

OSR Focus on Legislative Affairs

A Resource for OSR Representatives

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Tomorrow's Doctors, Tomorrow's Cures

Concise updates on recent legislation. Additional information may be found on the AAMC's Government Affairs website and online editions of Washington Highlights: www.aamc.org/advocacy/start.htm

NIH Reauthorization Update *by Chris Langhammer*

On January 15, 2007, President Bush signed the National Institutes of Health Reform Act of 2006. Approved in the final hours of the 109th Congress, the Act contains three components relevant to NIH activities: 1) authorizes appropriations for the NIH through Fiscal Year (FY) 2009; 2) prevents NIH restructuring its Institutes or Centers prior to Congressional review; 3) secures the continued existence of a "Common Fund" to promote cross-disciplinary research.

The final form of the Act increases the authorization levels for NIH spending to \$30.3 billion in FY 2007 and \$32.8 billion in FY 2008, representing possible annual increases of 7.0% and 8.2% respectively, and authorizes "such sums as may be necessary" for FY 2009. In its original form as passed by the House, the bill authorized only 5.0% budget increases for fiscal years 2007 and 2008. The Act also eliminates the requirement that half of all new dollars for NIH be reserved for the Common Fund. Instead, the Common Fund is to be funded through a new reserve account that will be funded to at least the same level as in FY 2006.

Since 2003, the NIH budget has not kept pace with the Biomedical Research and Development Price Index (BRDPI), the science-related inflationary index indicating the amount by which the NIH budget must change to maintain purchasing power. FY 2004 and 2005 allocations grew only 2.9% and 2.6% respectively compared to BRDPI increases of 3.7% and 3.8% in those same years. The funding levels for 2007-2009 recently signed into law represent an increase over traditional funding changes since 2003 and are more in line with the 8-9% annual increases experts believe would be required to maintain the momentum of the nation's biomedical research.

The current funding environment is extremely difficult for medical scientists. A number of factors have combined to create a "perfect storm" from a research funding standpoint: limited growth in NIH appropriations since 2003, the unexpected budgetary impact of hurricane Katrina, increased defense spending, the effects of inflation, a continued increase in numbers of new applications, and a backlog of prior commitments. While NIH currently awards more in research grants than ever before, over 80% of its budget is committed to ongoing projects. The only resources available for new grants each year are those recycled from projects started four to five years prior and for which funding has expired, plus any new increase in the overall budget.

The deficit in NIH funding is having a significant effect on the American scientific landscape. As young scientists watch their mentors and peers struggle for funding, many choose simply to change careers rather than enter such an uncertain environment. While the overall success rate for NIH grants is around 20%, fewer than 10% of un-amended R01 applications (a grant meant to help young researchers establish independent careers) are funded on their first try. In 2002, the likelihood of receiving NIH grants for investigators under the age of 35 was less than 4.0%. Furthermore, limited funding levels have greatly increased the length of the grant review cycle. *Cont'd p 2*

Physician-Policymaker Interview Series: Representative Jim McDermott and Senator Bill Frist

Members of the Legislative Affairs Committee recently interviewed two prominent physician policymakers about their careers, challenges to the healthcare system, how students can affect policy, and student debt. Refer to the OSR website for the complete interviews: www.aamc.org/members/osr/

For excerpts from the interviews, please see page two.

Health Disparities Legislation *by Katie Iossi*

On September 29, 2006, then-Senate Majority Leader Bill Frist (R-TN) and Senators Kennedy (D-MA), Bingaman (D-NM), and Obama (D-IL) introduced the "Minority Health Improvement and Health Disparity Elimination Act" which sought to improve the health and healthcare of racial and ethnic minorities and other medically underserved populations. Among other things, it called for enhanced cultural competency training for providers, grants to improve healthcare access and outreach to underserved populations, and increased research to reduce healthcare disparities. Specific provisions included 1) reauthorization for programs designed to improve the diversity of the health care workforce through recruitment, training, and mentoring; 2) requirements for health profession schools to collect and report demographic data on applicants, matriculants, and graduates to the Department of Health and Human Services for analysis; 3) a new grant program at the Agency for Healthcare Research and Quality for research to improve the health of racial and ethnic minority and other health disparity populations; and 4) a call for the Institute of Medicine to convene a summit to evaluate and report on federal efforts addressing health disparities.

This bill, and those similar to it in recent years, follow the release of the Institute of Medicine's report on Health Disparities in America in 2002 entitled "Unequal Treatment: Confronting Racial and Ethnic Disparities in Health Care." The report found that numerous studies show significant variation in rates of medical procedures and quality of health services by race, even when insurance status, income, age, and severity of conditions are comparable. To reduce racial and ethnic disparities in healthcare, the committee recommended increasing awareness of disparities among the general public, healthcare providers, insurance companies, and policy-makers; promoting use of evidence-based guidelines for consistent and equitable care; making interpreters more available in clinics and hospitals; and increasing the number of minority healthcare providers.

