enhanced cybersecurity practices.

The budget also invests in civil rights enforcement to ensure we do our part to protect the American people's fundamental rights of nondiscrimination and health information privacy. The budget provides the HHS Office for Civil Rights a \$17 million increase, which includes a robust investment in enforcement staff to address and resolve major case increases that have led to a significant backlog.

HHS also invests in program integrity and promoting competition to support our commitment to good stewardship of taxpayer dollars. Our responsibility is to ensure that every dollar entrusted to us directly enhances the lives of the American people. The budget invests a total of \$4 billion over 10 years in new mandatory Health Care Fraud and Abuse Control funding to provide oversight of nursing homes, managed care, and community-based settings. This mandatory investment will yield a net savings of \$5 billion over 10 years. Additionally, the budget provides increased funding to the discretionary Health Care Fraud and Abuse Control program and the HHS Office of Inspector General to support its oversight.

Improving the Customer Experience for the American Public

Lastly, I wanted to talk about how we are making government and government programs easier for American people to access and use. HHS is improving customer experience throughout the Department, mostly using current administrative funds. In FY 2025, the budget includes an \$11 million investment for the Department to improve data services for benefits delivery, as well as \$3 million to support the Streamlining Medicare-Only Enrollment project, among other efforts. These investments are bolstered by the HHS-wide customer experience initiative launched in FY 2024, one of the largest such initiatives in the federal government to date. Our goal is to provide a customer experience that ensures the public can access and utilize the impactful resources within HHS. As part of the initiative, every agency within HHS will pursue substantial projects to improve services to the American people. This expands on the many customer experience initiatives HHS has already pursued. For example, HHS continues to partner with other departments and agencies through the Life Experiences initiative to streamline enrollment and eligibility across benefits programs such as Medicaid and the U.S. Department of Agriculture's Supplemental Nutrition Assistance Program, increase access to decision-making support for older adults, reduce burdensome and repetitive manual income verifications, and support states in innovating and improving federal-state benefits access and delivery.

Conclusion

I am honored to lead the Department of Health and Human Services, working alongside dedicated civil servants to enhance the health and well-being of the American people. Investments in this budget will allow us to continue fulfilling our mission, and we know you are all critical partners in achieving this goal. We are grateful for your support of the Department, and we are excited to work with you on funding for FY 2025.

I want to thank the Committee for inviting me to discuss the President's FY 2025 Budget for HHS. I look forward to working with you to fulfill that vision. Thank you for your partnership in advancing our shared goal to improve the health, safety, and well-being of our nation.