

Feb. 12, 2020

Trump's HHS budget proposes major long-term cuts, but offers few details

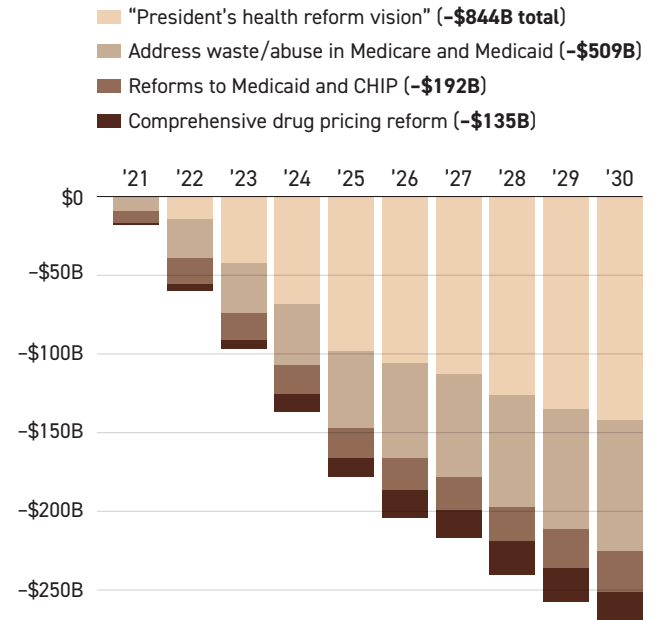
BY TUCKER DOHERTY, POLITICO PRO DATAPOINT

President Donald Trump's budget request for fiscal 2021 proposes a 9 percent cut to the Department of Health and Human Services, resulting in a total budget of \$96.4 billion dollars. While the proposals are largely considered a policy "wish list" with little chance of passing into law, they will help shape the messaging of both parties in the upcoming presidential election campaign.

Democrats and advocacy groups have focused their ire on the budget's long-term proposals to cut health safety net programs by billions of dollars, including a \$844 billion cut over ten years attributed to "President Trump's Health Reform Vision." However, the budget documents offer few details about that proposed vision — instead vaguely alluding to reforms that would lower prices, end surprise bills, and increase competition. At the program level, Medicaid would face combined cuts of approximately \$920 billion over ten years.

These proposed cuts comprise a significant portion of the budget's deficit reduction strategy. The budget request aims to eliminate the federal deficit by 2035, down from a projected annual deficit of more than \$1 trillion this year.

Major cuts to health programs proposed in the President's FY2021 budget over ten years



In absolute terms, the largest cut proposed to immediately take effect in fiscal 2021 is a \$4.2 billion dollar reduction for the Administration for Children and Families. The cut would eliminate the Low Income Home Energy Assistance Program, Community Services Block Grants and Preschool Development Grants.

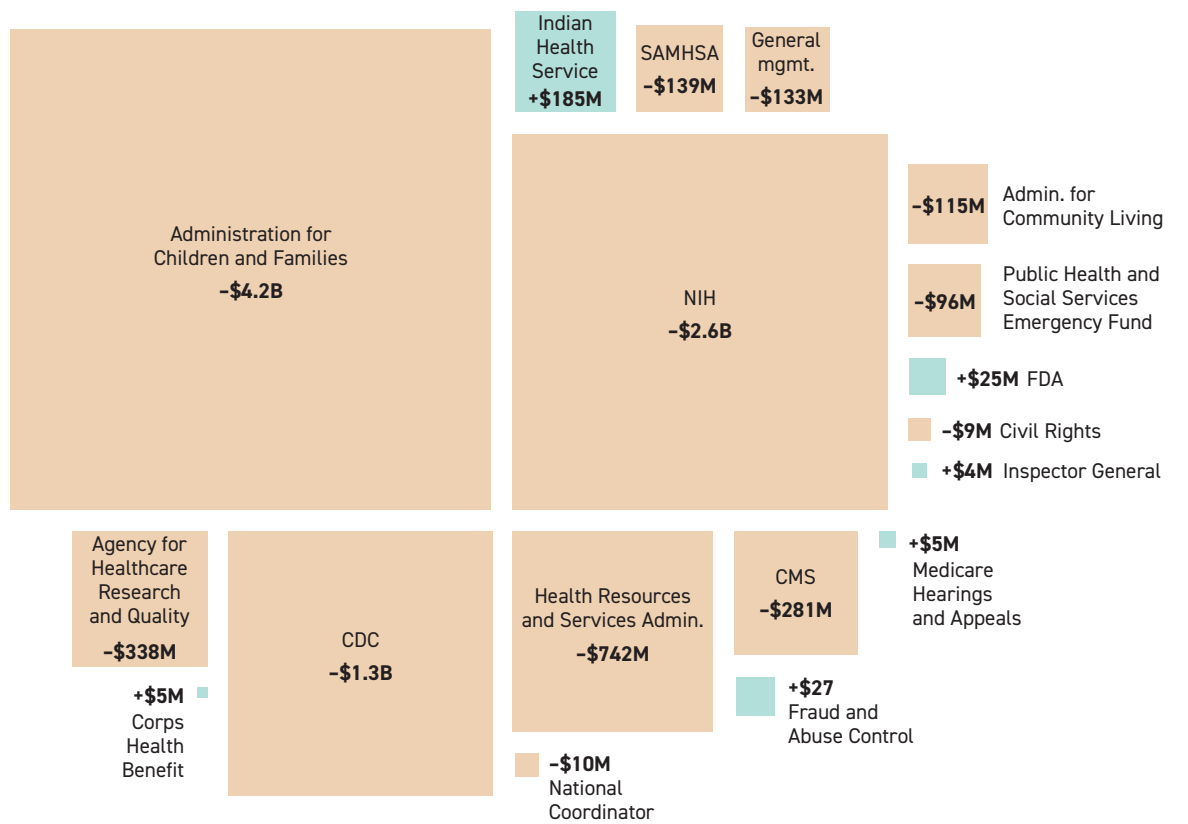
The NIH would also see a significant \$2.6 billion cut, which would reduce funding for every single institute and center by tens of millions of dollars.

