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The Coalition for Health Funding is pleased to provide the Subcommittee with its testimony recommending FY '08 funding levels for the agencies and programs of the U.S. Public Health Service. Since 1970, the Coalition's member organizations, representing 40 million health care professionals, researchers, patients and families, have been advocating for sufficient resources for PHS agencies and programs to meet the changing health challenges confronting the American people. One of the important principles that unites the Coalition's members is that the health needs of the nation's population must be addressed by strong, sustained support for a continuum of activities that includes biomedical, behavioral and health services research; community-based disease prevention and health promotion; health care services for vulnerable and medically underserved populations; ensuring a safe and effective food and drug supply; and education of a health professions workforce in adequate numbers to address the breadth of need.

The Coalition for Health Funding believes the Bush Administration, and Congress, have undermined progress that has been made and also missed an important opportunity to improve the health of all Americans by reducing rather than investing more resources in the agencies and programs of the U.S. Public Health Service. Federal spending for public health has always been low compared to other health spending, amounting to three percent of total health care spending according to the Centers for Medicare and Medicaid, and yet an investment in public health has the potential to slow unsustainable growth in mandatory costs, reduce lost productivity at work, school and home, and strengthen every citizen's contribution for a healthy, economically strong America.

Instead of investing in these proven approaches, in recent years we have seen serious erosion of resources. Last year, through the strong efforts of a few House and Senate Members of Congress working with the advocacy community, the bleeding was staunch somewhat through the addition of \$7 billion in funding for the agencies and programs under the jurisdiction of the Labor-HHS-Education Appropriations Subcommittees. However, as the table below shows, health agencies did not benefit across the board, with CDC, HRSA and SAMHSA funded in the final FY '07 Joint Resolution below FY '05 by a total of \$837 million. In addition, all of the health agencies still face shortfalls when compared with FY '05 when inflation is accounted for. The President's FY '08 budget request cuts even more deeply – another \$1.1 billion below FY '07 and a full \$1.6 billion below FY '05.

The Coalition for Health Funding urges the Subcommittee to reject the President's proposal to reduce the nation's investment in public health and instead join over 400 health organizations that, in letter dated February 26th urged Congress to make an investment in public health of \$4 billion over FY 2007 levels. As that letter states:

”The investment in disease prevention and health promotion for all Americans needs to grow, as our nation struggles with escalating health care costs, growing numbers of uninsured, and the prospect of declining health measured by overall morbidity and mortality. Over the past four years we have seen a decrease in that investment. The President's budget for FY 2008

continues to seriously underfund and undermine an important part of the solution: public health activities and programs.

While the final FY 2007 funding resolution provided needed increases to selected programs, most public health programs were held at FY 2006 funding levels. The undersigned organizations urge you to increase funding for public health through the Function 550/discretionary budget allocation in Fiscal Year 2008 by an amount that will restore funding cuts to public health programs enacted in FY 2006, and restore lost purchasing power. It is estimated that an additional \$4 billion, 7.8 percent, will be needed in FY 2008 to meet that goal and reverse the erosion of support for the continuum of biomedical, behavioral and health services research, community-based disease prevention and health promotion, basic and targeted services for the medically uninsured and those with disabilities, health professions education, and robust regulation of the nation's food and drug supply."

The following is a partial list of the Coalition's FY 2008 recommendations for specific U.S. Public Health Service agencies. The Coalition developed these recommendations working with eight other health coalitions with a more targeted focus on one agency.

National Institutes of Health (NIH)

The Coalition supports \$30.869 billion in FY '08 for the National Institutes of Health, a 6.7 percent increase over the FY '07 funding level. This recommendation begins a three year process for restoring NIH's purchasing power following four years of flat funding at the end of the doubling in FY 2003. The President's FY '08 budget request, by contrast, cuts NIH \$310 million below FY '07. Enactment of the Administration's proposal would mean about a 13 percent cut in inflation-adjusted dollars in the biomedical research capacity of our nation. The result is NIH is funding fewer research projects, slowing our progress against disease and disability and discouraging talented young people from pursuing careers in medical research. Scientific discoveries are the result of a series of incremental steps that pave the way for future breakthroughs. This process needs sustained support.