Senator Frist hoped this bill would pass in November before he left the Senate, but the last major action on the bill occurred on September 29, 2006 when the bill was referred to the Health, Education, Labor and Pension (HELP) Committee. With the change in Senate control, Democrats took control of all Senate committees including the HELP committee, now chaired by Senator Kennedy (D-MA). Additionally, Senators Bingaman and Obama are also members of the committee and may be interested in reviving the bill or considering a similar one.

NIH cont'd

For young researchers without additional sources of funding, these long delays can force qualified research groups to break up during the intervals between funding.

Elias Zerhouni, MD, NIH Director, has stated that he believes the core reason for the current funding shortage is the sharp increase in the number of new applicants. In 1998 the NIH received only 24,151 applications and is expecting to receive 49,000 in 2007. The principal cause of this growth in demand for NIH money is the nationwide expansion in research capacity that occurred from 1999 to 2003, during the NIH budget doubling era. During this time, Congress called for more research on emerging health issues and academic institutions responded by expanding the scientific infrastructure and workforce. The AAMC projects that \$15 billion have been committed to new research facilities between 1998 and 2007, compared to the \$3.2 billion committed between 1990 and 1997. This rapid expansion has enabled massive acceleration in the pace of research and innovation across biological and health related fields, but it has also created an imbalance in the supply of scientists and the supply of NIH funding.

NIH has initiated several short and long term strategies to alleviate some of the tension caused by the current funding environment. In the short term, the NIH will likely reduce the size of awards and sharpen its research priorities, while initiating a number of specific programs to protect truly innovative research areas. For example, the NIH Roadmap for Medical Research, introduced in 2003, contains approaches meant to improve cross-disciplinary research and translation of laboratory discoveries into effective therapies. Similarly, in 2006 NIH announced a new policy to recognize multiple principal investigators in research project grants, which is intended to encourage formation of multidisciplinary research teams across departments and institutions.

NIH has also outlined three strategies to encourage new investigators: 1) NIH Institutes will work to ensure that success rates of new investigators are not disproportionately affected by flat budgets, 2) new investigators will receive critiques within one week of review in order to reduce the length of the application review cycle, 3) the creation of the Pathway to Independence awards program launched in 2006, which are meant to facilitate a more rapid transition from mentored training to independence.

The strategies listed above and the careful management of recycled funds will help stabilize application success rates and stem the loss of junior investigators. However, larger systemic changes are needed to increase NIH funding and cultivate young scientists in order to maintain research productivity in the long-term.

Medicaid Commission Adopts Final Recommendations

by Roxanne Richards

The Medicaid Commission, chartered by the Department of Health and Human Services, compiled a series of recommendations aimed at assuring sustainability of the labile federal-state program. The objectives of the Commission included reforms regarding long-term care benefits, benefit design, eligibility, health information technology (HIT), and quality improvement. Specifically, the recommendations encourage greater state autonomy in determining eligibility requirements, rewards to beneficiaries for "prudent purchasing, resource-utilization, and lifestyle decisions," quality-based reimbursement for providers, and electronic health records for all beneficiaries. Finally, recommendations included suggestions for a study to look at a sliding scale formula for federal matching funds, based on beneficiary income level.

Representative Jim McDermott (D-WA) Interviewed by Harlan Gallinger

Q: *What do you see as the single most significant challenge facing and possible solution(s) for the US healthcare system?*

The single most significant challenge facing the U.S. healthcare system is the U.S. healthcare system; it is falling apart. For the past 12 years, we have applied band-aids, but they have been ineffective, as I knew they would be. The only solution that will work is single-payer, universal health care for every American. I propose exactly that in my health care legislation, H.R. 1200, which I introduced recently in the House of Representatives. The US is one of only two industrialized nations (Mexico is the other) without universal health care. We pay twice as much and get a lot less than the other industrialized nations. Within 10 years, 20 cents out of every dollar in your pocket will go to health care expenses. This is an overwhelming burden on Americans that we can and must do something about.

Former Senator Bill Frist (R-TN) Interviewed by Bryan Harris

Q: *What do you see as current challenges to the US health system?*

A: That's easy. It is the cost of medical care that has grown beyond the reach of the average American. The cost leads to enormous gaps in insurance, in health care disparities among socioeconomic groups, in access, and thus in delivery. The answer, I believe, lies in a vision of a patient-centered, consumer-driven, provider-friendly healthcare system (yes, a "system") that is driven with three fuels: the unprecedented 21st century information made possible by technology today, expanded choice, and an element of control which provides a safety net for those who cannot provide for themselves.

For the complete interviews, go to: www.aamc.org/members/osr

Additional Resources: Please see the document "Health Policy and Health System Resources" on the OSR website: www.aamc.org/members/osr/communications/legislative_affairs/hphs_resources.htm

Any questions? Topics we didn't cover, issues you'd like to hear more about, items you think we either misrepresented or summarized incredibly well? LET US KNOW! Email any member of the Legislative Affairs Committee with your thoughts. We'd love to hear from you.

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