



To: CHEAC General Membership
From: Betsy Armstrong, Senior Policy Analyst
Date: May 26, 2017
RE: President Trump's FY 2018 Budget Proposal

On Wednesday, the Trump Administration released their [FY 2018 Budget proposal](#). As you may recall, in March the Administration released a [budget blueprint](#), which outlined the President's discretionary funding proposals. The release of the full budget document now includes federal mandatory budget proposals; however, the released budget does not provide details on tax reforms. Broadly speaking, the Trump Administration is proposing a total FY 2018 budget of \$4.094 trillion, yet it includes nearly \$3.6 trillion in cuts over the next ten years.

Items of note to local health departments include:

Health Resources and Services Administration (HRSA)

The proposed budget decreases the overall HRSA Budget \$602 million.

HIV/AIDS Programs

- Maintains funding for Ryan White Part A at \$655 million.
- Maintains funding for Ryan White Part B at \$414 million.
- Maintains funding for Ryan White Part B ADAP at \$899 million.
- Proposes to eliminate the following to prioritize funding for direct health care services:
 - Ryan White Part F – AIDS Education and Training programs (\$34 million).
 - Special Projects of National Significance (\$25 million) stating they seek to prioritize funding for direct health care services.
- Includes a nod to reauthorizing the Ryan White program, with changes to Parts A and B to ensure funds are targeted to “populations experiencing high or increasing levels of HIV infections/diagnoses.”

Maternal & Child Health

- Increases funding for the *Maternal and Child Health Block Grant* by \$30 million for a proposed total of \$667 million - an increase of roughly 4 percent from the prior year.
- Eliminates funding for the Universal Newborn Health Screening program (\$18 million).

- Eliminates funding for the Emergency Medical Services for Children Program (\$20M).
- Suggests states may continue to support these eliminated activities with their MCH Block Grant awards.
- Increases funding for the Healthy Start Program by \$10 million for a total of 128 million - an increase of roughly 8 percent from the prior year.
- Proposes a \$28 million increase for Maternal, Infant, and Early Childhood Home Visiting Program, bringing the total funding to \$400 million - an increase of roughly 7 percent over the prior year.
- Maintains Family Planning funding at \$286 million, with a caveat that funding may not be expended for abortions, pregnancy counseling must be nondirective, and funding may not be used to promote support or opposition for any legislative proposal or candidate for public office.

Other Programs

- Maintains funding for the 340B Drug Pricing Program at \$10 million.

Centers for Disease Control and Prevention (CDC)

The proposed budget decreases the overall CDC Budget by \$1.3 billion.

Chronic Disease & Health Promotion

- Decreases funding for chronic disease prevention and health promotion activities by \$222 million, for a proposed total of \$952 million. This reflects a 23 percent decrease from FY 2017.
 - \$500 million of the Prevention and Public Health Fund will be used to fund the new **America's Health Block Grant**. The funding is intended to provide flexibility to states to implement specific interventions to address their population's unique public health issues, and could be used to support activities such as tobacco prevention and control, diabetes, heart disease and stroke, nutrition, physical activity and obesity prevention, and arthritis – items that were cut in this proposed FY 2018 budget.

HIV/AIDS, Viral Hepatitis, STIs & TB Prevention

- Decreases funding for domestic HIV/AIDS, viral hepatitis, sexually transmitted infections and TB prevention activities by \$186 million, for a proposed total of \$943 million. This reflects a 20 percent decrease from FY 2017.
 - Please note: No specific program break downs were provided in budget documents.

Immunization and Respiratory Disease

- Decreases funding for infectious disease by \$82 million, for a proposed total of \$701 million. This reflects a 12 percent decrease from FY 2017.
 - Within this funding, the influenza prevention and control program will be prioritized *“to ensure domestic and global capacity is supported.”*
 - Please note: No specific program break downs were provided in budget documents.
- Increases funding for Vaccines for Children by \$161 million, for a proposed total of \$4.6 billion. This reflects a 4 percent increase from FY 2017.

