



Cavarocchi-Ruscio-Dennis Associates

Health Policy Report

December 1, 2007

December may be a critical month for:

**Title VII Diversity and Training Programs
NIH Research Funding
AHRQ Funding**

(If this headline looks familiar, it's because it is!)

Overview

Congress and the Administration remained locked in a seemingly intractable budget battle—a battle that could easily result in another year-long Continuing Resolution that would undermine the successes we have had in funding for diversity and other programs.

SGIM's leadership, the Health Policy Committees and individual members continue to work tirelessly to secure responsible levels of funding for training, research and disparities programs that affect the Society's members and their patients. It remains fully engaged in the effort to prevent a scheduled 10.1 percent reduction in Medicare physician payments that is scheduled to occur on January 1. And, it continues to work vigorously with both the House and Senate for enactment of a major comparative effective research program and a significant boost for training programs that foster diversity.

Now, as we head into December, positions have hardened between the Congress and the White House and this lack of cooperation threatens to create near-complete gridlock on appropriations bills and many other major legislative matters.

SGIM members were very supportive of the Society's efforts to obtain a congressional override of the President's veto of the FY08 Labor-HHS-Education appropriations bill. Working with our colleagues throughout the Washington healthcare and health research advocacy communities, thousands of phone calls and emails poured into nearly every congressional office in the days leading up to the vote. If two members who voted "no" changed their votes to "yes," the override would have been successful. (The Constitution requires two thirds of those present and voting to vote in the affirmative in both houses to override a veto – a very tall order.)

The current plan calls for combining the health and education appropriations measure with every other unpassed appropriations bill (there are currently ten) into an "omnibus" bill, passing it in both houses and sending it to the President. The strategy is to split the difference between the appropriations levels in the bills and what the President requesting. This will result in reducing those bills by about \$11 billion, including about \$5 billion from the Labor-HHS-Education measure.

How that reduction is implemented will be crucial to the programs supported by SGIM. Using the Primary Care Medicine and Preventive Dentistry line item under Title VII as an example, the President recommended zero funding. Congress recommended \$48.8 million. If the reduction is done program by program, the \$48.8 million would be reduced to \$24.4 million. On the other hand, if all programs were subjected to an across-the board cut, the \$48.8 million would become about \$47.3 million. It is expected that this will done with some sort of "hybrid" system, but the details remain unclear.

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

While budget negotiations continue in Congress, the Education Subcommittee's focus remains on preserving the Training in Primary Care Medicine and Dentistry (TPCMD) program at the \$48.8 million level, and convincing those involved in those negotiations to safeguard significant increases proposed for two key diversity programs: Centers of Excellence and the Health Careers Opportunity Program (HCOP). The bill vetoed by

President Bush would have provided \$20.1 million for the Centers program, an increase of \$8.2 million over current funding, and \$16.2 million for HCOP, an increase of \$12.2 million.

Also on the training front, the vetoed measure included language directing the National Institutes of Health to set aside one percent of funds available for National Research Service Awards to support research in primary care medicine. Lawmakers recently became aware that the set-aside language was overlooked when Congress last year passed the NIH reauthorization bill. The set-aside funds are to be transferred to the Health Resources and Services Administration.

Research Subcommittee Issues

- **AHRQ/Comparative Effectiveness Research Trust Fund:** The House has passed a CER program that included \$300 million in funding for three years. The Senate has begun work on a similar bill that is expected to be released on December 5 as part of legislation to patch the 10.1 percent Medicare reduction. SGIM is focused on getting this legislation enacted at the earliest possible date. In the meantime, both the House and Senate have crafted appropriations bills that increase AHRQ's funding to \$330 million – the first increase in four years. Within this \$330 million is another \$30 million for CER in appropriated funds. We believe that this level of funding, which was also the President's requested level, is the most likely level for the next fiscal year unless it is subjected to an across-the-board reduction, as discussed in the introduction above.
- **NIH/CTSA:** The House of Representatives (1.9%) and the Senate Appropriations Committee (2.8%) adopted appropriations bills with modest increases in NIH funding. The Conference Report that was vetoed by the President actually included a 3.8 percent increase. Among the programs that are expected to benefit from any increase in NIH funding is Clinical and Translational Science Awards in the National Center for Research Resources, which is regarded as a high priority item by the NIH leadership. SGIM is working with the House and Senate committees to obtain the highest level of NIH funding and to assure that there is no restrictive language with regard to the CTSA implementation. This funding is also including in the appropriations bill discussed in the Overview section, above.
- **VA Research:** There have been significant developments with regard to VA medical and prosthetics research. The Senate has passed legislation to appropriate \$500 million for next year; the House had earlier passed its counterpart bill with funding for this program set at

\$480 million. The House-Senate conference agreed to include the \$480 million proposed by the House, or \$66 million more than last year. The bill that includes this funding could be made part of the omnibus appropriations bill discussed above, or could be subject to a separate vote. That decision has not yet been definitively made.

- **Other Priorities:** Among the other priority programs we are monitoring, the National Center for Minority Health and Health Disparities at NIH is up by \$5.5 million in the Conference Report. Rural Health Research received an \$800,000 increase (9 percent). Public Health Research at CDC is level funded in the Report. Again, this legislation is currently the subject of the dispute over funding levels between the White House and Congress.

Clinical Practice Subcommittee Issues

- **P4P and SGR:** The Senate's Medicare package is scheduled to be released and marked up this week. They have been working closely with the House as they have assembled their package. However, we still do not know if the package will include a one or two year fix. Finding money to pay for the fix has been the biggest issue in determining whether it will be for one or two years. Please be prepared to contact your members when the House and Senate negotiate on this issue.
- **The RUC:** At this point, it does not appear that the study language submitted by ACP and AAFP will be included in the Senate Medicare package. ACP has decided not to push for its inclusion and focus instead on supporting language for a primary care medical home demonstration. However, we will be working closely with ACP after the close of this legislative session to develop strategy to improve primary care's representation on the RUC.
- **Medicaid Citizenship Documentation Requirement:** The CHAMP Act provision that amends the requirements for documenting citizenship and identity were not included in the final SCHIP package. This issue will be revisited once the Senate completes its Medicare package.
- **Limited English Proficiency:** The CHAMP Act included a section that requires CMS to conduct a demonstration program of the effect of Medicare reimbursement for culturally and linguistically appropriate services. This issue may become part of the Medicare package that the Senate is working on this month.

- **Health Information Technology:** This month the Senate was scheduled to consider the Wired for Health Care Quality Act. However, several Senators have “holds” on the bill, preventing it from coming to the floor. Republicans expressed concern that the bill does not go far enough to protect personal privacy or establish in law fundamental rights to privacy in patient health information.
- **Appropriations Issues:** The House provided \$2.19 billion for Community Health Centers, while the Senate recommended an increase to \$2.23 billion. For the National Health Service Corps, the House provided \$131.5 million and the Senate provided \$125.6 million; the President had recommended the program be funded at \$116 million. Both the House and the Senate increased funding for Rural Health Research to \$9.5 million from \$8.7 million. Decisions on funding for these programs has been delayed by the dispute between the President and Congress over funding levels.

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