Funding the FDA:
FDA Staffer to House Energy and Commerce Committee Ranking Member (Confidential Information)

Background

You are the lead FDA-policy staffer for the E&C Ranking Member, a very senior House Democrat. The Congressman is a long-time leader on FDA policy issues, and you have served as FDA staffer to him for nearly a decade. This is your third UFA bill, and second with the Congressman as Ranking Member of E&C.

The Congressman is very concerned about the current UFA situation. He worries that a shutdown of the FDA could set the precedent for shutting down and then shrinking any government agency that Republicans feel is unnecessary. You've all seen the damage that a few tweets from a Member of Congress or the Cabinet can do in this 24-hour news cycles era. From a different angle, the FDA is an important agency for many medical device manufacturers and pharmaceutical companies in the Congressman's district. Furloughing workers would lead to an administrative backlog and delay in application processing that could negatively impact the Congressman's constituent companies and potentially voters – depending on how long the shutdown lasts.

Republicans have been pushing for offsets from Medicare and Medicaid, which are both controlled by the E&C Committee. The President has also identified one of the Congressman's favorite FDA initiatives, modernizing generic drug development, as one option for limiting appropriations. Currently, you could allow up to $480 million worth of offsets from Medicare and Medicaid (total) and cut $25 million from FDA appropriations the Congressman advocated for. While you have full authority from the Congressman to make these decisions in the UFA negotiation, you know that he wants to protect as much of these offsets and appropriations as possible.

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Offsets

Recent national controversy over access to health care has put the Congressman in a difficult position. The Republican Party, which controls both chambers of Congress, has tried to gut federal health care programs through defunding landmark legislation from the previous administration, and now it seems that Medicare and Medicaid funding could be next. While the Congressman has been successful in defending the programs thus far, the left-wing media bashes him again and again for not doing more to advance these programs (like supporting single payer). This negative attention is starting to take a toll, and there are rumors of a more liberal candidate challenging him in the upcoming primary.

There is a lot of pressure on your office to deliver a legislative win on health care access. While the Congressman is very concerned with the user fee reauthorization developments, he is struggling to balance it with the other policy priorities before the Committee. There is a "must do" reauthorization of community health centers coming up, and failure to pass that legislation would be devastating to your boss. Members of Congress rarely want to vote against community health centers; however, they have come to expect that offsets will come from Medicare/Medicaid. As a result, you must minimize use of those offsets in the user fee reauthorization. You expect that every **$40 million** in Medicare/Medicaid offsets you provide for the user fee reauthorization will lead to a **decrease of 3** percentage points in overall support for the community health centers bill. The Congressman's Staff Director expects that the bill currently has 95% support. In other words, if you provide no offsets for the user fee reauthorization, support for the upcoming community health centers bill will remain at 95%; conversely, if you provide all your offsets ($480 million), support for the upcoming community health centers bill will fall to 59%.

E&C also controls offsets from the Strategic Petroleum Reserve (SPR), which you anticipate the E&C Chairwoman will be protecting. The Congressman does not care how much of the needed offsets comes from the SPR; therefore, if the E&C Chair offers any amount of offsets from SPR, the Congressman will be fine with it. Similarly, he would agree to using the Prevention and Public Health Fund (PPHF). You know the HELP Committee has been frustrated with using the PPHF, but it is an easy and painless way to pay for bipartisan initiatives. Overall, the Congressman needs you to protect Medicare and Medicaid, which impact millions of people.

Appropriations

In another effort to decrease health care costs for the American people, the Congressman advocated for and proposed $25 million in appropriations for the FDA to modernize generic drug development and review. This funding request is likely smaller than some of the other programs the President identified; however, it could have a significant positive impact on consumer access to affordable prescription drugs. Your boss has been a leader in this area, and his Chief of Staff believes that securing this funding could get some of the more liberal parts of the party off his back. There should be plenty of other money available in other programs to meet the President's demand, and you are responsible for protecting funding for this program during the user fee reauthorization negotiations.

Other Considerations

The Congressman has been getting frustrated with the E&C Chairwoman for refusing to use offsets from other areas of E&C jurisdiction that meet her Republican interests. For example, she rarely offers offsets from telecommunications, energy, or trade. You feel that the Chairwoman tries to milk every penny out of Medicare and Medicaid (at least, that's what you've noticed in your last two UFA negotiations). Why don't they understand that Democrats can't make all the concessions for financing these things? You are sure that the Chairwoman's staff will approach you and ask for support on providing offsets. You want the FDA to stay open, yet you can't sacrifice the Congressman's chances of passing the community health center bill. Those offsets could be used more strategically to win popularity and support for your Congressman.

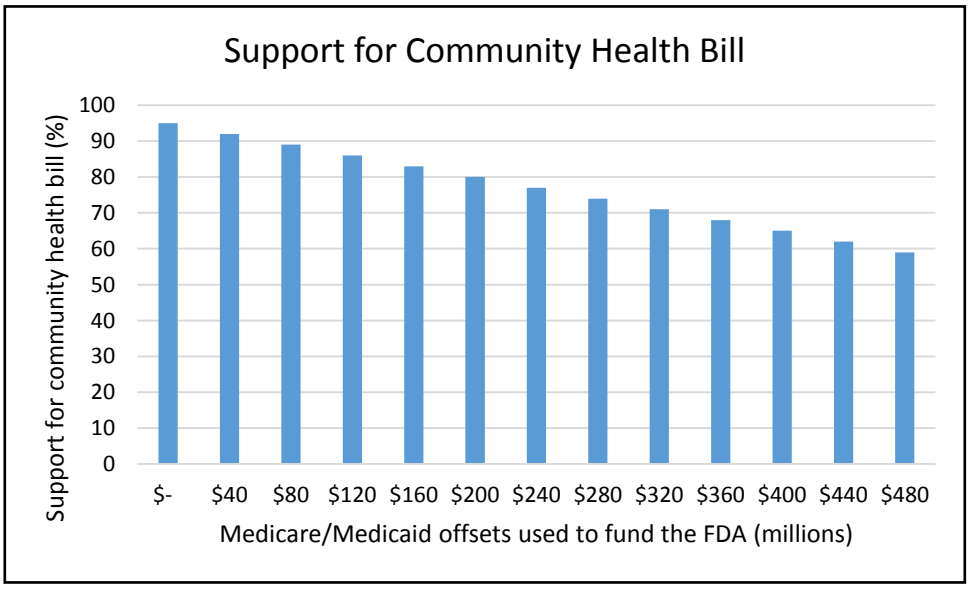
While political and legislative staffers are not sure what the impact of a full shutdown will be, you can expect that it will be significant. The Congressman warned you that failure to reach a deal that meets his constraints could jeopardize his approval rating and reputation in the House.

Resources:

	Offsets ($, millions)	Additional Appropriations ($, millions)	Support (%)	Cost to Support (decrease percentage point)
E&C Chair				
HELP Chair				
E&C Ranking Member	$480	$25	95% for community health centers bill	$40 million in offsets/ -3 pp
HELP Ranking Member				
Total Needed	**$650**	**$100**		

Constraints to a successful deal:

$ millions in offsets	$650
$ millions cut from additional appropriations	$100

Furlough Rate:

Total FDA workers	15,000
Percent of FDA workers furloughed after day 10	80%
FDA reviewers furloughed per day (day 1 to 5)	800
FDA reviewers furloughed per day (day 5 to 10)	1,600