

White House Releases FY 2022 Budget Request

Includes proposals to extend expansion of health insurance coverage and funding for preparedness, among other health care provisions

President Biden today submitted to Congress his [budget request](#) for fiscal year (FY) 2022. The budget primarily includes proposals from President Biden's American Jobs Plan and American Families Plan.

The budget request, which was released this afternoon, is not binding, but can act as a guide for Congress and the Administration as they debate health care issues this year. Highlights of some of the provisions affecting hospitals and health systems follow. More details about these and other proposals are included in the Department of Health and Human Services' (HHS) [Budget in Brief document](#).

The budget includes a discussion of certain health care policies, such as a public option, lowering the Medicare eligibility age to 60, reducing the costs of prescription drugs and expanding coverage in non-Medicaid expansion states through a Medicaid-like federal public option, but does not include details on these proposals or their fiscal impact in the budget.

In addition, the budget says that "evidence shows that we can reform Medicare payments to insurers and certain providers to reduce overpayments and strengthen incentives to deliver value-based care, extending the life of the Medicare Trust Fund, lowering premiums for beneficiaries, and reducing Federal costs."

HIGHLIGHTS OF PROPOSALS AFFECTING HOSPITALS AND HEALTH SYSTEMS

Health Insurance Coverage. The budget calls for making permanent the marketplace subsidy expansions that were temporarily enacted as part of the American Rescue Plan that was signed into law and were proposed by the Administration to be extended in the American Families Plan. These provisions reduce the cost of Marketplace coverage for subsidy-eligible individuals and families by increasing the dollar value of premium tax credit subsidies and expand eligibility to individuals with incomes above 400% of the federal poverty level. The 10-year cost of this is estimated at \$163 billion.

Provider Payments. The budget does not reflect any reductions in Medicare or Medicaid payments to health care providers.

Pandemic Preparedness. The budget proposes \$6 billion in new mandatory funding for HHS in FY 2022, as part of a multi-department four-year program totaling \$30 billion to prepare for future pandemics.

Infrastructure. As part of the community health and hospital resilience portion of the American Jobs Plan, the budget proposes \$1 billion to increase support for hospital infrastructure, \$250 million for health emergency preparedness, and \$250 million to build resilience against climate effects.

Health Equity and Maternal Mortality. The budget includes several sources of new funding to address issues of health equity and racial disparities in health care. This includes \$3 billion over five years to invest in maternal health and reduce the maternal mortality rate and end race-based disparities in maternal mortality.

Discretionary Spending. As previously released on April 9, the budget calls for \$1.5 trillion for appropriated spending in FY 2022, including \$769 billion for domestic programs, a 16% increase over last year's level.

The budget proposes nearly \$134 billion for HHS, a 23% increase over last year's enacted level. This includes the following policies and funding levels:

- **Centers for Disease Control and Prevention.** \$8.7 billion in discretionary funding.
- **National Institutes of Health (NIH).** \$51 billion, including \$6.5 billion for a new Advanced Research Projects Agency-Health inside NIH.
- **Food and Drug Administration.** \$6.5 billion for the agency.
- **Behavioral Health and Substance Use.** \$9.5 billion for Substance Abuse and Mental Health Services Administration programs, including \$1.6 billion for the Community Mental Health Services Block Grant program. The budget also includes \$10.7 billion in discretionary funding to address the opioid epidemic and other substance use issues.
- **Hospital Preparedness Program (HPP).** \$292 million for the HPP, the primary federal funding mechanism for health care emergency preparedness.
- **Maternal and Child Health Block Grant.** \$592 million to states to expand health care and public health services that currently benefit millions of women, infants and children.
- **Rural Health Care.** \$400 million for rural health programs under the Health Resources and Services Administration (HRSA), including for telehealth, the Rural Communities Opioid Response Program and the Rural Residency Program.
- **Children's Hospital Graduate Medical Education.** \$350 million for the CHGME program.
- **Nursing Workforce Development.** \$268 million for programs to support nursing workforce development.
- **340B Drug Pricing Program.** \$17 million to support program integrity oversight and to establish a formal Administrative Dispute Resolution process to resolve claims disputes between 340B covered entities and drug manufacturers. In addition, HRSA requests general rulemaking authority over the operation of the 340B program as well as specifically proposing reporting requirements of covered entities to ensure net income is used for the covered entities low-income and uninsured patients.
- **Strategic National Stockpile.** \$905 million for the Strategic National Stockpile.

FURTHER QUESTIONS

If you have questions, please contact AHA at 800-424-4301.