



Analysis: President's Budget Puts Nation's Health at Risk

The President's fiscal year (FY) 2018 budget proposal would have unparalleled negative consequences for our nation's health and would likely lead to staggering increases in healthcare costs if these proposed cuts become law. The United States faces a series of health crises — from obesity to opioid misuse to the Zika virus — that can be prevented or mitigated through strategic investments in effective programs. Without strong health improvement efforts, millions of Americans will needlessly suffer and today's generation of children could be the first in U.S. history to live shorter, less healthy lives than their parents.

The President's budget cuts non-defense discretionary (NDD) programs by \$54 billion below the sequestration level for FY2018 and by \$1.6 trillion over the next decade. If enacted, this would reduce NDD spending to its lowest level as a percent of the economy in six decades.¹ The proposed budget would cut discretionary health programs by more than any other Administration in history. It's also important to note that the proposed budget does not use the final FY 2017 omnibus legislation as the baseline for comparisons to current spending levels (instead

using the FY2017 continuing resolution), so the cuts are even larger than presented.

In addition to severe cuts to public health, the budget proposes cuts to programs in other sectors that have a major impact on health — ranging from nutrition assistance to child care to community development and transportation smart growth efforts — across government that would have negative consequences for health. The following are examples of cuts that would adversely impact the health of Americans.

Centers for Disease Control and Prevention

The President's budget would cut the Centers for Disease Control and Prevention (CDC) by more than \$1.2 billion in FY2018. The CDC is the world authority for public health. From Ebola to Zika to opioid misuse to diabetes to heart disease, CDC is on the frontlines of keeping Americans healthy and protecting them from harm.

The budget proposes major cuts to every area of the agency, including a nearly 20 percent cut to the National Center for Chronic Disease Prevention and Health Promotion, and significant cuts to programs that protect the American people from infectious diseases and environmental contaminants like lead poisoning and exposure to tobacco. These would cripple CDC's operations and result in increased illnesses, injuries and preventable deaths.

Around 75 percent of CDC's budget funds state and local public health efforts to address their top health problems and sustain core capabilities. Many of these funds are used to also support priority community partners and programs. The proposed budget would leave major holes in state health budgets, leaving communities unable to deal with ongoing health issues and unprepared to deal with emerging new diseases or other threats. The proposed budget would cut the following CDC programs:

Chronic Disease Prevention

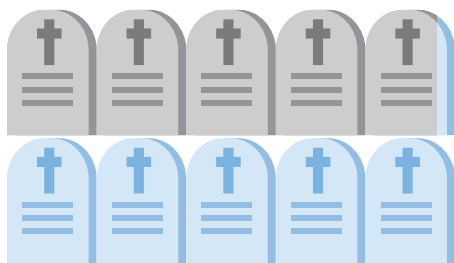
Seven of the 10 leading causes of death in the United States are chronic diseases. Just two of these — heart disease and cancer — account for 48 percent of all deaths in the United States.² Nationally, roughly 4 in 10

adults are obese while nearly 1 in 10 adults are extremely obese. About half of all adults have one or more chronic condition,³ which are responsible for 86 percent of all healthcare spending,⁴ including 76 percent of all visits to the doctor, 81 percent of hospital admissions and 91 percent of all prescriptions filled.⁵

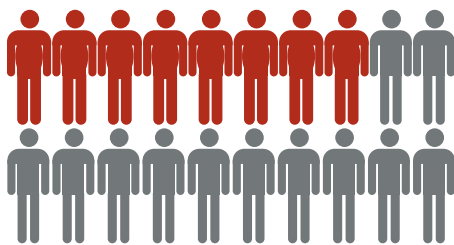
Many of these diseases are actually preventable — or could be put off until much later in life for millions of Americans — but this can only be achieved through strategic funding of effective health improvement efforts. CDC estimates that nearly half of all cases of cancer and 80 percent of heart disease, stroke and type 2 diabetes could be prevented by adequately addressing three main risk factors — poor diet, inadequate physical activity and tobacco use.⁶

