



Cavarocchi-Ruscio-Dennis Associates

Health Policy Report

June 1, 2007

PLEASE GET INVOLVED

In June, the House and Senate are expected make important funding decisions on health professions education, research and health disparities programs.

**PLEASE RESPOND PROMPTLY
TO SGIM EMAIL ALERTS**

Overview

The House and Senate have completed work on the FY2008 Budget Resolution that sets overall spending targets for health, education and other federal programs. With that blueprint in place, this month the House and Senate Appropriations Committees will develop specific funding recommendations for the programs that are of critical importance to SGIM and its members.

The House appropriations subcommittee that has jurisdiction over most health-related programs is scheduled to “mark-up” the appropriations bill on June 7; its Senate counterpart will do the same sometime in mid-June. Time is of the essence and, as noted above, SGIM members will be called upon to reach out to their representatives in the House to support higher funding levels for AHRQ, NIH, Title VII and health programs that assist the underserved and reduce disparities. It is vital that you take action 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 an important difference.

Since the President and Congress have agreed on continued funding for the Iraq war—at least until September—lawmakers will spend the next several weeks on advancing the 12 appropriations bills that keep the government running, including the Labor-HHS-Education bill that funds Title VII, NIH and AHRQ. The farther along they get, the less chance the Iraq war debate will impinge on funding for domestic programs. We continue to monitor this issue closely.

This report outlines the status of Governing Council-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—or would like to get more involved in advocacy—the last section of this report 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

SGIM members have been playing an active role in convincing appropriators to increase funding for Title VII health professions training programs.

Calls and emails from SGIM members and others convinced nearly 100 House lawmakers to co-sign a Dear Colleague letter from Rep. Diana DeGette (D-CO), urging the House Appropriations Committee to restore Title VII health professions programs to their 2005 level of \$300 million. A similar effort in the Senate, spearheaded by Senators Jack Reed (D-RI) and Pat Roberts (R-KS), has drawn 50 co-signers.

While it remains to be seen how the appropriators will respond, the fact that significant numbers of their colleagues have gotten behind Title VII should help boost funding.

Research Subcommittee Issues

- **AHRO/Comparative Effectiveness Research Trust Fund:** The FY08 Budget Resolution created a trust fund to use Medicare money to support comparative effectiveness research (CER), potentially at levels significantly higher than ever seen before. SGIM is working aggressively with the House and Senate authorizing committees in an effort to shape this legislation, which Congress hopes to complete by September 2007. In the meantime, on the appropriations front SGIM is urging lawmakers to boost AHRQ funding to \$369 million (apart from what Congress may allocate through the CER trust fund). AHRQ funding has been stalled at \$319 million for the past four years. The

President budget has asked for an increase, to \$330 million. SGIM's proposal would reinstitute funding for investigator-initiated research, and make up for losses due to inflation over the past four years. 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. House and Senate funding levels should be known by the end of June.
- **VA Research:** There have been some favorable developments with regard to VA medical and prosthetics research during the month of May. The FY07 supplemental appropriation bill that included the Iraq war funding also included \$32.5 million for VA research "related to the unique needs" of veterans returning from Iraq and Afghanistan. Then, on May 22, the House Appropriations subcommittee produced its FY08 bill that increased VA research to \$480 million, the exact amount advocated by SGIM and our partners in the Friends of the VA. (The FY07 level had been \$412 million and was increased by the supplemental to \$444.5 million). The bill is scheduled to be voted in full committee on June 7 and on the House floor on June 13. The Senate action is not yet scheduled.
- **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:** The RUC will be voting on whether to add a primary care seat to the RUC at its September meeting. At the April 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. SGIM and other like-minded organizations are considering whether they should continue to work within the RUC system after this setback.
- **P4P and SGR:** The Physician Quality Reporting Initiative (PQRI) will be launched July 1 as planned and planning is underway for the 2008 program. On the CMS website, providers can find information that will help them prepare for the program's launch. In the next few weeks, CMS will be posting worksheets for each measure that providers can use to determine whether they can report on a particular measure. Congress will be considering the SGR this year, but no specific timetable has been determined.
- **Health Information Technology:** Last month legislation was introduced in the House and Senate that would reform the Medicare fee-for-service program by adding a chronic care coordination benefit. A large part of the discussion at the Senate Aging Committee hearing on this legislation focused on health information technology. HIT and health information exchange (HIE) are important components of care coordination as they are used to set the standards for information sharing. At this hearing, it was noted that unlike in other countries the United States places the burden of paying for HIT on providers rather than payors, yet payors receive more direct benefits from HIT.
- **Appropriations Issues:** Both the House and Senate are expected to markup their Labor-HHS appropriations bills this month. As the markups approach, 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.

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