

January 23, 2017

Chairman Orrin G. Hatch Ranking Member Ron Wyden Senate Committee on Finance 219 Dirksen Senate Office Building Washington, DC 20510

Dear Chairman Hatch, Ranking Member Wyden, and Members of the Finance Committee:

On behalf of the Coalition on Human Needs, I write to urge you to reject the confirmation of Representative Tom Price as Secretary of the Department of Health and Human Services. The Coalition on Human Needs is an alliance of more than 100 national organizations, including human service providers, faith-based groups, civil rights, labor, policy expert and other advocacy organizations, all concerned with meeting the needs of low-income and vulnerable people.

In Representative Price's capacity as Chair of the House Committee on the Budget and as a member and chair of the Republican Study Committee, he has proposed budgets that would make massive cuts and restrictive structural changes to vital safety net programs under the jurisdiction of HHS. His FY 2017 Budget Committee budget would slice \$2.9 trillion from Medicaid, the State Children's Health Insurance Program (SCHIP), and the Affordable Care Act subsidies over 10 years. These cuts were the majority of a \$3.7 trillion reduction in funding for programs that assisted low-income people. Rep. Price supported even more extreme cuts through the Republican Study Committee budgets, which in 2011 proposed cutting Medicaid by 54 percent over 10 years. He has also supported turning Medicaid into a block grant in the Budget Committee's 2015 budget, which would have cut Medicaid by one-third over a decade, according to a Center on Budget and Policy Priorities analysis, even before taking into account the reduction that would occur by ending the Medicaid expansion under the Affordable Care Act.

Chairman Price crafted legislation to repeal the Affordable Care Act in 2015. It would end the Medicaid expansion that has provided insurance to 14 million low-income people, severely reduce subsidies provided to people to allow them to purchase insurance, and do away with requirements for insurance to cover addiction treatment, maternity care, prescription drugs and other essential medical services. He has been unwilling to clearly promise that a plan he would devise for the Trump Administration would require coverage for pre-existing conditions or require that insurance companies do not establish lifetime limits for coverage.

Taken together, these positions would place a man in charge of vital health programs who has demonstrated willingness to drastically reduce medical care for millions. Recent research has shown how important medical care is for children and adults. Children who benefit from medical care through Medicaid and CHIP grow up healthier and are less likely to be poor as

adults. Medicaid expansions that occurred in several states since 2000 have led to reduced mortality as compared to neighboring states without expansions, according to the *New England Journal of Medicine*.

Rep. Price's willingness to make draconian cuts includes Medicare, which he has proposed to replace with a kind of voucher that would increase the amount seniors would have to pay for their medical care. He has termed to State Children's Health Insurance Program (CHIP) "government-run socialized medicine."

As a physician, Rep. Price ought to know how dangerous it is to allow children to be exposed to lead poisoning. But funding for CDC Childhood Lead Poisoning Prevention/Healthy Homes programs have been cut by \$21.3 million, or 55.6 percent, from FY10 to FY16, in FY16 dollars. This has occurred despite the fact that the Centers for Disease Control and Prevention (CDC) estimates that four million households with children are exposed to lead contamination, and that over 535,000 American children younger than age six each year suffer from lead poisoning above 5 micrograms per deciliter.

Among other programs he would administer if confirmed to be HHS Secretary, Mr. Price has proposed eliminating the \$1.7 billion Social Services Block Grant. A group of organizations supportive of the Social Services Block Grant in 2015 cited that in 34 states more caseworkers are available to investigate reports of child abuse and because of SSBG and 36 states can provide services for victims of domestic violence and victims of elder abuse. At a time when the need for foster care and substance use disorder services are steeply rising because of the opioid epidemic, his budgets would cut child welfare services and addiction treatment services.

The day after his nomination for HHS Secretary was announced, Mr. Price released a <u>budget</u> <u>process plan</u> that would trigger automatic across-the-board cuts to almost all programs if annual debt reduction targets are not met. The plan would allow massive tax cuts to be enacted, such as the Trump plan to cut taxes by over \$6 trillion over 10 years, and then the increase in debt would trigger more cuts: for example, if made across-the-board, Medicare would be cut \$1.1 trillion and Medicaid \$700 billion. Such cuts would also be applied to all the other programs he would administer, including child care and other children's services, services for refugees, home heating assistance, and Head Start.

Helping families with children to escape poverty should be a top priority of the Secretary for Health and Human Services. Within HHS, Temporary Assistance for Needy Families is a program intended to serve the poorest families, and to help parents secure jobs. But over the years TANF funding has been diverted by states to other purposes, and only 7 percent of TANF funding now is used for welfare to work services. Fewer than one out of four poor families with children receives TANF assistance. New data recently released for 2015 show that only 16.9 percent of TANF cases closed because the adult was employed. In contrast, 28.9 percent of cases closed because of various penalties imposed, such as noncompliance with a program rule or failure to show up for an appointment. Rep. Price has supported TANF as a model, despite its track record of denying assistance without giving parents the tools to lift their children out of poverty.

In addition to Rep. Price's record of support for drastic reductions in the programs he would be charged with administering, the evidence that has come to light around stock transactions that afforded benefits seemingly connected to actions he or his office took to help companies should be scrutinized carefully by this committee.

Millions of low- and moderate-income families, people with disabilities, children and seniors stand to lose services if the policies espoused by Rep. Price are implemented in the agencies within the Department of Health and Human Services. He has not proposed meaningful improvements, but instead called for slashing funding by one-third to more than one-half. He supports harsh constraints on the capacity of the federal government to respond when economic downturns or crises such as opioid epidemics increase the number of people who would qualify for services. We strongly urge you to vote against confirming Rep. Price for Secretary of Health and Human Services.

Sincerely yours,

Deborah Weinstein

Executive Director

dweinstein@chn.org (202) 223-2532 x111

www.chn.org