Under CDC's National Center for Chronic Disease Prevention and Health Promotion, the proposed budget would eliminate more than \$722 million in funding — including all current funding for the Division of Nutrition, Physical Activity, and Obesity — and replace it with a \$500 million America's Health Block Grant. Dedicated funding for arthritis, epilepsy, lupus, early child care collaboratives, Racial and Ethnic Approaches to Community Health (REACH) grants, Prevention Research Centers and several other programs would be eliminated. The proposal would also completely eliminate the current Preventive Health and Health Services Block Grant (funded at \$160 million in FY2017), which currently funds health departments in all 50 states, D.C., two Indian tribes and eight territories.

Heart Disease and Cancer Account for 48 Percent of All Deaths in the United States



Roughly 4 in 10 Adults in the United States are Obese



The Preventive Service Block Grant also absorbs funding from CDC's Office on Smoking and Health (OSH), which coordinates surveillance, laboratory and evaluation activities related to tobacco use and its effect on health. OSH also educates the public about the harms of tobacco use, most notably through the successful Tips from Former Smokers campaign. Since 2012, Tips has helped at least 5 million Americans attempt to quit smoking, while at least 400,000 smokers have quit for good. The campaign is also cost-effective, as each year of life saved cost just \$393. Additional funding for tobacco cessation and quitline services in all 50 states, the District of Columbia, and two territories would also be jeopardized.⁷

Preparing for Health Emergencies

Public health emergencies are inevitable and strike without warning — from the next infectious disease outbreak to threats of bioterrorism and natural disasters. The President's budget proposes major cuts to programs that ensure communities around the country have basic systems in place to be able to respond to emergencies — and could leave Americans unnecessarily vulnerable to outbreaks and attacks. These include a proposed \$100 million cut to Public Health Emergency Preparedness (PHEP) grants from CDC, which support state and local health departments' emergency operations, and a 10 percent cut to the Hospital Preparedness Program (HPP), run by the Department of Health and Human Services (HHS) Assistant Secretary for Preparedness and Response. HPP has already been cut in half since it was enacted to better prepare the country after the September 11th and anthrax tragedies.

These cuts would have profound effects on our ability to prepare for emergencies. For example, when \$44 million from

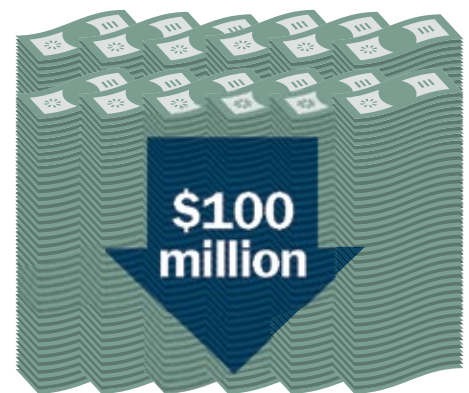
PHEP was redirected to the Zika response, health departments were forced to cut staffing and activities, resulting in reduced community preparedness, volunteer management, medical countermeasures dispensing and other critical functions.⁸ These capabilities cannot be easily rebuilt with short-term funding.

At the same time, the budget proposes department-wide transfer authority for an emergency response fund. While short-term emergency funding is important for jumpstarting the reaction to a major public health emergency, it is needed in addition to — not in place of — maintaining ongoing funding for underlying and ongoing public health capacity. You would not simply buy weapons after a war begins — you need a highly-trained, standing military. The same holds true for public health. Emergency preparedness requires a skilled, adequate public health workforce every day.

