

# President's Fiscal Year 2022 Budget Summary

## Select Health Care Provisions

**Highlights:** On May 28, 2021, President Biden released his Fiscal Year 2022 Budget. The President's budget includes \$6 trillion in mandatory and discretionary spending. The Department of Health and Human Services (HHS) budget proposes \$131.8 billion in discretionary budget authority and \$1.5 trillion in mandatory funding. It represents a 23% increase in spending compared to FY 2021 levels. The budget makes broad, expansive proposals to allow Medicare to negotiate prices for prescription drugs, expand Medicare benefits to include vision, dental, and hearing, lower the Medicare eligibility age, and create a public option. However, the budget does not provide specifics for developing these policies. Instead it calls on Congress to take these steps.

**Next Steps:** The House and Senate Appropriations Committees will begin their work which will continue throughout the next few months. While the House may adopt much of what the administration has laid out by a simple majority vote, the 60-vote threshold in the Senate means that final spending levels will have to be at a number where there is agreement. A continuing resolution (CR) to keep the government open before the fiscal year ends on September 30, 2021 is a near certainty. The process may face a stalemate for many months to come after that. **Your UnityPoint Health Government & External Affairs team will keep a pulse on activities and share updates as they are released.**

*The below is limited to health care focused provisions and not general budget items.*

### Medicare

The budget expresses support for broader Medicare policy goals that will require legislative action, including:

- **The Public Option.** The budget expresses support for creating a public health insurance option that would be available through the Affordable Care Act marketplaces.
- **Medicare Drug Pricing.** The budget supports reforms to bring down drug prices by letting Medicare negotiate payment for certain high-cost drugs and by requiring manufacturers to pay rebates when drug prices rise faster than inflation. These changes are projected to yield over half a trillion in federal savings over 10 years.
- **Eligibility and Benefit Expansion.** The budget supports expansion of Medicare benefits to cover dental, vision, and hearing services, and also supports giving people age 60 and older the option to enroll in the Medicare program (with the same premiums and benefits as current Medicare beneficiaries, but with financing separate from the Medicare Trust Fund.)

The President's proposed budget also prioritizes funding for Medicare (and CMS) Program Integrity:

- **\$65.8 million** in new discretionary program integrity investments to detect, prevent, and prosecute health care fraud
- **\$7.5 million** in funding for prior authorization that will allow the MACs to conduct reviews of prior authorization requests and work related to appeals, conduct customer service operations, provide outreach and education, and create reports for CMS
- **\$686 million** to accelerate enhancements to CMS cybersecurity, upgrade systems, and accelerate efforts to modernize Medicare payment systems

## President's FY 2022 Budget Summary

### Medicaid

On March 31, the Biden Administration released The American Jobs Plan, a \$2 trillion infrastructure package. The proposals in this plan are unified by overarching themes of:

- **Invest** in rural and minority communities and populations
- **\$400 billion** in spending toward home- and community-based services (HCBS), largely aimed at strengthening the caregiver workforce through increased wages, better benefits and collective bargaining power, including a legislative proposal to enact and implement the \$400 billion for HCBS
- **Extend** the Money Follows the Person (MFP) program

### Private Insurance & Marketplace

- **\$1.7 billion** to operate the Federally facilitated Marketplace, of which
  - **\$1.5 billion** will be funded by Marketplace user fees
  - **\$0.2 billion** will be funded by other sources in CMS Program Management
- **Make permanent** the two-year advanced premium tax credits to individuals who purchase insurance on the Marketplace
- **Permanently expand** premium tax credit eligibility by:
  - **Eliminate** the required contribution for individuals and families making 100 percent to 150 percent of the Federal Poverty Level (FPL)
  - **Limit** the maximum income contributions towards benchmark plans to 8.5 percent of income
  - **Remove** the 400 percent of the FPL (\$106,000 for a family of four) cap on premium tax credit eligibility
- Policy provisions relating to short-term limited duration insurance plans were **not included** in the budget.

### Center for Medicare and Medicaid Innovation (CMMI)

**\$1.168 billion** for the Center for Medicare and Medicaid Innovation (*a reduction of \$90 M*)

- The FY 2022 CMMI budget section did not include new initiatives. Instead, it focused on older and ongoing programs, including Community Health Access and Rural Transformation (CHART) Model, Global and Professional Direct Contracting and the Part D Senior Savings model. However, these models are undergoing revamping, which was not mentioned in the budget.

### Food and Drug Administration (FDA)

**\$6.5 billion** for Food and Drug Administration (*an increase of \$477 M*) of the \$6.5 billion: \$3.6 billion in total discretionary budget authority & \$2.9 billion in user fees

- **\$4 billion** for medical product safety investments
- **\$22 million** to the new resilient Supply Chain and Shortages Program
- **\$83 million** to support data modernization (*an increase of \$76 M*)
- **\$73 million** for capacity building: cybersecurity, information technology, and business services
- **\$478 million** for infrastructure and facility improvements
- **\$8 million** to support and expand health equity and health disparity efforts
- **\$478 million** to support rent, utilities, maintenance, and infrastructure improvement critical to advance public health.
- **Additional funding allocations** to build the foundation for implementing the 21st Century Roadmap for modernizing FDA's safety and surveillance, oversight program for marketed drugs, maternal and infant health, food safety, and tobacco harms support

