



Cavarocchi-Ruscio-Dennis Associates

Health Policy Report

March 1, 2007

The SGIM leadership and the Health Policy Committee thank all those SGIM members who braved a terrible snow and ice storm in Washington DC to participate in Capitol Hill Day. It was a big success this year and planning is already underway for next year's event!

Overview

The House of Representatives and the Senate have spent the month of February at the beginning stages of dealing with the President's FY08 budget requests. The year-long Continuing Resolution for FY07 (described in last month's report) was signed into law on February 15, clearing the way for a careful look at where the country is headed and what its spending priorities should be.

This process will continue into March and April. We expect that the House will introduce a budget resolution in March that will set the parameters for government spending in broad functional categories. In the meantime, the Appropriations Committees of both houses will be holding hearings with cabinet officers, agency officials and the general public to educate and be educated.

There is an interesting statistic that has developed in the first two months of the new Congress that is worth considering. Readers will recall that the lack of substantive legislative action was one of the most clearly heard charges in the last election. If one compares the days in session in January and February 2005 to the same time period in 2007, one finds the House has increased from

14 day in session to 28 days (100%) and the Senate has increased from 20 days to 30 days (50%). While not a precise measure of legislative activity, clearly Congress can't address problems if it is not in Washington and meeting for that purpose.

This report outlines the status of Board-approved priority issues as we begin some of the most substantive work of the First Session of the 110th Congress. It is in bulleted and brief paragraph format for ease of review. If you require additional information on any of the issues or activities described here – or if you would like to work on any of the issues described here – the final section contains the contact information for the members of the HPC Executive Committee and staff contacts. Please don't hesitate to ask...and to volunteer.

Education Subcommittee Issues

Under the terms of the full-year continuing resolution, SGIM's three priority education programs would be continued at the following levels: Primary care medicine and dentistry - \$48.8 million; Centers of excellence - \$11.9 million; and Faculty loan repayments - \$1.3 million.

Noting that the demand for general internists is projected to grow by 38 percent, while the number of new physicians entering the field has dropped by 50 percent, SGIM is reminding Congress that primary care represents the backbone of the nation's health care system, serving as the first—often the *only*—contact for care and treatment of poor, uninsured and aging populations. For FY2008, SGIM is urging Congress to appropriate \$100 million for Training in primary care medicine and dentistry, \$34 million for Centers of excellence and \$1.4 million for Faculty loan repayments.

As a first step in a long legislative process, SGIM, in coalition with a number of health professions organizations, is asking lawmakers to sign a "Dear Colleague" letter to the House Appropriations Committee, calling for an overall boost in Title VII funding to at least \$300 million. Shortly, SGIM members will be asked to contact their representatives and urge them to sign the letter.

Research Subcommittee Issues

- **AHRQ:** In FY07, AHRQ will be funded at \$319 million for the fourth year in a row. The President's FY08 request is for \$330 million. SGIM is seeking an increase to \$369 million for FY08 that will allow for the reinstatement of investigator-initiated research, fund more comparative effectiveness research and offset losses to inflation that have occurred during four years of level funding. AHRQ's authorizing statute has

expired and the subcommittee is developing an aggressive and comprehensive proposal for reauthorizing the AHRQ statute in 2007 in such a manner that will allow AHRQ to make a real and substantial contribution to addressing healthcare problems. SGIM members are urged to submit their ideas to Chairman Harry Selker at hselker@tufts-nemc.org.

- **NIH CTSA:** As we reported last month, the FY07 Continuing Resolution contained an additional \$620 million for NIH. Unfortunately, the President's FY08 budget would decrease NIH funding by \$511 million from that level. Every major health research advocacy coalition in Washington to which SGIM belongs is supporting an increase of 6.7% per year over three years. Funding at this level would bring NIH spending in FY10 back to the level it was in FY03, the final year of the doubling of the NIH budget. Separately, the National Center for Research Resources continues to move forward aggressively with the creation of CTSAs, designed to replace the old GCRCs. Exact funding levels for FY07 have not yet been announced, but are expected in the near future.
- **VA Research:** VA research funding was appropriated at \$412 million in FY07 and the President's FY08 budget has remained the same. Working through the Friends of the VA, a coalition of health and veterans advocacy organizations, SGIM has endorsed increasing this research budget to \$480 million. This will allow the VA to address research opportunities that are currently not being adequately considered and offset biomedical research inflation, which has eaten into this funding of the last several years.
- **Other Priorities:** At this time, it appears that the additional priority programs of this subcommittee (National Center for Minority Health and Health Disparities, the Office of Research on Women's Health, Rural Health Research, and Public Health Research at the CDC) will all be level funded in FY2007. SGIM supports additional funding for each of these programs in FY08.

Clinical Practice Subcommittee Issues

- **Reimbursement and the RUC:** At the February RUC meeting, the RUC voted to approve the addition of a primary care seat to the RUC. However, the criteria for filling the seat have not yet been defined by the administrative subcommittee. Specialty societies have been given the opportunity to comment on how to populate the seat, and this issue will be discussed at the April meeting.

- **P4P and SGR:** In March, MedPAC will release its report on alternative to the Sustainable Growth Rate. Congressional hearings will be held on this topic and will be the starting point for discussions about how to reform the physician payment system this Congress.
- **National Health Service Corps:** For this program, the President's Budget recommended \$115.9 million, a decrease of \$9.5 million below the CR.
- **Community Health Centers:** The President recommended that Community Health Centers receive \$1.988 billion in funding in FY 2008; this would be level funding from the FY 2007 CR.
- **Rural Health Programs:** For Rural Health Policy Development, the President recommends level funding of \$8.7 million, but he requests the elimination of Rural Health Care Services Outreach Grants, which were funded at \$38.8 million by the FY 2007 CR.

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To volunteer for the HPC, please contact anyone listed above.