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ONE HUNDRED EIGHTEENTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON ENERGY AND COMMERCE

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March 2, 2023

The Honorable Xavier Becerra
Secretary
Department of Health and Human Services
200 Independence Ave. SW
Washington, DC 20201

Dear Secretary Becerra:

Over the past two years, under one-party, Democratic rule, Congress and the Biden administration have spent trillions of dollars across the federal government. Beginning with the American Rescue Plan Act (ARPA) and ending with so-called Inflation Reduction Act (IRA) 1, Democrats have funneled an excessive amount of taxpayer dollars to advance their radical, progressive agenda and to benefit their political allies. The American people deserve a full, transparent, and regular accounting of the funds that have been spent, where they have gone, who has benefited, and how much remains.

We request the Department of Health and Human Services (HHS) provide the Energy and Commerce Committee regular updates on the status of funding HHS has received from the ARPA and the IRA, including:

1. The Implementation Fund established pursuant to Sec. 11004 of the IRA, which appropriated \$3 billion to the Centers for Medicare and Medicaid Services (CMS) to carry out the law's drug pricing provisions. We remain concerned about the law's chilling effects on medical innovation, particularly the foregone research and development and the corresponding drugs that will never come to market to save and improve patients' lives. Your Department has an opportunity to prioritize these implementation funds to ensure that patients have a consistent and meaningful say about how these provisions will affect access to medical treatments and cures. It is imperative that you provide Congress and the general public more information about how these funds will be spent.

2. The Provider Relief Fund was established pursuant to the Coronavirus Aid, Relief, and Economic Security Act (P.L. 116-136 or the CARES Act). The Provider Relief Fund was established to reimburse eligible health care providers for increased expenses or lost revenue attributable to COVID-19. Congress has appropriated a total of \$178 billion through the CARES Act, the Paycheck Protection Program and Health Care Enhancement Act (P.L. 116-139) and the Consolidated Appropriations Act of 2021 (P.L. 116-260) to the Public Health and Social Services Emergency Fund (PHSSEF), which has become known as the Provider Relief Fund. Furthermore, the ARPA included an additional \$8.5 billion for payments to

rural health care providers. In addition to getting more information about the consequences of the implementation of these distributions, the Biden administration has diverted funds for other purposes with very limited transparency and accountability.¹² Furthermore, there are several pending recommendations and actions that the Department could take to safeguard better these resources and account for their use.³⁴⁽⁰⁰⁰⁾ Congress and the public need additional and more regular information about the distribution and use of these funds.

3. Vaccine Education Funding – Under the ARPA, \$7.5 billion was provided for the funding of COVID-19 vaccine activities at the Centers for Disease Control and Prevention (CDC). This included for uses related to “communication with the public regarding when, where, and how to receive COVID–19 vaccines.”⁵ Separately, an additional \$1 billion was provided for “Vaccine Confidence Activities,” including strengthening vaccine confidence, providing further information and education on currently authorized and approved vaccines, and improving rates of vaccination.⁶ HHS has taken action to implement this directive, including \$66.5 million in February 2022 to expand community-based outreach efforts to increase vaccines,⁷ \$350 million in November 2022 to increase vaccines through local health centers,⁸ as well as through its COVID-19 Public Education Campaign, *We Can Do This*,⁹ which has been partially outsourced to private entities.¹⁰ However, it is widely recognized that vaccine uptake rates have remained flat, both in the United States and worldwide. Due to the billions of dollars potentially spent through public and private partners on this vaccine education and awareness campaign, Congress and the American people need additional information on who got these funds, how they were used, and what metrics are being used to judge the success of these funds.

4. COVID-19 Funding for Vaccines, Therapeutics, Testing, and Supplies – After six robust COVID-19-related spending packages provided trillions of dollars to combat the pandemic, this administration

¹ Rachel Cohrs, *The Biden administration paid hospital Covid-19 funds to drugmaker*, Stat News (Jan. 26, 2022); <https://www.statnews.com/2022/01/26/the-biden-administration-used-billions-in-hospital-covid-19-funds-to-pay-drugmakers/>

² Christopher Rowland, *The unintended consequences of the \$178 billion bailout to keep hospitals and doctors afloat*, (June 22, 2022) available at <https://www.washingtonpost.com/business/2022/06/22/covid-hospital-relief-fund/>

³ U.S. Government Accountability Office, *COVID-19: Additional Actions Needed to Improve Accountability and Program Effectiveness of Federal Response*, (Oct. 27, 2021) available at <https://www.gao.gov/products/gao-22-105051>

⁴ Dep’t of Health and Human Services Office of the Inspector General, *HHS’s and HRSA’s Controls Related to Selected Provider Relief Fund Program Requirements Could be Improved*, (Sep. 2022) available at <https://oig.hhs.gov/oas/reports/region9/92106001.pdf>

⁵ P.L. 117-2, Section 2301(b)(2)(F).