Public Health Emergency Preparedness (PHEP)

- Decreases funding PHEP activities by \$136 million for a proposed total of \$1.3 billion. This reflects a 11 percent decrease from FY 2017.
 - According to NACCHO, local PHEP grants would be decreased roughly \$109 million representing a 17 percent cut from FY 2017.
 - **Please note:** According to the proposed budget, the Administration intends to implement reforms to the PHEP program by introducing competition, risk, and linking awards to performance. They note that these reforms will *“provide resources to localities with the greatest need.”*
 - Funding for PHEP activities includes \$575 million for Strategic National Stockpile, representing a \$1 million increase over FY 2017.

Emerging and Zoonotic Infectious Diseases

- Decreases funding for emerging infectious disease by \$65 million, for a proposed total of \$514 million. This reflects a 13 percent decrease from FY 2017.
 - Of the total proposed above, \$49 million will support CDC's Zika preparedness efforts, representing a \$23 million increase from FY 2017.

Environmental Health

- Decreases funding to support Environmental Health activities by \$60 million for a proposed total of \$157 million. This reflects a 38 percent a decrease from FY 2017.
 - Of the \$157 million total above, funding for the Childhood Lead Prevention program will be maintained at \$17 million.

Injury Prevention and Control

- Decreases funding for injury prevention and control by \$19 million, for a proposed total of \$216 million. This reflects a 9 percent decrease from FY 2017.
 - Of the \$216 million above, funding to support opioid abuse and overdose prevention activities, including strengthening State efforts on effective interventions, will be maintained at \$75 million.

Substance Abuse and Mental Health Services Administration (SAMHSA)

Decreases the overall SAMHSA Budget by \$374 million.

- Maintains funding for State Targeted Response to the Opioid Crisis Grants (CURES Act) at \$500 million.

Centers for Medicare and Medicaid Services

- Increases the overall CMS Budget by \$12.9 billion.
- Increases the overall Medicaid Budget by \$25 billion.
 - Includes a \$610 billion cut to Medicaid over ten years, achieved through providing States with a per capita cap or block grant beginning in FY 2020.
 - Charts within the President's budget reflect a 14 percent decrease to California's Medicaid grant for FY 2018, for a proposed total of \$53 million.
- Extends the Children's Health Insurance Program (CHIP) for two years through FY 2019; yet decreases funding by \$4.8 billion for a proposed total of \$12 billion. This reflects a 40 percent decrease from FY 2017.
 - The President's budget also proposes to end the 23 percent enhanced federal match rate and the current MOE after FY 2017, and would cap the level at which States could receive enhanced FFP at 250% FPL.
 - The budget proposes to allow states to transition children with family incomes of 100-133 FPL currently enrolled in Medicaid back into CHIP.
 - The proposed budget cuts the CHIP program by \$5.8 billion over ten years.

Other Issue Areas

Assistant Secretary for Preparedness and Response (ASPR)

- Decreases the Hospital Preparedness Program by \$27 million, for a proposed total of \$227 million. This reflects a 12 percent decrease from FY 2017.
 - Similar to the PHEP program, the Administration intends to place a greater emphasis on risk assessment and direct resources to States with the greatest need as well as tying funding to performance.
- Increases funding for Pandemic Influenza by \$135 million, for a proposed total of \$207 million, to support flu vaccine manufacturing and stockpiling, international preparedness, and the advanced development of novel influenza vaccines, antivirals, and diagnostics. This reflects an increase of 77 percent from FY 2017.

Department of Agriculture

- Decreases funding for the Women, Infants and Children (WIC) Program by \$188 million for a proposed total of \$6.15 billion. This reflects a decrease of 3 percent from FY 2017.
 - The Administration intends to "cancel" \$1 billion in unobligated balances in the WIC Program due to a "*buildup of unused resources.*"
- Decreases funding for the Supplemental Nutrition Assistance Program by \$4.9 billion, for a proposed total of \$73.6 billion. This reflects a decrease of 7 percent from FY 2017.

Additional Resources

[NACCHO Analysis](#)

[ASTHO Analysis](#)