Senator Maria Cantwell

Q&A Before the Senate Finance Committee Hearing on the President's FY 2019 Budget

Witness: Alex M. Azar II, Secretary, United States Department of Health and Human Services

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CANTWELL: Thank you. Welcome Secretary Azar. You mentioned GME in the discussion with our colleagues. How would the proposal encourage medical training in community clinics where most physicians actually care for patients, and how would it help the community clinics that are not under the current cap?

AZAR: So in terms of the – is this the community health center program on GME that you're referring to, Senator?

CANTWELL: Your proposal to change the structure. So I'm just trying to understand how it would address a couple of things that are in the need area, which is community-based clinic training and teaching hospitals that aren't under the current cap program.

AZAR: Right. So, we are not proposing a change to the community health center-based training programs that we have. Those are separate. These are the Medicare, Medicaid, and then the HRSA-run children's hospital programs on GME. And it puts those together so that we don't operate under these artificial, 1996-based caps and instead can really focus on the providers that can help train our physicians and get them to both make sure we're funding in the underserved specialties and areas where we need physicians the most…

CANTWELL: Including primary care?

AZAR: Absolutely. Absolutely. … as well as underserved areas – how can we make sure that we're dedicating the money to get training of physicians that are or will serve in areas that are lacking in appropriate physician care.

CANTWELL: Ok, so if you're saying that you're willing to take on the big behemoth of East Coast teaching institutions having most of the capacity, I'm all with you. Because I think the divergence of medicine and where we're going, we need to train physicians in all sorts of ways. So I'm all for that. I don't like the fact that you've actually then cut the program, because from my estimation, and what I see in the Pacific Northwest and our shortage, and the whole notion of everyone having a medical home. And we're very excited about P4 medicine – you know preventive, prescription, personalized – so that physicians are being trained on what you, I hope, would describe as a way to drive value into the system and get off of fee-for service. What about that number – why cut the program when I'm pretty sure we need four or five times that amount?

AZAR: Well, one of the philosophies we had is to try to move some of our programs, where right now we're having Medicare carry some of the burden across the whole healthcare profession, as we looked at how can we make Medicare be more sustainable – You know our proposals actually stretch out the life of the program for another 8 years as a result of it, and it's tough choices, I will admit that. But right now we're having Medicare and Medicaid fund graduate medical education that private insurers, commercial people, get the benefit of. And so there's a bit of recalibrating in there that, from the

federal tax payer perspective, and Medicare and Medicaid, that transition to cut that back a bit as a result – I think it's 48 billion off of where we stand now, over 10…

CANTWELL: But if we examine the shortage and the need, you wouldn't cry if Congress basically boosted that number?

AZAR: I would have to do so within our budget targets – if that goes up, something else has to go down. That's the age-old challenge with these budgets.

CANTWELL: Ok. Well please mark me down as very counter to what Senator Toomey just said. I believe that we have a growth in our Medicare/Medicaid population because we have a burgeoning Baby Boomer population that's reaching retirement. So the notion that somehow people think that you should cut Medicaid and Medicare, or block grant Medicaid as a way to save dollars just because the population is growing because of the demographics in our population, I just think is wrong-headed. Now, do I think there's efficiencies - You and I have had a chance to talk about rebalancing as one of those, that's a huge huge savings. But the notion that somebody, after giving away billions of dollars in tax breaks to big corporations, want to come here and say now we have to block grant Medicaid as the only solution because it's growing in numbers because of demographics, I just don't agree with it. As my providers have told me – hospitals – they view the block granting proposal as nothing but a budget mechanism to cut Medicaid. What they do support is the efficiencies that we're driving in the Northwest and implementing those in the system. Who doesn't want to stay at home and get long-term care? My colleague just mentioned. Who doesn't want to do that? That is one-third the cost. And so, if you could comment on rebalancing from nursing-home care to community-based care as a big savings.

AZAR: For some individuals, institutional, nursing-home care meets their needs and is what they need. But I am, as I said at my confirmation hearings, a firm supporter of the notion of home-based care and these alternative ways. I believe it can save us money. I believe that for many it can be the best solution. It can be a way to age with dignity. So I am very supportive and very much want to work with you on ways we can generalize that more across the United States.

CANTWELL: Well, I appreciate that. I'm just very concerned about – some of my colleagues, we've been suspecting that this is what might happen now after the tax bill passes, that people are going to go back to trying to block grant Medicaid. And just mark me down as very opposed. We're already doing the job. We're already doing the job of reducing the cost, so the notion that somebody wants to create a budget mechanism to cut people off Medicaid – my providers, the community services, the children's health, they're just not going to support it. Thank you Mr. Chairman.