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Statement of the AAMC on Appropiations for the Department of Heatth and Human Services Department of Education Presented by Dr. Robin D. Powell Dean, University of Kentuck school of Medicine

STATEMENT

OF THE

ASSOCIATION OF AMERICAN MEDICAL COLLEGES

on

Appropriations for the

Department of Health and Human Services

Department of Education

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The Association of American Medical Colleges (AAMC) appreciates this opportunity to state its views on FY 1988 appropriations for the Department of Health and Human Services (DHHS) and the Department of Education (ED). The Association represents the whole complex of individual organizations and institutions responsible for the undergraduate and graduate education of physicians. It serves as the national voice for the 127 U.S. accredited medical schools and their students; 435 major teaching hospitals; and 85 academic and professional societies whose members are engaged in teaching, biomedical and behavioral research, and patient care. All of these activities are directly affected by programs under the jurisdiction of the Labor-HHS-Education Appropriations Subcommittee. For example, almost 60 percent of the extramural expenditures of the National Institutes of Health (NIH) are in AAMC-constituent institutions.

Our general message to the Subcommittee is straightforward: the Federal government should be committed to the policies that continued investment in research and education is an investment in our country's future, and that our nation's poor and elderly should have access to quality health careregardless of their ability to pay. These commitments should not be unduly compromised by prevailing economic conditions, lest decisions focused on the short-term have severe economic and societal repercussions later. Funds should be identified to keep America's unparalleled research and education enterprise alive and responsive to the steadily increasing momentum of discovery in the biological, behavioral and medical sciences, and to ensure that all citizens are able to obtain medical care.

The past four decades have witnessed a virtual revolution in the power of

physicians to deal with the many diseases that afflict mankind, a power that is directly traceable to knowledge accrued from past investments in research. However, despite medicine's new capabilities, many recalcitrant areas remain where nature still defies medical efforts to combat disease and disability. This country can and must meet the challenges posed by: the 2 to 4 million elderly Americans afflicted with Alzheimer's disease; the 1 out of 3 babies destined to develop cancer in their lifetimes; the 60 million Americans with cardiovascular disease; the 3.5 million stroke victims; the 1 to 1.5 million carriers of the Human Immunodeficiency Virus (HIV) virus; the 2 million children with mental disabilities so severe that they require constant care and attention; and countless others with or destined to become afflicted with diseases too numerous to mention.

The Association believes that the principal hope for ameliorating these conditions is through the steady funding of the highest caliber research. By its very nature, the nation's aggregate research effort loses a great deal when it is expanded and then contracted; rather, it should be constantly rejuvenated -- by training the brightest young scientists, providing state-of-the-art facilities and equipment, and supplying the necessary scope of enterprise to bring desired results. In this undertaking, the Federal government plays a unique and vital role by supporting its two crown jewels of research, the National Institutes of Health (NIH) and the Alcohol, Drug Abuse and Mental Health Administration (ADAMHA). Continued investment in basic research by these agencies not only leads to cures for illness. It has a ripple effect in many sectors of the economy, as advances developed through research nurture the burgeoning biotechnology industry and contribute to deficit reduction. A strong research enterprise also positively affects employment, the foreign trade balance and industrial development.

Before addressing specific FY 1988 funding issues, the AAMC would like to thank and commend this Subcommittee for its efforts in reversing the Administration's premature -- and, in our opinion, flagrantly illegal -- implementation of its proposal to "extend the availability" of $334 million of FY 1987 NIH funds into FY 1988. This action had immediate repercussions for ongoing research and serious long-term implications for the integrity of the processes by which Congress authorizes the expenditure of funds. Hopefully, this Subcommittee's forceful actions will inhibit similar transgressions in the future.

