



Cavarocchi-Ruscio-Dennis Associates

Health Policy Report

September 30, 2008

House and Senate postpone funding action until March 6, 2009...at best.

Wall Street bailout takes all the attention away from funding issues.

Key staffs continue to work quietly on healthcare reform for next year.

Overview

September 26 was the target adjournment date for the House and Senate but the best laid plans of Congress often go awry. With the financial markets under severe stress and the election looming in the background, Congress in the last two week of September turned the major part of its attention to trying to find a formula to prevent an economic collapse.

The major funding issues of interest to SGIM members were delayed until next year through the passage of a Continuing Resolution (CR) that maintains programs at FY08 levels until March 6, 2009. Prior to that time, the next Congress, which will take office on January 5, 2009, will have to either pass a set of appropriations bills, extend the CR until September 30, or some combination thereof.

When the then-Republican majority failed to pass any appropriations bills in 2006, the new Democratic majority came to power in January 2007 and

promptly decided that they could not do two years of appropriations bills in one year. As a result, they extended the CR to the end of the fiscal year. The difference in this case is that the Democrats are expected to maintain, and maybe even expand, their majority. The fact that they now have the staff and infrastructure in place to produce legislation would make it more possible that they would consider the bills.

The reason this is important is that there are some modest increases in funding for some key programs in the House and Senate bills. For example, the Centers of Excellence (COE) program and the Health Careers Opportunity Program (HCOP) – both important diversity programs – are in line for increases in the House bill, as is the Agency for Healthcare Research and Quality (AHRQ). A year-long CR will erase these increases.

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 will be asked to complete a short questionnaire and submit a digital photograph. To view profiles previously compiled on the HCOP and Centers of Excellence programs, 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:** Congress has heard testimony from experts that the RBRVS needs a major overhaul in order to provide equitable reimbursement for providers. If Congress addresses this in healthcare reform legislation, it could directly impact the RUC.

- **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.

Health Policy Executive Committee Contact Information

Bill Moran, HPC Chair	moranw@musc.edu
Laura Sessums, HPC Co-Chair	laura.sessums@us.army.mil
Nancy Rigotti, Council Liaison	nrigotti@partners.org
Preston Reynolds, Chair, Education Sub.	pprestonreynolds@comcast.net
Harry Selker, Chair, Research Sub.	hselker@tufts-nemc.org
John Goodson, Chair, Clinical Practice Sub.	jgoodson1@partners.org
Patty Harris, Chair, Member Devel. Sub.	patricia.f.harris@medstar.net
Francine Jetton, SGIM Staff	jettonf@sgim.org
Lyle Dennis, CRD Associates	ldennis@dc-crd.com
Dom Ruscio, CRD Associates	druscio@dc-crd.com
Erika Miller, CRD Associates	emiller@dc-crd.com

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