



White House Fiscal Year 2018 “Skinny Budget” Targets Discretionary Healthcare Spending

On March 16, U.S. President Donald Trump released his fiscal year (FY) 2018 budget blueprint, known colloquially as the “Skinny Budget.” The release begins the FY 2018 budget process, which runs from Oct. 1, 2017, through Sept. 30, 2018. The President’s FY 2018 Skinny Budget addresses only the administration’s discretionary funding proposals. The White House plans to release specific mandatory spending and tax proposals for FY 2018 later in the spring, according to the budget document.

The Skinny Budget is a request, meaning that the contents are not binding on the House of Representatives and Senate Committees on Appropriations. However, the document is viewed as an important indication of the President’s budget and policy priorities. In total, the Skinny Budget calls for a US\$54 billion increase in defense spending to be offset by cuts to other areas of the federal budget, including the Department of Health and Human Services (HHS).

The FY 2018 Skinny Budget would cut US\$15.1 billion or 17.9 percent of HHS’s budget compared to 2017 levels.

The Skinny Budget features the following HHS budget priorities:

- assists community health centers, Ryan White HIV/AIDS providers and the Indian Health Services to deliver healthcare services
- invests in programs to prevent fraud, waste and abuse in Medicare and Medicaid
- supports mental health treatment and substance abuse disorder services
- adjusts the Food and Drug Administration user fees
- reduces the National Institutes of Health (NIH) budget by US\$5.8 billion, eliminates the Fogarty International Center and moves the Agency for Healthcare Research and Quality under the NIH
- creates a new Federal Emergency Response Fund to address public health threats including the Zika virus

- changes the funding structure of the Centers for Disease Control and Prevention to a block grant model
- eliminates discretionary programs administered by the Office of Community Services
- eliminates US\$403 million for health professions and nursing training programs

Republican and Democratic congressional leaders, including Senate Finance Committee Chairman Orrin Hatch, R-Utah, and Senate Appropriations Education-Labor-HHS Subcommittee Chairman Roy Blunt, R-Mo., said that there is not consensus in Congress to make cuts of that magnitude to the NIH. The proposed NIH cuts are particularly incongruous given bipartisan passage of the 21st Century Cures Act at the end of the 114th Congress. The act makes major expansions to the NIH and was championed by a bipartisan group of congressional leaders including former Energy and Commerce Committee Chairman Fred Upton, R-Mich.

If you have any questions regarding this Sidley Update, please contact the Sidley lawyer with whom you usually work or

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