



May 31, 2006

## **CRD ASSOCIATES HEALTH POLICY UPDATE**

### **May 2006**

Congress – The House of Representatives was in session for 18 days during the month of May. The FY07 budget resolution passed and action was completed on three appropriations bills. The Senate was in session for 19 days. It finally dealt successfully with immigration reform legislation and has yet to address any appropriations bills. Both the budget and the immigration legislation require a House-Senate conference to resolve their substantial differences. Neither conference has yet to begin to meet.

Title VII-Health Professions Training – We are continuing to work with our colleagues in the health professions training community to encourage members of the House and Senate to restore the funding that has been cut from the President's FY2007 budget request. Serious interest in restoring the funding has been expressed publicly by numerous members of the House and Senate committees. We are continuing to pressure the subcommittee chair and staff to restore the funding to its FY05 level. Additional funding made available through the committee allocation process has improved our chances for success, but this is not done yet.

As reported last month, the Senate HELP Committee has now dropped its plans to draft a reauthorization bill for Title VII this year. The staff now expects to consider this issue in 2007, although that decision will be revisited after the fall election.

Health Services Research – We are continuing to work with the Friends of AHRQ and the Coalition for Health Services Research, which have now adopted SGIM's policy of promoting investigator-initiated grants within AHRQ's funding. We have met with the staff to the House and Senate Appropriations subcommittees to express SGIM's concern with the shortsighted under-funding of this agency – a position with which they surprisingly agreed.

In addition, we have been actively supporting the funding for Clinical and Translational Science Awards (CTSAs), which are being administered by NIH's National Center for Research Resources. An RFA is on the street, with funding decisions expected later this year.

Veterans Health Funding – We continue to work closely with the Friends of the VA (FOVA) to support higher levels of funding for VA health research and services, including supporting a statement from FOVA sent to members of Congress. The House has approved its VA funding bill for FY07. We were successful in eliminating the \$13 million budget cut recommended in the President’s budget, restoring the funding to \$412 million. On the broader VHA budget for medical services, administration, and facilities, the total funding increased \$25 million above the President’s requested level, which was \$3.5 billion above the FY06 level.

Pay-for-Performance – We are continuing to closely monitor legislative and, more importantly, administrative action with regard to the creation of a pay-for-performance system and the adoption of quality-related standards. No significant actions have occurred this month, but this continues to be a front-burner issue for CMS. The pressure for legislation has lessened in Congress at the moment, but we are continuing to keep in contact with key players there, as well.

Health Policy Committee – Working with the Chair, we established the agenda for the Health Policy Committee conference call, actively participated in the call, and drafted the minutes of the call.

Health Policy Retreat – We have have been working closely with the HPC Chair concerning the upcoming retreat to better define and focus the HPC’s agenda for the coming year. We have crafted an outline of CRD’s scope of work and time commitments to SGIM. We have also produced a suggested means of creating a bi-annual agenda for the SGIM Council and HPC to use as a governing document to help set priorities for their actions. We have also recommended a potential facilitator for the retreat.

Medicaid Identification Issue: Senator Coburn (R-OK) had expressed an interest in holding hearings on this issue. However, his staff shared at the end of May that there was nothing scheduled on this issue for the foreseeable future.

## **June 2006**

Congress – Congress is expected to return from the Memorial Day recess on June 5 and will be in session until June 30, when it will recess for Independence Day. Conference committees may begin to meet to on the Budget Resolution and the immigration legislation, but most observers feel that on both important bills, the House and Senate positions are so far apart that they are almost irreconcilable. Most importantly, on June 7, the House Labor-HHS-Education appropriations subcommittee is scheduled to meet to release its FY07 appropriations bill. This legislation contains funding for Title VII, AHRQ, NIH, and most other health and health research programs.

Title VII – We will continue working with the Health Policy Committee and other advocates in Washington to argue for restoring the cuts recommended in the President’s budget for Title VII. Action is expected on the appropriations bill in the House this month.

Health Services Research – We will continue to work with both AHRQ and NIH to promote policies that enhance federal funding of health services research. We will also continue to take part in a number of the meetings being scheduled by the Friends of AHRQ with legislators and staff. We expect attention to be shifted to the Senate subsequent to House action on June 7.

Veterans Health Funding – With the slight improvements in funding contained in the House appropriations legislation, attention will now turn to the Senate. We will be participating in the meetings and other activities of the Friends of the VA to collectively build our lobbying strategy to obtain more funding for veterans health care and research. A date for Senate action is not yet established.

National Institutes of Health – Much of our effort seeking increased funding in the House and Senate budget resolutions is designed specifically to enable NIH to receive additional funding in FY2007. The focus on these efforts will continue in June, so long as the FY07 budget resolution is unresolved.

Pay-for-Performance – This continues to be an important issue. We will continue to participate in meetings of the major coalitions that are interested in the issue's development and work with the HPC and SGIM's leadership in formulating positions that benefit SGIM members. Legislative action is not expected on pay-for-performance until 2007; a House Ways and Means Committee staff member has said that the issue is unlikely to be considered this year.

Health Policy Committee – Again this month, we will work with the HPC Chair to set an agenda for the monthly conference call, alert members to the call, participate in it, and produce minutes, as well as take any actions derived from the call.

Health Policy Retreat – The Health Policy Retreat is scheduled for June 13 and 14. We will continue to work with the chair to prepare materials for the meeting. We expect to attend and participate in a substantial portion of the retreat and expect that we will have additional materials to produce as a result of the retreat.

### **Status of Key Legislative Issues**

President's Budget – Was delivered to Capitol Hill on February 6. House and Senate budget resolutions are currently stalemated.

House Labor-HHS and Veterans Appropriations Bills – Hearings are currently being held and the crafting of legislation is anticipated in June.

Senate Labor-HHS and Veterans Appropriations Bills – Hearings have begun and no dates have yet been set for the drafting of legislation.

AHRQ Reauthorization Bill – Senate HELP Committee staff expects to begin working on a bill in the near future.

Title VII Reauthorization Bill – Senate HELP Committee staff expects to begin working on a bill in 2007.

Pay-for-Performance – Legislative prospects are uncertain and becoming increasingly unlikely for 2006. CMS demonstration project has begun in scaled-back format.

Genetic Information Nondiscrimination Act (GINA) – This bill has passed the Senate; awaiting action in the House, where the leadership has been opposed to its consideration. The Secretary's Advisory Committee on Genetics, Health and Society has expressed some urgency to Congress on the need to adopt it.