⁶ P.L. 117-2, Section 2302.

⁷ Dep’t of Health and Human Services, *HHS Provides \$66.5 Million to Expand Community-Based Outreach Efforts to Increase COVID-19 Vaccinations* (Feb. 8, 2022), <https://www.hhs.gov/about/news/2022/02/08/hhs-provides-66-5-million-expand-community-based-outreach-efforts-increase-covid-19-vaccinations.html>

⁸ Dep’t of Health and Human Services, *HHS Announces New \$350 Million Initiative to Increase COVID-19 Vaccinations*(Nov. 22, 2022), <https://www.hhs.gov/about/news/2022/11/22/hhs-announces-new-350-million-initiative-increase-covid-19-vaccinations.html>

⁹ Dep’t of Health and Human Services, *We Can Do This, COVID-19 Public Education Campaign*, <https://wecandothis.hhs.gov/>

¹⁰ U.S. Government Accountability Office, *COVID-19 Information on HHS’ Public Education Campaign* (Mar. 29, 2021), <https://www.gao.gov/products/gao-22-104724>

requested an additional \$22.4 billion specifically for the COVID-19 response this past fall.¹¹ If not provided, the administration claimed it would be required to make “difficult trade-offs and pull existing funding from critical efforts to meet the most pressing needs.”¹² This included failing to replenish the national stockpile, suspending the availability of free tests to Americans, and diminishing our testing capacity. It is our understanding that this administration had already made the decision – without a Congressional appropriation – to pull funds from these pressing needs months before requesting this additional funding from Congress. For example, the administration rerouted more than \$2 billion of this funding towards the cost of housing illegal immigrants at the border.¹³ This included \$850 million allocated to rebuild the national stockpile, another \$850 million designated for coronavirus testing, and \$436 million from other HHS health-related priorities – precisely the same critical efforts claimed by the administration as the rationale for the additional \$22.4 billion in funding. With Americans feeling the costs of inflation at the gas pump, in the grocery store, and on their electricity bills, it is understandable why the American people would question the repurposing of these funds. Particularly with the administration’s continuous claims about the alleged lack of funding for our pandemic response activities, Congress and the American people deserve answers regarding the status and current use of the previously appropriated funds that the administration chose to repurpose.

Specifically, we request a monthly report from HHS on the following for each of the above accounts/line items (as applicable):

1. The total amount of funding that has been obligated to date.
2. A list of each financial award funded, in part or in full, by this account, including the following information for each award:
 - a. All recipients for which funding has been obligated.
 - b. The amount of funding that has been obligated for each recipient.
 - c. The type of award (i.e. grant, loan, etc.).
3. The number, job title, and duties of any Full Time Equivalents (FTEs) who have been hired using the funding.
4. An accounting of the funds that have not yet been obligated.
5. The identity of any contractors that have been procured using such funding.
6. The total amount of funds that have been transferred out of each account, and specific answers to each previous question with respect to such transferred funds.
7. The total amount of returned Provider Relief Fund dollars and the specific accounts where those funds were obligated after being returned.

Please respond with the first report no later than March 16, 2023.

¹¹ Office of Management and Budget, *Meeting Critical Needs for the American People in the New Fiscal Year*, OMB Briefing (Sept. 2, 2022) <https://www.whitehouse.gov/omb/briefing-room/2022/09/02/meeting-critical-needs-for-the-american-people-in-the-new-fiscal-year/>

¹² *Id.*

¹³ Adam Cancryn, *Biden admin reroutes billions in emergency stockpile, Covid funds to border crunch*, Politico, (May 15, 2021), <https://www.politico.com/news/2021/05/15/hhs-covid-stockpile-money-border-migrants-488427>

Sincerely,



Cathy McMorris Rodgers
Chair
Energy and Commerce Committee



Brett Guthrie
Chair
Subcommittee on Health



H. Morgan Griffith
Chair
Subcommittee on Oversight and Investigations

cc: Frank Pallone Jr., Ranking Member, Energy and Commerce Committee
Anna Eshoo, Ranking Member, Subcommittee on Health
Kathy Castor, Ranking Member, Subcommittee on Oversight and Investigations