The Administration's proposed FY 1988 funding levels for NIH and ADAMHA research and research training reflect its traditional lack of enthusiasm for biomedical and behavioral research, an attitude that is doubly disturbing given the Executive Branch's general recognition of the value that basic research and development has to our economy, trade balance, and productivity. One can only hope that the Administration implicitly assumes that Congress will ultimately provide NIH and ADAMHA with the needed resources, and that responsible budget requests are therefore unnecessary. For FY 1988, the Administration proposes new budget authority for NIH of $5.534 billion, almost 10.6% below the FY 1987 level. ADAMHA research and research training would receive a 3.0% cut from the $432.7 million provided for the current fiscal year. The NIH budget would result in only about 2,000 competing project grants being awarded in FY 1988; award rates would drop from 35.4% to about 10%. These dramatic reductions would not only thwart the pursuit of new opportunities in the health sciences, they would drastically diminish the attractiveness of careers in health research. And, once a career decision is made to pursue another field, the potential contributions of that individual to medical research are lost forever.

The AAMC fully supports the FY 1988 recommendations of the Ad Hoc Group for Medical Research Funding. This proposal, which embodies the first step in a 5 year plan, allows NIH and ADAMHA to grasp a larger percentage of the attractive research opportunities that are evident in a variety of fields -- in genetics, cellular biology, oncology, immunology, and other areas. The Group's proposal of $7.69 billion for NIH and $590 million for the research and research training components of ADAMHA provides for an orderly, balanced expansion in all of the support mechanisms used by these agencies. The proposal would permit award rates for the keystone of Federally-supported medical research, the research project grant, to increase to 38% for NIH and 40% for ADAMHA. These rates are well below the point at which experts think that the potential outcomes of research no longer warrant investment. In fact, the Ad Hoc Group believes that an award rate of about 50% is ultimately appropriate, even though it may be fiscally unrealistic at this time. However, the 5 year plan has been constructed to attain this level of support in FY 1992. The Group is encouraged that the President has proposed a similar 5 year expansion for the programs of the National Science Foundation; equivalent growth is every bit as appropriate for NIH.

The Ad Hoc Group's proposal generally requests increases for all of NIH's support mechanisms proportional to the expansion in research project grants; these include research centers (special, clinical, and biotechnology), clinical trials, biomedical research support grants, contracts, and primate centers, to mention just a few. The budget of the General Clinical Research Centers (GCRC) program deserves special emphasis, as it provides vital support for patient research conducted through research project grants, and has not received current services increases over FYs 1985-1987. There are also some

areas where additional strengthening is desirable, as they will play a key role in developing the research "infrastructure" that is needed to meet the 5 year goals. Research training would receive a major boost, both to recruit more individuals into the training pipeline -- about 12,500 at NIH, and 1,543 at ADAMHA -- and to allow for a much-needed increase in National Research Service Awards (N.R.S.A.) stipends. The small instrumentation grant program, for which Congress provided $13 million in FY 1987, has met a critical need at institutions conducting research and would be significantly expanded. Also, we ask that Congress address the pressing need for the renovation and replacement of facilities, both animal and research. For the former, the Ad Hoc Group requests that $50 million be provided in FY 1988. Regrettably, DHHS currently lacks statutory authority to provide grants for the construction and renovation of research facilities; restoring such authority is a top priority for the AAMC. It is clear that far more than the $200 million requested by the Ad Hoc Group is necessary to meet actual need in this area. However, this request has been made to draw attention to a growing problem that will be even more difficult to redress in the future if action is not undertaken now.

There are also a number of issues that do not relate directly to individual appropriations accounts but which have an important impact on the quality of Federally-supported research. First, adequate funding of grants should always take precedence over funding any prescribed number of grants. The cuts in research grants below study section-recommended levels in the past few years have had a harmful impact on researchers, institutions, and the research projects themselves. Also, NIH and ADAMHA must have the staff and the administrative flexibility to use resources as efficiently as possible. This Subcommittee is urged to ensure appropriate NIH and ADAMHA staffing levels, and that the apportionment process is not abused by the Office of Man-

agement and Budget.

The AAMC opposes the Administration's request for the budget authority to meet the outyear commitments of FY 1988 research project grants. The current practice of annually appropriating funds to meet each year's "commitment base" has worked well over time and displays no inherent, systemic deficiencies.