Antimicrobial Resistance

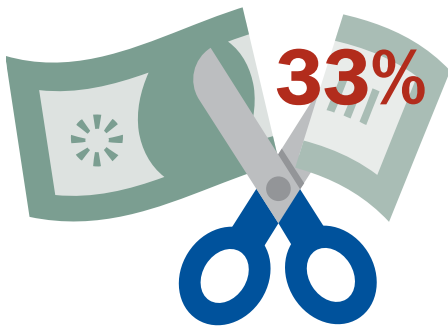
Each year, more than two million Americans become sick from an antibiotic-resistant infection, and at least 23,000 of them will die.⁹ Yet, the President's budget proposes a \$22 million cut to CDC's Antibiotic Resistance Initiative, a successful program that has invested in every state's ability to detect and prevent superbugs.¹⁰ These investments help with rapid detection and faster response to outbreaks, gold-standard lab capacity, networks for prevention of healthcare-associated infections and research into innovation for better patient care. Current efforts being made could avert 619,000 infections, spare 37,000 deaths, and save \$7.7 billion in medical costs in five years.¹¹ Cuts would undermine this ability — severely slowing down investment that go to states which have not yet achieved benchmarks — and result in additional costs, illness and death.

Proposed Cuts to Public Health Emergency Preparedness Grants From CDC



The U.S. spends about **\$26.5 billion** annually treating four major vaccine-preventable diseases among adults — flu, pneumococcal disease, shingles and pertussis.

The President's budget cuts the funding for the CDC's Injury Center to address prescription drug overdose by \$37 million



Immunizations

Immunizations are one of public health's greatest success stories and best weapon against many diseases. Childhood immunizations have saved 732,000 lives and nearly \$1.4 trillion in societal costs.¹² Yet, we are not reaching national targets for most adult vaccines, so the U.S. spends about \$26.5 billion annually treating four major vaccine-preventable diseases among adults — flu, pneumococcal disease, shingles and pertussis.¹³ And, some areas of the country have high rates of vaccine avoidance, resulting in recent outbreaks of measles, pertussis and other preventable illnesses. These outbreaks cost states much more than would have been spent on vaccines, as the costs of treatment, laboratory response, exposure tracking and investigation and emergency vaccination far exceed the cost of prevention. The 2017 Minnesota measles outbreak, for example, is projected to cost the state at least \$1 million for just 73 cases as of June, while the CDC immunization program price is about \$20 for a dose of the pediatric measles vaccine.^{14,15,16}

The budget proposes an \$86 million cut to CDC's Immunization Program, which will force states to severely cut back their ability to purchase and distribute vaccines for uninsured and underinsured residents, investigate and respond to outbreaks, conduct surveillance and maintain the information infrastructure needed to effectively deploy vaccines. States will pay many times over for these cuts in the form of response to vaccine-preventable disease outbreaks.

Addressing the Opioid Epidemic

Opioid abuse is one of the most pressing public health epidemics to emerge this century in the United States. Opioid overdoses result in 91 deaths every

day, and death rates from opioids have quadrupled since 1999 — contributing to more than 33,000 fatalities a year. More than 2 million people have a prescription painkiller dependence.¹⁷ And this has contributed to a related rise in heroin and synthetic opioids, such as fentanyl, which are often less expensive and easier to acquire in some areas. Death rates from heroin have tripled since 2010. These deaths are continuing to increase at a rapid pace. Fentanyl-related deaths increased more than 72 percent from 2014 to 2015, and heroin deaths rose by 20 percent during this time.

The President's budget includes \$75 million — a \$37 million cut — for the CDC's Injury Center to address prescription drug overdose. The Injury Center provides grants to nearly every state to help them implement effective solutions to this epidemic. States are using this funding to improve prescription drug monitoring programs (PDMPs) and expand insurer and provider practices for responsible prescribing and coverage. CDC provides scientific expertise, resources and expert technical assistance to address states' growing and changing needs and enhances surveillance activities.

The proposed budget also includes cuts to the Substance Abuse and Mental Health Services Administration (SAMHSA), which plays an essential role in addressing the misuse of opioids by supporting key treatment and prevention efforts. The budget would cut \$73 million from SAMHSA's Center for Substance Abuse Prevention, which provides grants to states and communities to prevent substance misuse disorder before it begins. It would also cut \$12.7 million from the Center for Substance Abuse Treatment (CSAT).

