



Cavarocchi-Ruscio-Dennis Associates

Health Policy Report

March 30, 2007

See this edition for the latest information concerning the federal budget for AHRQ, health professions, NIH, and more! Learn about Congress's and the administration's impact on your programs and practice.

Overview

The House of Representatives and the Senate have now passed their respective versions of the Budget Resolution and there is actually some good news to report. In the Senate, an amendment sponsored by Senators Specter (R-PA) and Harkin (D-IA) passed which increased health funding by \$2.2 billion. Included in that funding was sufficient money to restore Title VII to its FY2005 level. See the Education subcommittee section below for further information about how this development could ultimately result in more funding for this program.

The budget process will resume after the Easter/Passover recess in April. We expect that the two houses will reconcile the differences between their resolutions and adopt a final version that will set the parameters for government spending in broad functional categories for FY08. The Appropriations Committees of both houses will continue to hold hearings with cabinet officers, agency officials and occasionally the general public to educate and be educated.

In the meantime, Congress continues to be bogged down with attempts to decide how to pay for the Iraq war, in general, and the escalation of troop levels in particular. This emergency supplemental has also passed both houses with the President promising to veto it because the bills set specific

dates by which the troops would have to be out of Iraq. If this issue drags out too long without a conclusion, it could begin to impact on the timeliness of the regular FY08 appropriations bills. We will be watching this possibility closely.

This report outlines the status of Board-approved priority issues as we continue with 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

If the Specter-Harkin amendment is preserved in the final budget resolution, that could open the way to a significant increase in this program. The amendment provides enough funds to restore funding for health professions training programs to their fiscal year 2005 level, or \$882 million. Under that scenario, the Training in Primary Care Medicine and Dentistry program could jump to the 2005 level of \$88 million, Centers of Excellence would be funded at \$34 million, and Faculty Loan Repayments would be at \$1.3 million.

It is important to note, however, that the budget resolution provides only a framework for funding; the final determination rests with the Appropriations Committees. For that reason, SGIM will continue to push Congress to ensure that funds are allocated to our priorities.

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 clinical 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 CTSA's, which are regarded as a high priority item for the NIH leadership. Exact funding levels for FY07 have not yet been announced, but are expected literally any day now.
- **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:** We continue to work with other like minded special societies to determine how to best fill the new primary care seat. More details will be available after the RUC meets at the end of April.
- **P4P and SGR:** This month MedPAC released its report on alternatives to the SGR. MedPAC did not provide options, but no clear alternative to the SGR in its report. Congressional hearings were held immediately following the release of the report, but no further action has been taken.
- **Health Information Technology:** While there is support for health information technology legislation, staff from both parties said HIT

legislation is not likely to be a priority this year. Instead, SCHIP reauthorization, the 10 percent scheduled cut in Medicare physician payments and oversight of the Medicare prescription drug benefit will dominate the health legislative agenda for the rest of the year.

- **Medicaid Identification Rules:** The Congressional Research Service has reported that citizenship documentation rules are raising state administrative costs, subjecting citizens to disparate treatment, and may affect some children attempting to enroll in SCHIP. CRS also found that many of the individuals denied Medicaid under the new requirements may be U.S. citizens. In this Congress, six bills have been introduced that deal with this citizenship documentation requirement, but no substantive action has been taken to date.

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