CDC programs would be reshuffled, with increases to vaccine and sexually transmitted disease programs and decreases for chronic disease and health promotion programs. In total, the agency would face a \$1.3 billion cut.

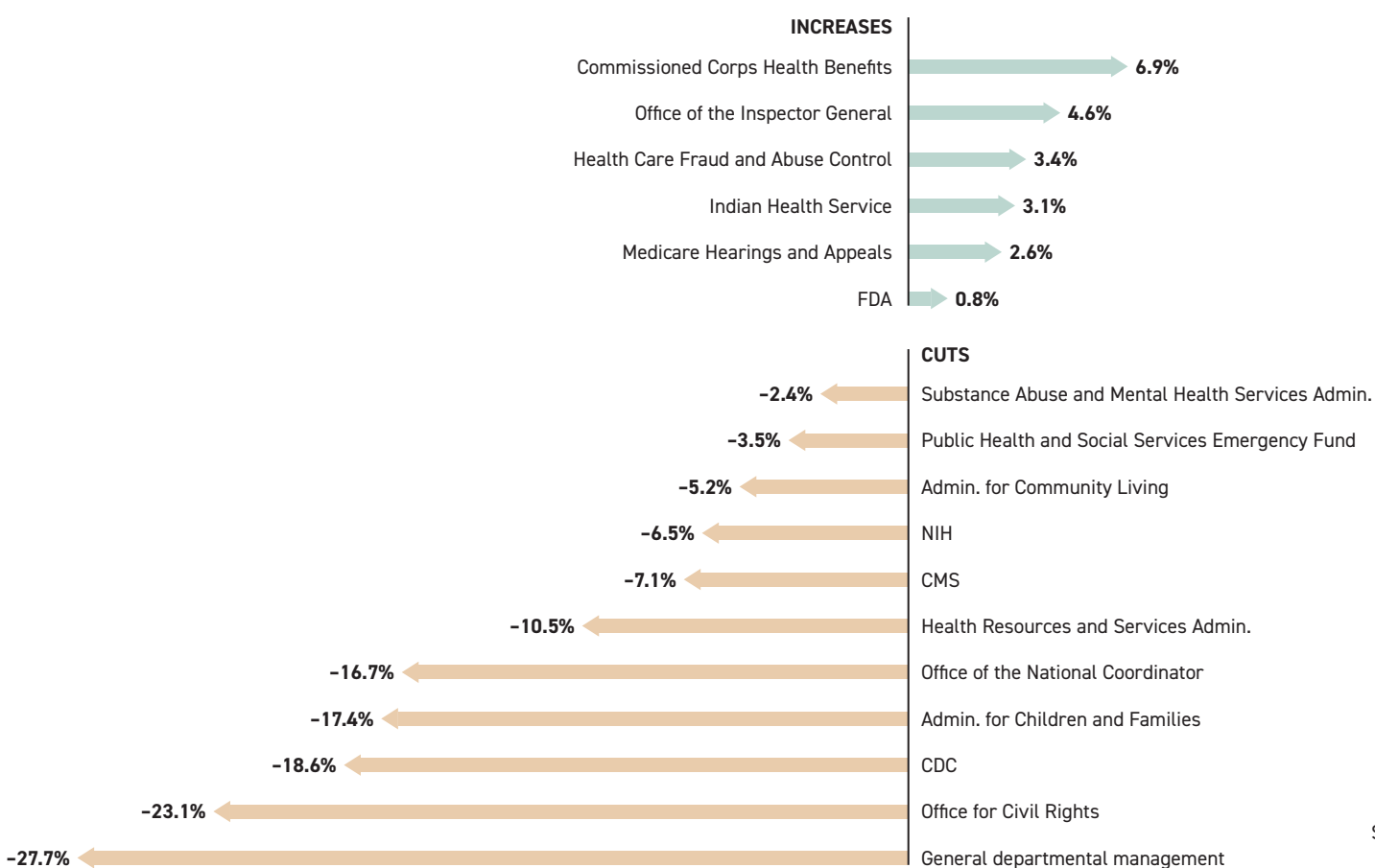
In percentage terms, the Commissioned Corps Health Benefit, Office of the Inspector General and Health Care Fraud and Abuse Control programs would see the largest increases. The largest proposed cuts are for general departmental management, the Office of Civil Rights and CDC.

What are the biggest proposed changes for fiscal 2021?

Proposed changes in HHS discretionary budget authority



Proposed percentage change in fiscal 2021 discretionary budget authority



Note: Funding for the Agency for Healthcare Research and Quality, not shown for space, would be moved into NIH.

Sources: OMB, "President's Budget"; HHS, "FY 2021 Budget in Brief"