## President's FY 2022 Budget Summary

### National Institutes of Health (NIH)

**\$53 billion** for the NIH (*an increase of \$9 B*)

- **\$6.5 billion** for a new medical research agency within NIH - Advanced Research Projects Agency for Health (ARPA-H)
- **\$330 million** to enhance research in health disparities and inequity
- **\$250 million** for the National Institute on Minority Health and Health Disparities
- **\$80 million** targeted for disparities research at the National Heart, Lung, and Blood Institute, the National Institute of Nursing Research, and the Fogarty International Center
- **\$30 million** for Maternal Health and Pregnancy Outcomes Vision for Everyone (IMPROVE)
- **\$2.2 billion** for opioids, stimulant, and pain research (*an increase of \$627 M*)
  - **\$811 million** is set-aside for the Helping to End Addiction Long-term (HEAL) Initiative
- **\$26 million** for the Centers for AIDS Research
- **\$25 million** to research firearm violence prevention
- **\$100 million** to study the impacts of climate change on human health
- **\$25 million** within the National Institute of Mental Health for research to understand the impact of COVID-19 for those who are at risk for, or experiencing, mental health disorders

### Health Resources and Services Administration (HRSA)

**\$12.65 billion** for the Health Resources and Services Administration (*an increase of \$496.5 M*)

- An increase of **\$7.0 million** to expand 340B Drug Pricing Program, including suggested legislative language that requires covered entities to report on the use of savings under the 340B Drug Pricing Program
- **\$37 million** for telehealth (*an increase of \$3 M*)
- **\$400 million** for Rural Health programs (*an increase of \$71 M*)
- **Additional investments** focusing on improving health equity and reducing health disparities
- **\$138 million** to improve maternal health, specifically reduce maternal mortality and morbidity (*an increase of \$92 M*)
- An increase of **\$12 million** to expand the diversity of the health professions workforce, including Nursing Workforce Diversity, Centers of Excellence, Health Careers Opportunity Program, Faculty Loan Repayment, and Scholarships for Disadvantaged Students

### Substance Abuse and Mental Health Services Administration (SAMHSA)

**\$9.7 billion** for SAMHSA (*an increase of \$3.7 B*)

- **\$6.7 billion** of HHS-wide funding for the opioid and substance use crisis for SAMHSA's substance use prevention and treatment programs
- **\$2.9 billion** for expanding access to mental health services (*an increase of \$1.1 B*)
- **\$17 million** for SAMHSA's Minority Fellowship Programs
- **\$172 million** in support for the Health Surveillance and Program
- **Additional allocations** for addressing mental health needs within Criminal and Juvenile Justice programs and the for expanding the Certified Community Behavioral Health Clinical Expansion Program
- **Additional investments** in recovery support services through SABG 10% set-aside and through funding for the Building Communities of Recovery program

## President's FY 2022 Budget Summary

### Center for Disease Control (CDC)

**\$15.4 billion** for CDC and the Agency for Toxic Substances and Disease Registry -this total includes \$8.7 billion in discretionary funding (*the largest CDC budget authority increase in nearly two decades*)

Priorities include:

- Public Health Capacity and Infrastructure
  - **\$400 million** in new, flexible funding to support core public health infrastructure and capacity nationwide
  - **\$106 million** for Public Health Workforce & Career Development programs(*an increase of \$50 M*)
  - **\$842 million** for CDC's public health preparedness and response activities
- Ending the HIV and Opioid Epidemics
  - **\$1.1 billion** for CDC's domestic HIV/AIDS surveillance and prevention efforts
    - **\$275 million** to continue efforts to end the HIV/AIDS epidemic
  - **\$713 million** for CDC's opioid overdose prevention and surveillance (*an increase of \$238 M*)
- Public Health Data Modernization Initiative
  - **\$742 million** for Public Health Scientific Services (PHSS)
    - **\$150 million** to support CDC's Public Health Data Modernization Initiative (*an increase of \$100 M*)
- Chronic Disease Prevention
  - **\$1.5 billion** for chronic disease prevention & health promotion activities (*an increase of \$176 M*)
- Social Determinants of Health
  - **\$150 million** to plan and implement interventions to improve health equity (*an increase of \$3 M*)
- Combatting Violence
  - **\$1.1 billion** for the National Center for Injury Prevention and Control (*an increase of \$420 M*)
    - An additional **\$12.5 million** to support firearm injury and mortality prevention research and data collection
- Environmental Health
  - **\$333 million** in CDC's environmental health activities

### Office of the National Coordinator

**\$87 million** for the Office of the National Coordinator (*an increase of \$25 M*)

- The budget will allow increase health care data connectivity and data services between health information networks, health information exchanges, public health agencies, and health care systems

### Agency for Healthcare Research and Quality (AHRQ)

**\$489 million** for the Agency for Health Care Research and Quality (*an increase of \$53 M*)

- **\$353 million** in budget authority
- **\$27 million** in PHS evaluation funds
- **\$109 million** in mandatory transfers from the Patient Centered Outcomes Research Trust Fund
- **\$10 million** for AHRQ to support its opioid initiative
- **\$7 million** in new research grants to increase equity in treatment access and outcomes
- **\$36 million** into research for health care-associated infections
- **\$7 million** towards the HHS-wide Improving Maternal Health Initiative
- **\$16 million** for the AHRQ digital health care research
- **\$72 million** for the Medical Expenditure Panel Survey (MEPS)

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For more detailed information on specific provisions, please reach out to:

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