Centers for Disease Control and Prevention (CDC)

The Coalition for Health Funding recommends a level of \$7.7 billion for CDC's core programs in FY '08. This amount is \$1.6 billion more than the FY '07 funding level and \$1.8 billion more than the President's request for FY '08. This amount reflects CDC's professional judgment for core CDC programs that address prevention of chronic diseases, infectious diseases including adult and child immunization, and support for basic public health infrastructure. CDC is the nation's primary investment in disease prevention and health promotion. Since FY '05, the agency's core programs have lost \$500 million in funding. It is astounding this decline has been allowed to occur when the nation faces the challenge of galloping obesity and its ensuing costly chronic disease; new and emerging infectious diseases like West Nile virus and those caused by antimicrobial resistant bacteria; vaccine-preventable diseases that occur every day; still growing numbers of Americans with HIV, with an estimated 250,000 who do not know they are infected; and a public health infrastructure that still needs shoring up after decades of neglect and that is facing massive loss of its trained workforce. One example that summarizes the shocking condition of core CDC programs is the National Center for Health Statistics (NCHS). Due to a shortfall of a mere \$3 million in FY 2007, NCHS does not have the funding it needs to collect vital birth and

death statistics from States for the last three months of this calendar year. If this is not addressed, the U.S. will be the first industrialized nation in the world unable to collect this information, and as Rep. Rosa DeLauro, a Member of the House Labor-HHS-Education Subcommittee on Appropriations commented, "... [this will] compromise our ability not only to target our own public health interventions and evaluate our health standing on the international stage, but also monitor causes of death, including infectious diseases like influenza. As you know, death records are the first line of defense in our preparedness system, serving as the warning bell for a pandemic outbreak."

Health Resources and Services Administration (HRSA)

The Coalition for Health Funding recommends an overall funding level of \$7.5 billion for HRSA in FY '08. This amount is \$617 million, or 8.9 percent, more than the FY '07 funding level, and is \$1.7 billion more than the President's request. This is the amount that the Coalition believes is needed to provide adequate resources for the important programs that HRSA administers.

The Coalition is extremely concerned about recent deep cuts in funding to HRSA, the federal agency whose central stated mission is to achieve 100 percent access to health care services with zero disparities. This is simply not achievable with a cut of over 6 percent in FY '06 and a proposed additional cut of 8.5 percent in the President's FY '08 budget. Chief among the cuts enacted in FY '06, and proposed for complete elimination in the President's budget request, are the Title VII Health Professions education programs. In addition, the President's FY '08 budget cuts the Title VIII nursing education programs by \$44 million, or nearly 30 percent. The Title VII and the Title VIII nursing education programs are the only federal programs designed to train providers in multidisciplinary settings to meet the needs of special and underserved populations, as well as increase the minority representation in the health care workforce. Cuts imposed in FY '06 of 51.5 percent, including elimination of 7 Title VII programs, will only exacerbate racial and geographic disparities. Graduates of these programs are 3-10 times more likely to practice in underserved areas and are 2-5 times more likely to be minorities. The Coalition urges the Subcommittee to restore funding levels for Title VII to the FY '05 level, and not only reject proposed cuts for Title VIII, but increase funding for this program addressing well-documented nursing shortages.

The Coalition also rejects the proposed 63 percent cut in Children's Hospitals Graduate Medical Education. Children's hospitals do not have access to Medicare funds to help train physicians that care for sick children.

The Coalition deplores the elimination of several other HRSA programs in FY '06 including the Trauma-EMS Systems program, which supports states in the development of systems to ensure severely injured individuals receive quality trauma care in a timeframe that ensures optimal outcomes, and the Healthy Community Access program and state planning grants designed to close gaps in access to health care for uninsured individuals. Proposed elimination in the President's FY '08 budget of the Children's EMS program, the Traumatic Brain Injury program, the Universal Newborn Screening program, the Rural and Community Access to Emergency Devices program to train lay rescuers and first responders to use Automated External Defibrillators, and a 90 percent cut for the Office of Rural Health Policy diminish both targeted prevention activities and health care access. Further, a cut of \$31 million in FY '06 to the Maternal and Child Health program, followed by a hard freeze in FY '07 and a proposed freeze in the President's FY

'08 budget request, has reduced services across the nation to the more than 26 million pregnant women, infants and special needs children served by the MCH Block Grant. MCH programs increase immunizations, newborn screening, reduce infant mortality and developmentally handicapping conditions, prevent childhood accidents and injuries, and reduce adolescent pregnancy.

