

MEMORANDUM

To: ASTS

From: Peggy Tighe, Peter Thomas, Bobby Silverstein, and Leif Brierley

Date: March 23, 2018

Re: **FY 2018 Omnibus Funding Legislation Enacted into Law: Provides Government Funding Through September 30, 2018**

Summary

On Thursday, March 22, the House of Representatives passed \$1.29 trillion FY 2018 [federal omnibus](#) spending legislation (“Omnibus”) to fund the government through the end of the current federal fiscal year, which expires September 30, 2018. The House passed the bill by a vote of 256-167, with 145 Republicans and 111 Democrats in favor, and 90 Republicans and 77 Democrats opposed. At around 1:00 AM Friday morning, the Senate cleared the Omnibus by a vote of 65-32. The President signed the bill this afternoon, averting a federal government shutdown that would have begun at midnight tonight.

Representing a roughly 10 percent increase in funding over FY 2017, the Omnibus increases funding for military and domestic programs by over \$100 billion combined. The Omnibus includes discretionary funding for programs under the jurisdiction of the Department of Health and Human Services (HHS), the Department of Labor (DOL), the Department of Education (ED), and related agencies, among other federal departments.

The Omnibus includes \$177 billion in base discretionary spending for the DOL, HHS, ED, and Related Agencies, which is \$16 billion above the FY 2017 enacted level. The Omnibus provides:

- \$88.1 billion¹ in funding for HHS, which is \$10.1 billion more than FY 2017
- \$37 billion in funding for the National Institutes of Health (NIH), a \$3 billion increase from FY 2017.
- \$61 billion increase in discretionary spending for the Department of Defense, expanding DoD’s spending to some of its highest levels since World War II, excluding war funds.

Aside from the increase in DoD spending, the increases to domestic spending are seen by some as a rebuff of President Trump’s FY 2018 budget proposal, which proposed significant cuts to a number of non-defense domestic discretionary programs. In addition, the bill devotes only \$1.6 billion to the initial phases of a southern border wall, despite negotiations that proposed funding

¹ Senate Appropriations Committee Majority [materials](#) indicate that HHS receives \$88.1 billion in FY 2018 funding; House Appropriations Committee Majority [materials](#) indicate that HHS receives \$78 billion in FY 2018 funding. Both indicate HHS receives a \$10 billion increase in funding over FY 2017 levels.

in the \$25 billion range. Despite this, the President signed the bill after threatening to veto it, but not without expressing dismay with certain aspects of the package.

Please see the accompanying chart (attached), which shows spending levels for selected programs operated by HHS, DOL, ED, and related agencies in the FY 2018 omnibus bill, as compared to FY 2017. This memorandum compares the funding levels for FY 2018 to final funding levels for FY 2017 (i.e., the FY 2017 Omnibus Bill).

For a complete review of the legislative history and links to various official documents related to the FY 2018 appropriations, see the Appendix found at the end of this memo.

SUMMARY OF SELECTED FUNDING LEVELS FOR KEY PROGRAM OPERATING COMPONENTS WITHIN HHS

National Institutes of Health (NIH)

- The bill provides \$37 billion in funding for the National Institutes of Health (NIH), a \$3 billion increase from FY 2017. This is an unexpectedly large appropriation considering that the budget bill passed last month slated \$2 billion for NIH.
- Every NIH Institute and Center receives increased funding.
- Includes a \$71,711,000 increase for the Eunice Kennedy Shriver National Institute of Child Health and Human Development, which houses the National Center on Medical Rehabilitation Research.
- Includes a \$414 million increase for Alzheimer's disease research, a \$149 million increase for the BRAIN initiative, a \$40 million increase for research on a universal flu vaccine, a \$60 million increase for the All of Us precision medicine initiative, and a \$50 million increase for antibiotic disease resistance research.
- The bill prohibits the Trump Administration from capping the administrative and facilities fees paid to researchers and their institutions.

Centers for Disease Control and Prevention (CDC)

- The bill provides \$8 billion for the CDC, about \$1 billion more than FY 2017.
- The bill includes increases for several CDC programs that support chronic and infectious disease prevention and surveillance, including a \$47.3 million increase for the National Center for Chronic Disease Prevention and Health Promotion.
- The National Center for Injury Prevention and Control receives a \$362.5 million increase, of which over \$400 million is to be directed to opioid-related programs, effectively serving as a decrease to the overall levels for the Center compared to FY 2017.
- National Institute for Occupational Safety and Health (NIOSH) is funded at \$335 million, a \$3 million decrease. It should be noted that the President's FY 2019 budget proposal calls for consolidation and movement of NIOSH to NIH, with a substantial reduction in funding.
- President Trump had proposed cutting about \$900 million in funding from the CDC in his two federal budgets.

Substance Abuse and Mental Health Services Administration (SAMHSA)

- The bill provides \$160 million in new funding for mental health block grants, for a total of \$722,571,000.

Health Resources and Services Administration (HRSA)

- The bill funds Organ Transplantation programs at \$2 million more than FY 2017 enacted levels, for a total of \$25,549,000.
- The 340B Drug Pricing Program/Office of Pharmacy Affairs is level funded at \$10,238,000.

