



Cavarocchi-Ruscio-Dennis Associates

Health Policy Report

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Congressional leaders push for 2nd stimulus package to jump-start the economy

Economic slump fuels health care reform discussions

NIH changes at the top

Overview

As more evidence mounts that a recession is taking hold of the U.S. economy, congressional leaders are trying to build support for a second economic stimulus package aimed at jump-starting the economy—one that may include added funding for NIH.

A few days ago, the Labor Department released jobless claims numbers showing that new applications for unemployment assistance rose by 15,000, and that home foreclosure filings jumped by 70 percent in the third quarter. With that disheartening news, congressional Democrats have called for a \$150 billion to \$300 million economic recovery bill focused on infrastructure resources, unemployment insurance, food stamps and Medicaid assistance.

SGIM has joined with other medical societies, research institutions and industry organizations calling on Congress to include \$1.9 billion in the stimulus package for the National Institutes of Health, noting that in addition

improving health and quality of life, medical research contributes to economic growth by creating skilled jobs, new products and improved technologies. House Speaker Nancy Pelosi (D-CA) and Senate Majority Leader Harry Reid (D-NV) are both pushing for a broad stimulus package, either during a post-election lame-duck session or early in 2009.

In the meantime, experts continue to argue over whether the federal government's costly bailout of Wall Street will stall work on health care reform or pave the way for an expansive overhaul of the nation's health care system. For his part, Senator Edward Kennedy (D-MA) has been convening meetings with members of both political parties and a wide range of organizations in an effort to craft reform legislation to present to the new president and Congress early next year. These include 14 roundtable meetings attended by Kennedy aides and staff for both Democrats and Republicans on key Senate committees. Kennedy hopes to introduce a bill early next year.

Earlier this month, NIH Director Dr. Elias Zerhouni announced his departure, effective October 31. Dr. Raynard S. Kington will take over as Acting NIH Director. Kington has served as Zerhouni's principal deputy since 2003. He previously served in other positions at NIH and the Centers for Disease Control and Prevention. In other changes, Norka Ruiz Bravo, Ph.D. has announced that she will step down as NIH deputy for extramural research. She will be replaced by Sally J. Rockey, Ph.D.

In the paragraphs below, we provide some of the latest information on the status of SGIM's priority issues. If you require additional information on any of the issues or activities described, 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

For the near-term, securing adequate appropriations for key Title VII training programs remain a priority for SGIM, as does the reauthorization of the underlying statute that guides the Training in Primary Care Medicine and Dentistry, Centers of Excellence and HCOP programs.

While lawmakers have deferred any further action until a new president and a new Congress take office in January, SGIM is in the process of collecting "profiles of success," which will be used to buttress our advocacy efforts with real-life vignettes describing what grantees were able to accomplish as a result of Title VII funding. Contributors are asked to complete a short questionnaire and send that information to Dr. Angela Jackson at Angela.Jackson@bmc.org. To view sample profiles go to: <http://www.aamc.org/advocacy/laborhhs/healthprof/profiles.htm>.

Research Subcommittee Issues

- **AHRQ/Comparative Effectiveness Research Trust Fund:** Resolving the appropriations stalemate discussed above is critically important for AHRQ, where SGIM had a major victory in June. The Senate bill retains AHRQ funding at \$334 million, but creates a \$6.0 million fund for investigator-initiated research. The House bill is even better. It funds AHRQ at \$375 million. Included within that is \$50 million for comparative effectiveness research (up from \$30 million in the current year and in the President's budget recommendation). The House bill also funds investigator-initiated research – at a level of \$13.0 million.
- **NIH/CTSA:** The Senate version of the NIH appropriations bill contains a \$1.025 billion increase for the National Institutes of Health. Included within the \$30 billion in total funding is \$474 million for the Clinical and Translational Science Awards program, up from \$471 million in FY08. The House appropriations bill has a \$1.2 million increase for NIH. While the bill does spell out a specific amount for CTSA's, the committee report does express disappointment with the underfunding of the program and asks for a report on the status of the program.
- **VA Research:** The VA, along with Defense and Homeland Security, is among the few departments whose appropriations bills were passed by Congress. And we did enjoy a victory in the research funding there. Congress increased funding for medical and prosthetics research from \$480 million in the current year to \$510 million for FY09, an increase of 6.25%.
- **Other Priorities:** Among the other priority programs we are monitoring, the budget for the National Center for Minority Health and Health Disparities at NIH would increase by the same percentage as the overall House and Senate levels for NIH (about 4.1% and 3.3%, respectively). Rural Health programs at HRSA that the White House recommended slashing from \$129 million to \$17 million are funded at \$122 million in the House and \$143 million in the Senate. Public Health Research at CDC is level funded in both bills at \$31 million. The CR retains all of these programs at their FY08 levels.

Clinical Practice Subcommittee Issues

- **P4P and SGR:** As Congress prepares to draft healthcare reform legislation to be introduced in the next Congress, both P4P and SGR

reform have been topics discussed in hearings held by both the House Ways & Means Committee and the Senate Finance Committee. How Congress might address these two issues is not yet known.

- **The RUC:** The RUC recently met in Chicago. Cognate groups are discussing ways to work the RUC process more effectively. Dr. Bill Rich's term as RUC Chairman is expiring, and the cognate groups would like to unite behind a single nominee.
- **Health Disparities:** Congress included the Medicaid moratorium, which prevents the Centers for Medicare & Medicaid services from implementing a proposed rule that would eliminate Medicaid graduate medical education payments to teaching hospitals in its 2008 emergency supplemental appropriations bill. CMS will not be able to implement this rule until April 2009; at that time, another administration will be in place and it may not want to continue this policy from the Bush administration.
- **Health Information Technology:** Ways & Means Health Subcommittee Chairman Pete Stark introduced HIT legislation that would require the government to create standards for health information technology by 2011 and nine months later to develop an open-source technology that could be made available to health care providers at "a nominal cost." It also would create new privacy protections, prohibiting the sale of health information and increasing fines for privacy violations up to \$1.5 million in the most serious cases. HIT legislation will be an issue for Congress to consider again in the next session.
- **Appropriations Issues:** The House and Senate have begun working on the Labor-HHS appropriations bills. The following are the recommended funding levels for programs of interest: \$134.9 million in the House and the Senate and for the National Health Service Corps, \$2.16 billion in the House and \$2.2 billion in the Senate for Community Health Centers, \$9.7 million in the House and \$9 million in the Senate for Rural Health Research and \$53.9 million in the House and \$51.4 million in the Senate for Rural Health Outreach Grants.

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To volunteer to serve on the HPC and its subcommittees, please contact anyone listed above.