



May 14, 2018

The Honorable Paul Ryan
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Nancy Pelosi
Minority Leader
U.S. House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Charles Schumer
Minority Leader
United States Senate
Washington, DC 20510

Dear Speaker Ryan, Minority Leader Pelosi, Majority Leader McConnell, and Minority Leader Schumer:

On behalf of the American College of Physicians (ACP), I am writing to urge you to reject the Spending Cuts to Expired and Unnecessary Programs Act, H.R. 3, which is based upon the rescission package sent to Congress by the Trump Administration on May 8, 2018, under the Congressional Budget and Impoundment Control Act of 1974. We believe the proposed funding rescissions from the Children's Health Insurance Program (CHIP), the Center for Medicare and Medicaid Innovation (CMMI), the Nonrecurring Expenses Fund (NEF), and the United States Agency for International Development's (USAID) Ebola response, would be damaging to children's access to health coverage, medical innovation and the public health. We are also concerned that rushing through a rescissions package outside of regular order—with no hearings or testimony or markups about the impact of these cuts, as is the case for annual appropriations bills—is a poor process for Congress to establish its budgetary priorities. Lastly, we are troubled that subsequent rescission packages could threaten vital federal programs that support the country's healthcare system.

The American College of Physicians is the largest medical specialty organization and the second-largest physician group in the United States. ACP members include 152,000 internal medicine physicians (internists), related subspecialists, and medical students. Internal medicine physicians are specialists who apply scientific knowledge and clinical expertise to the diagnosis, treatment, and compassionate care of adults across the spectrum from health to complex illness.

ACP has been a stalwart supporter of CHIP and we were pleased that Congress extended this program for a decade after a turbulent period of stopgap measures that only gave states temporary funds to provide health coverage to children. Through bipartisan action, Congress gave millions of children and their families peace of mind knowing that CHIP funding was assured for 10 years. However, the \$7 billion overall rescission of CHIP funds, as is being proposed in H.R. 3, and especially the \$1.9 billion rescission from the Child Enrollment Contingency Fund, is deeply concerning. If circumstances occurred that drastically increased CHIP enrollment, such as because of a severe economic downturn

or a natural disaster, the federal government's ability to ensure coverage for this population would be hampered. In addition, when Congress has rescinded CHIP funds in the past, those funds have often been repurposed to fund other federal health programs. If the CHIP rescissions of H.R. 3 become law, they could reduce the funding available to Congress to implement the higher discretionary spending levels agreed to in the Bipartisan Budget Act (BBA) of 2018, which could lead to less funding for other federal health programs.

The College strongly supports CMMI's mission to test and expand innovative models of care to better align physician payment to improve quality, cost-effectiveness, and patient-centered care. Rescinding \$800 million of funding, as is called for in H.R. 3, could severely impact CMMI's ability to test new models of care, which are a critical component of the bipartisan Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) and its Quality Payment Program (QPP). Under current law, Congress did intend for CMMI's funding to be available until expendedⁱ so that it could be deliberate in how to allocate resources without the pressure of expiring funding. Additionally, ACP believes it would be shortsighted to cut CMMI funding when the Congressional Budget Office (CBO) has concluded that for every CMMI dollar spent, almost four are saved, reducing federal spending by about \$34 billion over 10 years.ⁱⁱ Using CBO's testimony, rescinding \$800 million now could preclude up to well over \$2 billion in federal savings from CMMI's demonstration activities in the future, not to mention the improvements in patient care gained.

The NEF was intended by Congress for the Department of Health and Human Services (HHS) to repurpose until expended unobligated expired discretionary funds for capital acquisitions including facility infrastructure and information technology infrastructure. The rescission of \$220 million from the NEF would likely undermine the ability of HHS and its agencies to effectively administer federal health programs as Congress intended or respond to future unforeseen contingencies in a timely manner. Previously, funds from the NEF were used by the Centers for Medicare and Medicaid Services (CMS) to develop the technology infrastructure to implement MACRAⁱⁱⁱ and ACP is concerned that this rescission would prevent HHS and CMS from taking similar actions in the future.

USAID's ability to maintain the existing contingency fund to combat the outbreak of Ebola and other infectious diseases would be greatly diminished by the proposed rescission of \$252 million of USAID funding for Ebola response (International Aid Assistance). When Ebola broke out in Africa in 2014, USAID initially did not have enough funding to fight it until Congress appropriated additional funding.^{iv} With reports of another recent Ebola outbreak in the Congo^v, now is not the time to cut funding that would hamper USAID's ability to respond to a public health crisis abroad.

Lastly, the College is alarmed by the impact of possible future rescission packages that could disturb funding for fiscal year 2018 and beyond. Under the law, once a rescission is transmitted to Congress, the funding for that program is automatically frozen for 45 days. ACP is concerned that future proposed rescissions by the administration could target vital federal health programs by delaying funding past the end of a current fiscal year and potentially cause grants and other expenditures that were passed into law by Congress to expire and therefore not be spent at all—even without congressional approval of the rescission.

We therefore urge you, as congressional leaders, to reject these proposed rescissions, and to refrain from bringing H.R. 3 to a vote in your respective chambers. Instead, we urge you to return to seeking agreement on bipartisan ways to fund the federal government as was done recently with the BBA of 2018 and the Consolidated Appropriations Act, 2018.

We appreciate this opportunity to provide input on this very important matter, and to provide the clinician perspective on the potential impact of this legislation.

Sincerely,



Ana María López, MD, MPH, FACP
President

Cc: Members of the United States House of Representative and the United States Senate

ⁱ <https://www.gpo.gov/fdsys/pkg/BILLS-111hr3590enr/pdf/BILLS-111hr3590enr.pdf>

ⁱⁱ <https://www.cbo.gov/sites/default/files/114th-congress-2015-2016/reports/51921-cmmitestimony.pdf>

ⁱⁱⁱ <https://www.hhs.gov/sites/default/files/combined-nonrecurring-expenses-fund.pdf>

^{iv} <https://oig.usaid.gov/sites/default/files/audit-reports/9-000-18-001-p.pdf>

^v <https://www.reuters.com/article/us-health-ebola-congo/congo-confirms-first-death-in-latest-ebola-outbreak-idUSKBN1B13D>