In the area of student financial assistance, the AAMC has long emphasized the ideal that all admitted students, irrespective of their current economic situations, be able to fund their medical educations. "Access" has been the operative concept in this domain since it has generally been assumed that, in view of their prospective incomes, physicians would be able to repay all debts incurred in their educational courses. Fortunately, the need for medical students to borrow to meet their educational expenses was ameliorated for well over a decade by the Federal government's supplementation of substantial scholarship support, tendered in part to meet national manpower goals. The last five or six years, however, have witnessed fundamental changes in the sources of medical student financing. In 1980-81, 34% of total medical student financial assistance was in the form of scholarship support; just four years later, in 1984-85, that figure had declined to 24%. Reliance on the market-rate Health Education Assistance Loan (HEAL) program has skyrocketed; it now represents 24% of all medical student loans. The inevitable result has been burgeoning debt loads. In 1986 our graduates reported average debt levels of $33,499; for graduates of private schools, that figure was $42,227. AAMC institutions have attempted to pick up some of the slack caused by the drop in subsidized Federal support, and they currently provide over 10% of all medical student assistance.

Unfortunately, there is not a great deal that this Subcommittee can do to curb the mushrooming reliance of our students on loans, often market-rate ones, to finance their educations. However, it is important that those programs targeted to financially disadvantaged and minority students be funded as generously as the law will allow, so that the specter of debt will not deter them from pursuing careers in medicine. The Association recommends that Exceptional Financial Need (EFN) scholarships receive $7.0 million, the Disadvantaged Assistance program (which in turn funds Financial Assistance to Disadvantaged Health Professions Students) get $30 million, and that the National Direct Student Loan (NDSL) program receive $280 million. It is imperative that the HEAL program receive the fully authorized credit ceiling of $305 million, although even this level of credit authority may not meet total borrower demand. The Guaranteed Student Loan (GSL) program is essentially an entitlement one whose expenditures cannot be controlled through the appropriations process, but the AAMC recognizes its overwhelming importance to medical students and applauds the recent increase in the graduate and professional student annual maximum to $7,500. The previous maximum of $5,000 had been unchanged for a decade.

The health training programs contained in Title VII of the Public Health Service Act (P.H.S.A) should generally be funded at current services levels, which in most cases is slightly below the authorized level. These programs do not, as has been continually and speciously argued by the Administration, increase the number of health professionals; rather, they facilitate exposure of those in the training pipeline to areas of national need, such as geriatrics, prevention, and primary care. The programs also encourage minority participation in medicine. The AAMC is aware that Title VII will undergo a comprehensive review next year in the reauthorization process; in the meantime, funding

at current policy levels is warranted. One example of the type of program found in Title VII is the Area Health Education Centers (AHECs) program, which provides multidisciplinary health training in rural areas and effectively addresses the nagging problem of physician maldistribution. Also, continued emphasis needs to be placed on geriatrics and gerontology. In FY 1988, we request that $11 million be appropriated for geriatric education centers, so that all the grants awarded in the last few fiscal years can be continued and that a few new centers that are still needed in some parts of the country can be added. Also, the recent geriatric training initiative contained in section 788(e) of the P.H.S.A. should be funded at a level of $6.0 million for physician fellows and advanced trainees. Given the impending bulge of the nation's elderly population, this is an extremely important initiative, one which will give greater impetus to a still developing field. The overall needs for geriatric support can be met by funding as much of the geriatric centers program as is possible under section 301(a) of the P.H.S.A.

The Administration has once again proposed to limit Federal matching payments to Medicaid by placing a cap on expenditures. At a time when approximately 35 million Americans have no health insurance, another 17 million are underinsured, and the unemployment rate remains high by historical standards, the AAMC thinks that any reduction in Medicaid funding would be tantamount to turning our backs on the nation's poor and disadvantaged. Nothing less than full funding is warranted.

The Association regrets that time constraints limit opportunities to endorse other important activities that add to the public good and should be continued at reasonable levels. These include programs of the National Center

for Health Services Research and Health Care Technology Assessment, the National Center for Health Statistics, the National Institute for Handicapped Research, and the National Institute for Occupational Safety and Health.

The AAMC appreciates the opportunity to submit this statement. Once again, we congratulate this Subcommittee for it past insightful generosity.