

Public Health Funding and the Fiscal Responsibility Act of 2023

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The Fiscal Responsibility Act of 2023 (FRA; P.L. 118-5) affects federal public health agencies—specifically the [nine operating divisions](#) that make up the U.S. Public Health Service (PHS) within the Department of Health and Human Services (HHS)—in two key ways. First, the law rescinds certain appropriations made available to these agencies under the [six Coronavirus Disease 2019 \(COVID-19\) relief laws](#). Second, the law introduces new [discretionary spending limits](#) for two years that may affect the amount of PHS appropriations that are made available through regular appropriations.

The PHS includes some key agencies responsible for preparedness and response to public health emergencies, such as the [Administration for Strategic Preparedness and Response](#) (ASPR) and the [Centers for Disease Control and Prevention](#) (CDC). PHS agencies also have significant roles in health research, as such as the [National Institutes of Health](#) (NIH). The U.S. [Food and Drug Administration](#) (FDA), a PHS component, protects health through regulating products such as drugs, foods, and cosmetics, among others. Several PHS agencies support health services for underserved and uninsured populations, for example, the [Indian Health Service](#) (IHS) and the [Health Resources and Services Administration](#) (HRSA). Several PHS agencies fund health programs at the state, local, tribal, and territorial (SLTT) level.

Rescissions

PHS agencies [received](#) roughly \$415 billion from the [five COVID-19 supplemental appropriations measures](#) enacted in 2020 and the [American Rescue Plan Act of 2021](#) (ARPA; P.L. 117-2) budget reconciliation measure. Much of this funding was made available for multiple years or until expended. While the majority of funds were made available specifically for activities related to the COVID-19 pandemic, some of the ARPA appropriations were made available for broader purposes. FRA rescinds selected unobligated balances, as explained in the next sections.

Rescissions from COVID Supplemental Appropriations

FRA rescinds selected unobligated balances of [COVID-19 supplemental appropriations](#) enacted in 2020 from the following accounts:

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- **Public Health and Social Services Emergency Fund Account (PHSSEF).** The [PHSSEF account](#) under the Office of the Secretary received appropriations for many purposes: the [Provider Relief Fund](#); vaccine, treatment, and other medical supply research, development (R&D), and purchase; testing, contact tracing, and surveillance; payments for COVID-19 testing for the uninsured; and other emergency response and health services programs. Several laws included transfers from the PHSSEF account to other PHS agencies, such as IHS and HRSA (see [CRS report table](#)). FRA rescinds unobligated PHSSEF balances from all five relief laws, while preserving at least \$2.9 billion in the account. Some of the remaining amount is designated for specific purposes; for example, \$300 million remains available to the Provider Relief Fund for “necessary expenses for program administration and oversight.” In addition, FRA preserves certain transfers to the HHS Office of the Inspector General and the [Covered Countermeasures Process Fund](#).
- **CDC-Wide Activities and Program Support.** This [CDC account](#) received appropriations for public health activities, such as SLTT public health grants; global health; testing, epidemiology and surveillance; and vaccine distribution and tracking. FRA rescinds unobligated balances from the three laws that appropriated to this account, while preserving a total balance of \$818 million along with transfers made to the [Infectious Diseases Rapid Response Reserve Fund](#).
- **NIH/National Institute of Allergy and Infectious Diseases (NIAID).** NIAID received \$836 million from the first COVID-19 supplemental (P.L. 116-123) for COVID-19 research (with a \$10 million transfer to the National Institute of Environmental Health Sciences for worker-based training to reduce COVID-19 exposure). FRA rescinds all remaining unobligated balances.

Rescissions from American Rescue Plan Act (ARPA) Appropriations

FRA rescinds unobligated balances from certain [ARPA public health sections](#) (shown in parentheses), which were provided to the following HHS [agencies and accounts](#):

- **PHSSEF:** R&D, manufacturing and purchase of vaccines, treatments, and tests and other medical supplies (2303), with exception of \$69 million; testing, contact tracing, and mitigation (2401), excepting \$7.323 billion; Medical Reserve Corps (2502); public health workforce programs (2501); and rural provider funding (9911).
- **CDC:** vaccine distribution activities (2301), with exception of \$103 million; vaccine confidence (2302); genomic sequencing and surveillance (2402), excepting \$714 million; awareness campaign for health professionals (2704); and global health (2403).
- **HRSA:** federal health centers (2601); health workforce programs (2602, 2603, 2604, 2703), Title X family planning (2605); behavioral health programs for health professionals (2705, 2711); pediatric mental health (2712); and the Maternal, Infant, and Early Childhood Home Visiting Program (9101).
- **Defense Production Act (DPA) Medical Supplies Enhancement:** for DPA actions related to medical supplies (3101), excepting \$793 million.

Effect of Recissions

The Congressional Budget Office (CBO) has [estimated](#) the following effect of FRA rescissions by agency and account from all six relief laws, including transfers:

- PHSSEF: \$9.9 billion

- CDC: \$1.5 billion
- NIH: \$0.5 billion
- DPA Medical Supplies Enhancement: \$0.9 billion
- HRSA: \$0.3 billion
- FDA: \$0.1 billion

Other HHS accounts with balances of less than \$50 million would also be affected and may not be reflected in the CBO score. These rescissions affect *unobligated* balances. Funds obligated, but not yet fully expended—such as some multiyear SLTT [public health grants](#)—would not be affected.

It is currently difficult to assess the full scope of programs affected by the rescissions. Based on available information, the following programs are known to have been affected:

- HRSA has stated that the [Provider Relief Fund](#) will make no further payments to providers, including reconsideration payments. In addition, claim payments will not be made under the Uninsured Program or the Coverage Assistance Fund.
- CDC has indicated that the last two years of a five-year [Disease Intervention Specialist workforce grant](#) will no longer be available to grantees.
- [IHS](#) has indicated that \$419 million in transfers the agency received were rescinded.
- A [stakeholder letter](#) indicated that \$84 million was rescinded from PHS Commissioned Corps programs.

Potential Future Funding Implications

Several PHS agencies and funded SLTT health agencies are likely to see a funding “cliff” as pandemic supplemental funding ends. Observers have recounted a “boom and bust cycle” where certain public health agencies see increases during [emergencies](#) and decreases following them. Several analyses have attributed challenges in the U.S response to the COVID-19 pandemic to inadequate or variable public health funding preceding the pandemic, including those by [The Commonwealth Fund](#), [The National Academy of Medicine](#), [the Bipartisan Policy Center](#), and [the Center for Strategic and International Studies](#).

Some Members of Congress [have argued](#) that certain PHS agencies should not see increased funding without further reform and oversight. In addition, some have argued that certain PHS agencies—especially [CDC](#)—should be streamlined and refocused on “core” functions. In addition, funding alone may not address all SLTT public health capacity issues. For example, a [recent analysis](#) found that some jurisdictions have faced legal and institutional challenges in using ARPA grant funding to hire more public health staff.

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