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Federal Updates

Federal Government Shutdown Ends, Federal Funding Extended to February, and CHIP Renewed For Six Years

On Monday January 22, President Trump signed a stopgap funding bill, officially ending the three-day government shutdown. The measure passed both the Senate and House by large margins, and funds the government through February 8. Senate Democrats agreed to the deal after Senate Majority Leader McConnell (KY) promised to hold debate on a bill to extend protections for recipients of the Deferred Action for Childhood Arrivals (DACA) program. The bill also extends funding for the Children's Health Insurance Program (CHIP) for the next six years after having expired in October 2017. The bill also temporarily delays implementation of three health care-related taxes (Cadillac Tax, Medical Device Tax, and Health Plan Tax) that were enacted as part of the Affordable Care Act (ACA) to help pay for insurance. The bill does not, however, address community health centers funding, disaster aid, 340B, disproportionate share hospital payments or immigration.

As part of the six year funding extension for CHIP, current enhanced CHIP match rate continues "as is" for FFY18 and FFY19 and is then reduced by 11.5% in FFY20 (i.e. the enhancement is cut in half). In FFY21, states go back to CHIP's regular match rate. Another important issue addressed by the funding extension is the "maintenance of effort" provision, which requires states to continue income eligibility levels that were in place as of the date of enactment of the ACA. This provision, which ensures that kids have a stable source of coverage, remains, though states that are above 300% of the poverty line may roll coverage back to that level beginning in FFY 20. Also, no offsets (i.e. reducing funds for the Public Health Prevention Fund) were necessary to fund the extension.

New "Conscience and Religious Freedom" Division Established in Department of Health and Human Services

On January 18, the Trump Administration announced the formation of the new Conscience and Religious Freedom Division in the U.S. Department of Health and Human Services (HHS) Office of Civil Rights (OCR). The new division was created to protect doctors, nurses, and other health care professionals who refuse to take part in certain medical procedures, such as abortion services and gender reassignment surgery, or treat certain individuals on the grounds of moral or religious objections. The creation of the new division carries out an executive order issued last year by President Trump, and is a reversal of an Obama-era policy that banned health care professionals from refusing treatment to transgender individuals or people who have had or are seeking abortion services. Civil rights, gay rights and abortion rights groups, as well as some medical organizations, expressed concern that this action is part of a systematic effort by the Trump administration to legitimize discrimination. Legal action challenging the creation of the HHS division is expected to be filed in the coming weeks and months.

Acting San Francisco Mayor London Breed issued a press release criticizing the Administration's action and affirming the City's commitment to inclusive values and the Department of Public Health's dedication to serving all those in need of care, including women, immigrants, and LGBTQ communities of all ages and all backgrounds.

Emergency Declaration for the Opioid Crisis Extended

On January 19, the Trump Administration announced it is renewing the public health emergency declaration related to the national opioid epidemic for another 90 days. The initial emergency declaration by the U.S. Department of Health and Human Services (HHS) was declared on October 26, 2017, and was set to expire on January 23, 2018. The new declaration will last until April 23, 2018, and continues to give federal health agencies the authority to quickly hire more treatment specialists and reallocate money to strengthen the response to the epidemic. Public health experts contend that the declaration has had little impact on the crisis, especially given that new funding or resources to help states respond to the crisis have yet to be provided.

SAMHSA Announces New Efforts to Advance Evidence-Based Practices for Opioid Use and Serious Mental Illness

On January 17, the Substance Abuse and Mental Health Services Administration (SAMHSA) announced several new efforts to advance evidence-based practices in the behavioral health field. In conjunction with the public health emergency declaration, SAMHSA will launch a new Technical Assistance (TA) effort to focus on the specific needs of states and local jurisdictions to address the opioid crisis. To begin the effort, SAMSHA released \$12 million in funding to the American Academy of Addiction Psychiatry to utilize local expertise to provide TA and training on scientifically based evidence-based practices to combat the nation's opioid crisis.

SAMSHA also released a new funding opportunity to develop a national Center of Excellence dedicated to the implementation of evidence-based practices to treat individuals living with serious mental illness. SAMHSA's \$14.5 million Clinical Support Services will provide training and education to providers across the country to treat the nation's most vulnerable populations.

Confirmation of Alex Azar to HHS Secretary

On January 24, Alex Azar was confirmed on a mostly party line vote as the next U.S. Department of Health and Human Services (HHS) Secretary. During the confirmation hearings several senators expressed concerns over Azar's role in the Trump Administration's continued threats to the ACA and Azar's involvement in the pharmaceutical industry, particularly around rising prescription drug prices. Azar spent nearly a decade at pharmaceutical company Eli Lilly. Prior to this time at Eli Lilly, Azar served as an official during the George W. Bush Administration. HHS has been without a permanent leader for nearly four months following then-Secretary Tom Price's resignation.