

February 9, 2018

MEMORANDUM

TO: Sleep Research Society
FR: Dale Dirks and Dane Christiansen
RE: Budget and Appropriations Update

Earlier today, Congress passed and the president signed another short-term continuing resolution (CR), keeping federal agencies operating at their fiscal year (FY) 2017 levels through March 23rd. **This important measure also included a long-anticipated overarching spending deal on discretionary budget caps for fiscal year 2018 and 2019.** The legislation adds significant spending amounts for both defense and non-defense discretionary programs, **clearing the way for Congress to finish work on the 12 annual FY 2018 appropriations bills between now and March 23rd** and setting up a much less contentious path for the FY 2019 appropriations process. The legislation also extends the debt ceiling through March 2, 2019.

- The budget legislation includes a number of health-related provisions, either extending existing programs or making changes to other health authorities. Key items include:
 - **Children's Health Insurance Program (CHIP):** Provides an additional four-year extension of CHIP on top of the six-year extension approved by Congress last month (a total of ten years).
 - **Community Health Centers, Teaching Health Centers, and National Health Service Corps:** Extends funding through FY 2019.
 - **Opioids:** Provides \$6 billion (\$3 billion in FY 2018 and \$3 billion in FY 2019) for treatment of mental health issues and opioid addiction. Spending details will be determined in the appropriations bills.
 - **Medicaid Disproportionate Share Hospital (DSH) Payments:** Delays the ACA-scheduled cuts to Medicaid DSH for two years.
 - **Medicare:** Accelerates the closing of the "doughnut hole" in Medicare drug coverage that requires seniors to pay thousands of dollars out-of-pocket before catastrophic coverage kicks in.
 - **Assumes additional funding for agencies such as the National Institutes of Health, the Centers for Disease Control and Prevention, and the Department of Education.** Final, specific FY 2018 funding decisions for most health and education programs will be determined as Congress finishes off the annual appropriations bills.
- The deal utilizes funding from the **Prevention and Public Health Fund (PPHF)** to offset the cost of funding some of the aforementioned programs. The PPHF takes a cut of \$1.35 billion over the next ten years, significantly less than what was proposed by the initial House CR (which was not enacted).
- **On Monday of next week, the White House is expected to issue its budget proposal for FY 2019.** The funding recommendations in the president's budget proposal are expected to be very low and not reflective of the overarching deal just made. Congress will not use the White House funding recommendations as the basis for the FY 2019 appropriations process – rather, it will proceed based on the funding levels agreed to in the just-passed budget deal.