

Crapo Statement at Hearing on HHS FY 2024 Budget
March 22, 2023

Washington, D.C.--U.S. Senator Mike Crapo (R-Idaho), Ranking Member of the U.S. Senate Finance Committee, delivered the following remarks at a hearing on the President's fiscal year 2024 budget for the Department of Health and Human Services (HHS) with HHS Secretary Xavier Becerra.

The text of Ranking Member Crapo's remarks, as prepared, is below.

"Thank you, Mr. Chairman, and thank you, Secretary Becerra, for being here today.

"I do want to respond to the question of the debt ceiling negotiations. I want to make it very clear, the Republicans are asking for negotiations on the debt ceiling process, to add some fiscal restraint into the debt ceiling extension. I ask you, Secretary Becerra, to take back to the President my plea that he engage with us in negotiations.

"I want to make it clear, we are not talking about trying to reduce benefits in Medicare or Social Security for our seniors. What we are talking about is reasonable reforms that can help us get to some kind of fiscal restraint on our spiraling debt. I encourage all of my colleagues in the Senate, but particularly the President to engage with those kinds of negotiations.

"I want to start my formal remarks on the positive. You have testified before and talked to me privately about the fact that although we have our differences on a lot of different policy areas, we want to find those areas where we can work together, and we found some last year.

"Late last year, we came together on a package of bipartisan reforms to produce commonsense solutions, ranging from mental health improvements to comprehensive telehealth coverage for seniors and working families. Moreover, we accomplished all of this while reducing the deficit by billions of dollars.

"Fortunately, the Administration supports these policies, and I look forward to partnering with the U.S. Department of Health and Human Services (HHS), as well as with my colleagues on both sides of the aisle, to advance additional reforms that improve health care access, affordability and choice for all Americans. That being said, I do have concerns with the budget the President has put forward.

"Unfortunately, many of the proposals in the President's budget run directly counter to these types of initiatives. I have serious concerns with the focus on partisan policies that risk harming health care access and affordability, for both current and future patients.

“The budget’s central proposal, for instance, would dramatically expand the size and scope of the bureaucratic, government-run drug price-setting program enacted under last year’s Inflation Reduction Act (IRA).

“Prior to that law’s passage, my Republican colleagues and I warned repeatedly that imposing sweeping price controls would prove disastrous for patients, biomedical research and development, and domestic manufacturing jobs. Many of our fears have already come to pass.

“We pointed to the risk of higher launch prices and distorted pricing practices, based on projections validated by the nonpartisan Congressional Budget Office. And sure enough, the *Wall Street Journal* reported in January, and I quote, ‘The impact in 2023 may actually be higher drug prices.’

“We also expressed concerns around life-saving R&D, as a University of Chicago study estimated the IRA would result in 135 fewer new drug approvals in the next two decades. That figure would inevitably skyrocket under the budget’s proposed expansion. Already, numerous manufacturers have signaled plans to table certain projects in light of the uncertainty created by the IRA.

“In recent months, we have also seen a rash of drug shortages, which even leading U.S. Food and Drug Administration (FDA) officials have attributed to pricing dynamics. Doubling down on the IRA’s price controls would exacerbate the law’s most harmful consequences.

“Americans deserve better and more affordable access to prescription drugs, and we can find bipartisan, results-oriented solutions this year to advance that goal. Government price mandates, however, are a step in the wrong direction.

“I also have profound concerns with the budget’s bold claims of averting the Medicare Hospital Insurance Trust Fund’s looming insolvency, largely through massive tax hikes and budget gimmicks.

“This unbalanced approach does nothing to address Medicare’s cost drivers. It would also punish the small business job creators and entrepreneurs who drive our economy.

“Unfortunately, the budget takes a similarly shortsighted approach to Medicaid, reviving a number of rejected policies from past proposals, including hundreds of billions in new spending, tied to burdensome conditions and efforts to circumvent state leaders.

“The federal government should focus on supporting states as they work to return Medicaid to post-pandemic normalcy, rather than imposing new top-down mandates.

“Instead of turning to one-size-fits-all solutions, we should look to proven models for federal programs, such as Medicare Advantage.

“With sky-high patient satisfaction rates, Medicare Advantage shows that consumer choice and market forces can produce more benefits and better outcomes.

“As we move forward, I encourage your Department, Mr. Secretary, to focus on our many shared goals, from cost-cutting competition to sustainable telehealth access, rather than on partisan priorities.

“Thank you again for being here today, and thank you, Mr. Chairman.”