



**Cavarocchi-Ruscio-Dennis Associates**

# **Health Policy Report**

**May 1, 2007**

**In May and June, Congress will make major initial funding decisions related to appropriations for research and programs of importance to SGIM members. Please watch for email alerts and respond promptly when requested.**

## **Overview**

The House of Representatives and the Senate have still not completed work on the FY2008 Budget Resolution that sets the parameters for government spending across broad functional categories, e.g. health, education, transportation, etc. However, we expect that to happen very soon. In the meantime, the Appropriations Committees are preparing to craft the appropriations bills that will fund the specific programs of interest to SGIM members.

The House Appropriations subcommittee that handles most health-related appropriations is scheduled to draft funding legislation as early as May 8; the full committee is likely to ratify the measure a week later. For this reason, time is of the essence and, as noted in red above, we expect to ask SGIM members to reach out to their representatives in the House to support higher funding levels for AHRQ, NIH, and health programs that assist the underserved and reduce disparities. It is important that you respond quickly when you hear from SGIM on these matters. Your email or phone call, when combined with others from SGIM and other organizations, can make the difference.

As we reported last month (and may again next month), 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 passed both houses and the President will veto it because it sets 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 continue to watch 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 110<sup>th</sup> 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 to the budget resolution is adopted in the final legislation, this opens the way to a significant increase in health professions training programs. The amendment provides sufficient leeway in overall health spending 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. But here again, lawmakers will need to hear from you, their constituents, that these programs fulfill priority needs.

Nearly 100 House lawmakers, led by Rep. Diana DeGette (D-CO), have sent a letter to the House appropriations committee asking that Title VII health professions programs be restored to their 2005 level of \$300 million. SGIM members have been asked to help gain co-signers to a similar letter being circulated in the Senate by Senators Jack Reed (D-RI) and Pat Roberts (R-KS).

### **Research Subcommittee Issues**

- **AHRQ**: AHRQ is currently funded at \$319 million for the fourth consecutive year. The President's FY08 request would increase it to \$330 million. SGIM is seeking an increase to \$369 million for FY08 to

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. This is a program where any increases will benefit SGIM members and it is important that you ask your representative to support additional funding for AHRQ.

- **NIH CTSA:** The President's FY08 budget would decrease NIH funding by \$511 million from the FY07 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. Among the programs that would benefit from this increase is Clinical and Translational Science Awards in the National Center for Research Resources, which are regarded as a high priority item for the NIH leadership. Again, supporting this increased funding is a high priority item.
- **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. The date for considering this appropriations bill (which is a different bill from most other health programs) has not yet been announced.
- **Other Priorities:** SGIM continues to support additional funding for priority programs (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) in the Department of Health and Human Services. NCMHD and ORWH will benefit from any increases directed to NIH; rural health and public health research at CDC need to be separately supported by SGIM members with an interest.

### **Clinical Practice Subcommittee Issues**

- **Reimbursement and the RUC:** At last month's RUC meeting, the Administrative Subcommittee met and made recommendations on how to fill the new primary care seat. The subcommittee recommended that the seat be a rotating one with a two year term. The subcommittee did

not agree with the recommendation from the primary care community that a MD or DO fill the seat. Instead, the subcommittee will allow any primary care practitioner to run for election to the seat, leaving it within the full RUC's discretion to review the qualifications of each candidate.

- **P4P and SGR:** The Physician Quality Reporting Initiative (PQRI) will be launched July 1 as planned and planning is underway for the 2008 program. Congress will be considering the SGR this year, although no significant action has been taken since MedPAC released its report on the SGR in March. A SGR fix could be attached to the SCHIP reauthorization, which is currently being considered. If the SGR fix is considered separately, it is unlikely to be considered before October.
- **Appropriations Issues:** SGIM continues to support increased funding for a variety of important programs. The President recommended that Community Health Centers be funded at \$1.988 billion in FY 2008, which would be level funding. SGIM also continues to advocate for increased funding for the National Health Service Corps. In his budget, the President recommended that this program be funded at \$115.9 million, a \$9.5 million decrease from FY 2007. For rural health programs, the President requested the elimination of the Rural Health Care Services Outreach Grants, which were funded at \$38.8 million in FY 2007 and level funding of \$8.7 million for the Rural Health Policy Development program.

## **Health Policy Executive Committee Contact Information**

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