Agency for Healthcare Research and Quality (AHRQ)

- The bill provides \$334 million for the AHRQ, which is \$10 million more than last year.
- It should be noted that the President's FY 2019 budget proposal calls for consolidation and movement of AHRQ to NIH, with a substantial reduction in funding.

Administration for Community Living (ACL)

- The bill provides a \$1 million increase in funding (for a total of \$104,970,000) for the National Institute on Disability, Independent Living, and Rehabilitation Research (NIDILRR).
- It should be noted that the President's FY 2019 budget proposal calls for consolidation and movement of NIDILRR to NIH, with a substantial reduction in funding.

Administration for Children and Families (ACF)

- The bill provides a \$2.37 billion increase to the Child Care and Development Block Grants, for a total of \$5.226 billion in funding for FY 2018.
- Child and Families Services Programs receive an additional \$727,857,000 over last year's levels in the omnibus, for a FY 2018 total of more than \$12 billion.

Centers for Medicare and Medicaid Services (CMS)

- The bill provides the Office of Medicare Hearings and Appeals with a \$75 million increase in funding. This is a significant sum on top of their existing budget of approximately \$125 million that will help OMHA hire more Administrative Law Judges to render ALJ decisions more quickly and reduce the extensive ALJ backlog of Medicare cases.

Opioids

- The opioid crisis received significant attention in the omnibus.
- The omnibus appropriates about \$4 billion to fight the opioid crisis across the omnibus bill, with much of that funding spread across HHS, the Department of Homeland Security, the Department of Justice, and the Department of Veterans Affairs.
- About \$1 billion is appropriated via HHS to address the grant programs created by the 21st Century Cures Act (PL 114-255).
- Nearly \$500 million is targeted at the NIH for research on opioid addiction and alternatives to opioids for treatment of pain.

ACA STABILIZATION NOT ADDRESSED BY THE OMNIBUS

Extensive Negotiations during consideration of the omnibus did not conclude with an agreement to address the stabilization of the individual health insurance markets. During the Senate's consideration of the Omnibus, both political parties traded partisan amendments intended to shore up the individual insurance markets; however, neither were agreed to, with Democrats and Republicans trading blame. In December, Senator Susan Collins (R-ME) voted for the comprehensive tax reform bill ([PL 115-97](#)) in exchange for a promise from Senate Majority Leader Mitch McConnell (R-KY) that the Senate would take up ACA stabilization measures in 2018.

Senators Lamar Alexander (R-TN), Patty Murray (D-WA), Bill Nelson (D-FL), and Collins have been in intense bipartisan negotiations for months trying to arrive at legislation capable of passing the House and Senate, but that goal was not achievable in this bill. The two main components of the stabilization package include reinstatement of cost-sharing reduction payments (CSRs) and development and funding of state reinsurance programs to cover the cost of high-risk enrollees without raising premiums on everyone in the marketplace.

Largely as a result of the lack of bipartisan consensus on the stabilization measure, very few Medicare or health care provisions were added into the package despite weeks of serious negotiations.

APPENDIX

Legislative History

The omnibus represents the sixth government spending bill impacting this fiscal year. Prior to this bill, the federal government had been operating off of a series of short-term deals agreed to by Congress since September 2017, including:

- A [continuing resolution](#) (CR) to fund the government from the end of FY 2017 (September 2017) through December 8, 2017 that included disaster relief funding for last year's hurricanes.
- An [additional CR](#) that extended funding from the previous date through December 22, and provided some relief to states related to the Children's Health Insurance Program (CHIP)
- [H.R. 1370](#), a CR funding the federal government from December 21 through January 19, 2018, which included a waiver of the 2010 Pay-As-You-Go Act (PAY-GO) rules. This waiver of PAY-GO rules allowed the President to sign the Tax Cuts and Jobs Act Friday morning without triggering an automatic \$136 billion sequestration order from the Office of Management and Budget, including \$25 billion in cuts to Medicare in FY 18 to offset the costs of the tax cuts.
- A [CR](#) to fund the government through February 8, 2018, after a 3-day shutdown that began early the morning of January 20th. The shutdown occurred after Congressional

leaders and the Administration were unable to come to an agreement over a fix to the Deferred Action for Childhood Arrivals (DACA) program. This bill included a number of health care provisions, and extended CHIP funding for six years.

- A [two-year budget deal](#) that, in addition to suspending the federal debt ceiling and increasing federal spending limits to allow for this omnibus's increases, also temporarily extended federal funding through March 23, 2018. This bill addressed outstanding health care priorities including Medicare therapy caps legislation and other Medicare extenders, and further extended CHIP an additional four years.

For the text of the:

- FY 2018 Omnibus appropriations bill, click [here](#).
- Joint Explanatory Statement accompanying the FY 2018 omnibus appropriations bill for Labor, Health and Human Services, Education, and Related Agencies (Division H), click [here](#).
- House Appropriations Committee Chairman Rodney Frelinghuysen's Statement on the FY 2018 Omnibus bill, click [here](#).
- House Appropriations Committee Ranking member Nita Lowey's Statement on the FY 2018 Omnibus bill, click [here](#).
- Senate Appropriations Committee Chairman Thad Cochran's Statement on the FY 2018 Omnibus bill, click [here](#).
- Senate Appropriations Committee Vice Chairman Patrick Leahy's Statement on the FY 2018 Omnibus bill, click [here](#).