Fighting Infectious Diseases

The budget proposes a more than 16 percent cut to CDC's National Center for HIV/AIDS, Viral Hepatitis, STD, and TB Prevention (NCHHSTP), which prioritizes cost-effective programs and policies to reduce some of the nation's most dangerous and costly infections. About 85 percent of NCHHSTP's budget supports state and local health departments and community-based organizations in their efforts to detect and fight these diseases. And, the opioid epidemic has made these programs especially crucial, as the crisis has fueled a nationwide epidemic of viral hepatitis and HIV. In fact, new hepatitis C infections nearly tripled during the last five years.¹⁸

Cuts to these cost-saving programs will result in loss of life and higher medical and public health costs. CDC's investments in HIV prevention led to 33,000 prevented HIV infections from 2008 to 2014, saving \$14.9 billion in lifetime medical costs.¹⁹ The \$147 million in cuts proposed to domestic HIV programs would lead to 1,600 lost state and local positions across the country and more than one million fewer HIV tests, resulting in higher rates of transmission and fewer people receiving treatment.

The proposed \$27 million cut to the Sexually Transmitted Infections (STIs) program — at a time when STIs are at an all-time high and we are now seeing

entirely drug-resistant gonorrhea — would result in an estimated 300 fewer disease intervention specialists, who are the nation's backbone for investigating disease sources and preventing further infection. These professionals have been integral in responding to recent outbreaks like Zika, Ebola and flu.

CDC has also prevented up to 319,000 tuberculosis (TB) cases, averting over \$6 billion in costs between 1995 and 2014,²⁰ but recently progress has stalled as the global threat increases and budgets decline. The proposed cuts would eliminate 200 TB jobs nationwide, which will lead to more frequent, widespread and costly outbreaks.

Environmental Health

The environment — ranging from the air we breathe to the water we drink to the communities we live in — has a profound impact on our health. The recent contaminated water crisis in Flint, Michigan underscores the persistent environmental health threats in communities. The President's budget proposes to eliminate roughly 13 percent (nearly \$24 million) from the National Center for Environmental Health by cutting the Environmental and Health Outcome Tracking Network by over 26 percent and completely eliminating the Climate and Health Program — which are key to ensuring protections are in place for communities around the country.



Medicaid

The budget proposal, in combination with the restructuring of Medicaid under the proposed American Health Care Act, would cut Medicaid by as much as \$1.3 trillion over the next

decade. By 2026, Medicaid spending would be down \$279 billion, a staggering 45 percent reduction versus projected spending under current law.

Environmental Protection Agency

Protecting human health is foremost to the Environmental Protection Agency's (EPA) mission. The President's budget proposes a 30 percent cut to the agency. It would also specifically eliminate funding for restoration projects of major water sources, including the Great Lakes and Chesapeake Bay, as well as for the lead risk-reduction

and radon detection programs. The Office of Children's Health Protection (OCHP), which supports Pediatric Environmental Health Specialty Units across the country, would lose 72 percent of funding while the Office of Environmental Justice would be completely eliminated.

Proposed Funding Cuts for the Special Supplemental Nutrition Program for Women, Infants, and Children



U.S. Department of Agriculture

The U.S. Department of Agriculture (USDA) administers a number of important food and nutrition programs that support healthy eating, particularly for vulnerable populations. The President's budget proposes:

- A 25 percent cut to the Supplemental Nutrition Assistance Program (SNAP), totaling \$193 billion over the next 10 years;
- An increase of states share of payments, limiting SNAP benefits,

restricting eligibility for the program, and the possibility of increased use of work requirements for beneficiaries;

- Roughly \$1.1 billion less in FY 2018 funding for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), a nearly 20 percent reduction in the current levels; and
- Zero funding for school kitchen equipment grants and the Farmers' Market Nutrition Program.

U.S. Department of Education

Under the Every Student Succeeds Act (ESSA), the U.S. Department of Education administers federal funding to states to help support elementary and secondary schools, particularly providing targeted support for low-income schools. The budget proposes to completely eliminate Title IV funds, which, under ESSA, became a

block grant of \$1.6 billion annually to promote school health and healthier school initiatives, including support for physical education (formerly the Carol White Physical Education Program grants) and safe school programs. Research continues to show good health is tied to better school performance and career attainment.

Endnotes

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