Substance Abuse and Mental Health Services Administration

The Coalition for Health Funding recommends an overall funding level of \$3.532 billion for SAMHSA in FY '08. This amount is \$207 million, or 6.2 percent, more than the FY '07 funding level, and \$364 million more than the President's budget request, which includes a \$157 million cut for SAMHSA programs.

Despite the recent release of the federal "Action Agenda" to ensure that people with mental illness have every opportunity for recovery, the President's FY '08 budget proposes to cut mental health services by \$77 million, or 8.7 percent, following a cut in FY '06 of \$17 million. This means that the charge from the President's New Freedom Commission on Mental Health for transforming the mental health system cannot occur if SAMHSA funding continually erodes. The need to make mental health a national priority is nowhere better illustrated than in the shocking rates of suicide and suicide attempts in the U.S. despite the Commission's finding that suicides are "a largely preventable public health problem." According to CDC, the suicide rate among U.S. residents younger than age 20 increased by 18% from 2003-2004, the only cause of death for teens that increased. Up to 35,000 children displaced by Hurricane Katrina in 2005 are having emotional, behavioral or school problems with a fourfold increase in those diagnosed with clinical depression or anxiety and a doubling of behavioral, or conduct problems after the hurricane. A proposed FY '08 mental health budget that is less than it was in FY '03 does not allow SAMHSA to meet existing needs, let alone respond to the consequences following a disaster.

The Coalition is disappointed that the President's FY '08 budget proposes cuts in funding for substance abuse programs by \$84 million and recommends a \$100 million increase for the Substance Abuse Treatment and Prevention Block Grant and a \$15 million increase for discretionary treatment programs and a 17 million increase for discretionary prevention programs. Substance abuse is a significant and very costly national problem involving an estimated 21.6 million Americans – over 9 percent of the population – and needs investment in both treatment and prevention. Currently only 18 percent of all Americans over the age of 12 who need treatment receive it. Emerging trends also need specific attention: returning veterans with mental health and substance abuse problems that are not eligible for VA services, or will not use them due to stigma; and growing methamphetamine addiction. Clearly, a stronger investment for this problem, which is estimated to cost the nation \$346 billion, is needed.

The Coalition appreciates this opportunity to provide its FY '08 recommendations and looks forward to working with the Subcommittee in the coming weeks and months.

COALITION FOR HEALTH FUNDING FY '08 RECOMMENDATIONS
(in millions of dollars)

Agency	FY '05 Enacted	FY '06 Enacted	FY '07 Enacted	Pres. FY '08	Pres. FY '08- FY '07	CHF FY '08 Rec.	CHF FY'08 - FY '07	% change
NIH	\$28,494	\$28,428	\$28,931	\$28,621	-\$310	\$30,869	+\$1,938	+6.7%
CDC*	\$6,399	\$6,089	\$6,095	\$5,824	-\$271	\$7,705	+\$1,610	+26%
HRSA **	\$7,349	\$6,594	\$6,883	\$5,802	-\$586	\$7,500	+\$617	+8.9%
SAMHSA	\$3,392	\$3,325	\$3,325	\$3,168	-\$157	\$3,532	+\$207	+6.2%
AHRQ	\$319	\$319	\$319	\$330	+\$11	\$350	+\$31	+9.7%
FDA	\$1,450	\$1,466	\$1,557	\$1,641	+\$84	\$2,000	+\$443	+28%
IHS	\$2,985	\$3060	\$3,170	\$3,271	+\$101	\$3,452	+\$282	+8.8%
TOTALS	\$50,306	\$49,241	\$50,186	\$48,657	-\$1,128	\$55,408	\$5,128	+10.2%

NIH – National Institutes of Health
 CDC – Centers for Disease Control and Prevention
 HRSA – Health Resources and Services Administration
 SAMHSA – Substance Abuse and Mental Health Administration
 AHRQ – Agency for Healthcare Research and Quality
 FDA – Food and Drug Administration
 IHS – Indian Health Service

* Numbers do not include emergency funds, e.g. pandemic flu, Vaccines for Children, or ATSDR. The CHF FY 2008 recommendation reflects CDC professional judgment for core programs

** In FY 2007 \$495 million for Hospital Bioterrorism Preparedness and Curriculum Development was transferred to DHHS, OS; in FY 2008 \$414 million was transferred; the difference between FY 2007 and Pres. FY 2008 accounts for the transferred \$495 million resulting in a difference of -\$586 million.