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Health and Human Services (HHS) Speeches

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PLACE: Senate Appropriations Subcommittee on Labor and Health and Human  
Services

DATE: March 7, 2002 "FY 2003 HHS Budget"

Chairman Harkin, Senator Specter, Members of the Subcommittee: It's an honor to come before you to discuss the President's fiscal year 2003 budget for the Department of Health and Human Services.

Mr. Chairman, the past 13 months have witnessed some significant achievements at the Department of Health and Human Services. I will detail some of them in the course of my testimony.

As to our budget proposal itself, the total HHS request for FY 2003 is \$488.8 billion. The discretionary component before this Committee totals \$59.5 billion in budget authority, an increase of \$2.3 billion, or 4.1 percent, over the comparable FY 2002 budget.

Let me begin by discussing our efforts on bioterrorism. After 9/11, I appointed Dr. D.A. Henderson - the physician who spearheaded the successful drive to eliminate smallpox worldwide - to head a newly created Office of Public Health Preparedness. And about 20 feet from my office, we have a 24-hour-a-day command center where we receive information from all over the world about possible bioterrorist attacks.

In a word, we've been aggressive and prudent in our work to prepare for any biological or chemical threat our enemies could use against us. To prepare further, President Bush and I are requesting an additional \$4.3 billion - an increase of 45 percent over the current fiscal year - to support a variety of critical activities to prevent, identify and respond to incidents of bioterrorism.

Right now, we're providing \$1.1 billion to state governments to help them strengthen their capacity to respond to bioterrorism and other public health emergencies that might develop from terrorism. We're working to hook-up every state and major county health system in the nation electronically through the Health Alert Network.

In addition, we're requesting more than half a billion dollars for our Hospital Preparedness program, which will strengthen local hospital preparation for biological and chemical attacks and expand their surge capacity.

The NIH is researching better anthrax, plague and hemorrhagic fever vaccines ... and we're purchasing an additional 154 million doses of smallpox vaccine, so that every man, woman and child in this nation will be have the vaccine he or she needs. When it comes to bioterrorism, we're growing stronger in our preparedness every day.

We're also advancing important biomedical research. The budget provides \$5.5 billion for research on cancer throughout NIH and a total of \$2.8 billion for HIV/AIDS-related research.

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We're also working hard to improve patient safety. As many as 98,000 Americans die annually due to medical errors. So, in the 2003 budget, President Bush is proposing \$10 million in new funding to improve patient safety and reduce medical errors. The increased funding will bring the total HHS budget for improving patient safety to \$84 million in fiscal year 2003.

The funds will support efforts to put known safety technologies into wider use, develop new approaches and support a stronger system for rapid reporting of adverse medical events.

We're also requesting \$20 million for a Healthy Communities Innovation Initiative - a new interdisciplinary services effort that will concentrate Department-wide expertise on the prevention of diabetes, asthma, obesity and health disparities in minority communities.

Let me note how concerned I am, and how concerned we all should be, about how obesity is affecting our health as a people. Roughly three out of every five adults are overweight, and approximately 300,000 U.S. deaths a year currently are associated with obesity and simply weighing too much. The total direct and indirect costs attributed to being overweight and to obesity amounted to \$117 billion in the year 2000.

We've also got a serious problem with diabetes. Nearly 16 million Americans have diabetes, and 800,000 more fall victim to the disease annually. This epidemic is witnessing a terrible increase, tripling within the last three decades. Yet we've got solid research showing that if you exercise just 30 minutes a day - and walking is a perfectly suitable form of exercise - and lose 10-15 pounds, your risk of getting diabetes falls by nearly 60 percent.

So, the President and I are committed to our across-the-board prevention initiative. Preventive health care saves huge amounts of money. But, more importantly, it can save untold thousands of lives.

We are also helping to prepare low-income Americans for their future. That's why welfare reform remains so important. The good news is that since 1996, nearly seven million fewer persons are on welfare today than in 1996, and 2.8 million fewer children are in poverty, in large part because welfare has been transformed.

The President's budget boldly takes the next step, which requires us to work closely with states to help families that have left welfare to climb the career ladder. The foundation of welfare reform's success remains work, for work is the only way to leave poverty and become independent.

Let me also make crystal clear that news reports yesterday about a plan to change the minimum wage law were absolutely incorrect. President Bush and I will insist that welfare recipients receive at least the minimum wage for the hours that they work, including community service jobs.

This is an important principle that I fought for as governor of Wisconsin and one that the President and I remain committed to today as we take the next step in welfare reform.

The President's budget allocates \$16.5 billion for block grant funding, provides supplemental grants to address historical disparities in welfare spending among states and strengthens work participation requirements. The

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budget provides another \$350 million in Medicaid benefits for those in the transition from welfare to work.

We're calling for a continued commitment to childcare, including \$2.7 billion for entitlement childcare funding and \$2.1 billion for discretionary funding. And we're giving states the flexibility they need to mix effective education and job training programs with work, as well as the money to strengthen families and reduce illegitimacy.

Strengthening Medicare is another key component of our across-the-board effort to broaden and strengthen our country's health care system. The 2003 budget dedicates \$190 billion over ten years for immediate targeted improvements and comprehensive Medicare modernization, including a subsidized prescription drug benefit, better insurance protection and better private options for all beneficiaries.

As we reach out to those still relying on welfare and work to strengthen Medicare, we cannot ignore the roughly 40 million Americans who lack health insurance. Since January 2001, we've approved state plan amendments and Medicaid and SCHIP waivers that have expanded opportunity for health coverage to 1.8 million Americans and improved existing benefits to 4.5 million individuals.

The 2003 budget also seeks \$1.5 billion to support the President's plan to impact 1,200 communities with new or expanded health centers by 2006. This is a \$114 million increase over FY 2002 and would support 170 new and expanded health centers and provide services to one million additional patients.

And we will soon be issuing 27 grants totaling \$11.7 million under President Bush's Health Centers Initiative to help more Americans gain access to quality health care. The awards are the second round of fiscal year 2002 grants under the President's Initiative, and will help bring needed health services to some 157,000 Americans in 17 states.

The President's budget includes \$89 billion in new health credits to help American families buy health insurance, which will provide health coverage for many low-income families.

Finally, Mr. Chairman, I want to note that when I accepted my post at HHS, the President charged me with making significant management reforms in my department. I have taken the President's charge seriously, and am implementing reforms that will enable HHS to serve the American people even better in coming years.

To that end, we will reduce the number of HHS personnel offices from 46 to four. We're realigning and consolidating throughout the Department, bringing better stewardship to our use of the taxpayers' dollars. And we've launched a regulatory reform initiative to reduce the paperwork burden on physicians, hospitals, and other health providers.

For HHS to truly be compassionate, we have to be effective. That means running our programs well and honoring the taxpayers with the best possible services we can provide.

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Mr. Chairman, this comprehensive, aggressive budget addresses the most pressing public health challenges facing our nation - from bioterrorism preparedness to coverage for the uninsured - in order to ensure a safe and healthy America. I am confident that, working together, we can continue to improve the health and well-being of our fellow citizens.

Thank you again for letting me come before you today. I look forward to your questions.