

ASSOCIATION OF AMERICAN MEDICAL COLLEGES
SUITE 200, ONE DUPONT CIRCLE, N.W., WASHINGTON, D.C. 20036

January 2, 1976

CAS ALERT 76-1

NOTICE TO OFFICERS AND REPRESENTATIVES OF MEMBER SOCIETIES
COUNCIL OF ACADEMIC SOCIETIES

FROM: August G. Swanson, M.D.

The attached CAS Alert is being sent for dissemination among your membership as soon as possible. The veto of the Health Labor/HEW Appropriations Bill by the President, if sustained, will substantially curtail the funding of federal programs in health, including the National Institutes of Health.

I urge that you utilize whatever means of communication possible to let your constituency know that input is needed into the Congress to effect an override.

January 5, 1976

Dear STFM Member:

Please note the Council of Academic Societies' Alert below. As a matter of national import, we are redirecting this information to you for your consideration.

As noted by the CAS, the veto of the Health Labor/HEW Appropriations Bill by the President, if sustained, will substantially curtail the funding of federal programs in health, including the National Institute of Health.

CAS ALERT



ON DECEMBER 19 PRESIDENT FORD VETOED THE LABOR/HEW FISCAL YEAR 1976 APPROPRIATIONS BILL (H.R. 8069) WHICH INCLUDES NIH APPROPRIATIONS FOR THE CURRENT YEAR. HE TERMED THE BILL "BUDGET BUSTING." THIS IS NOT TRUE. THE BILL IS 4.6 BILLION DOLLARS BELOW PRESENT SPENDING WHICH IS AT THE FY1975 LEVEL AND WITHIN THE CEILING APPROVED BY THE CONGRESS UNDER THE PROVISIONS OF THE CONGRESSIONAL BUDGET & IMPOUNDMENT CONTROL ACT OF 1974. SHOULD THE VETO BE SUSTAINED, HEALTH PROGRAMS WILL BE FUNDED AT SUBSTANTIALLY LOWER LEVELS UNDER A CONTINUING RESOLUTION; NIH FUNDING WILL BE DECREASED BY 200 MILLION DOLLARS.

CONGRESS WILL VOTE ON AN OVERRIDE OF THE VETO ON JANUARY 27, 1976. THE HOUSE WILL ACT FIRST. IT IS ESSENTIAL THAT YOU CONTACT YOUR MEMBER OF THE HOUSE OF REPRESENTATIVES AND EXPRESS YOUR CONCERNS. CONGRESS IS RECESSED UNTIL JANUARY 19TH. MEMBERS OF THE HOUSE WILL BE AT HOME IN THEIR DISTRICTS. NOW IS A VERY GOOD TIME TO VISIT, CALL OR WRITE YOUR CONGRESSMAN.

AUGUST G. SWANSON, M.D., ASSOCIATION OF AMERICAN MEDICAL COLLEGES

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AUGUST G. SWANSON, M.D., ASSOCIATION OF AMERICAN MEDICAL COLLEGES

CAS ALERT

COUNCIL OF ACADEMIC SOCIETIES

ASSOCIATION OF AMERICAN MEDICAL COLLEGES

1 Dupont Circle, N.W.
Washington, D.C. 20036



APRIL 8, 1977

IMMEDIATE ACTION IS NEEDED

ON MONDAY, APRIL 4, THE HOUSE SUBCOMMITTEE ON LABOR-MANAGEMENT RELATIONS HELD HEARINGS ON H.R. 2222. THE BILL, INTRODUCED BY THE CHAIRMAN, THE HONORABLE FRANK THOMPSON, JR. OF NEW JERSEY, WOULD EXPLICITLY DEFINE HOUSE OFFICERS AS EMPLOYEES OF HOSPITALS UNDER THE TERMS OF THE NATIONAL LABOR RELATIONS ACT (NLRA). THIS WOULD LEGISLATIVELY OVERTURN A DECISION REACHED BY THE NATIONAL LABOR RELATIONS BOARD (NLRB) IN 1976, WHICH CLASSIFIED INTERNS AND RESIDENTS AS STUDENTS, NOT EMPLOYEES.

THE AAMC TESTIFIED AGAINST H.R. 2222. THE ASSOCIATION POSITION IS THAT:

- HOUSESTAFF ARE STUDENTS ENGAGED IN A GRADUATE EDUCATIONAL PROGRAM IN WHICH THE STYLE OF LEARNING IS BY DOING, THAT IS, TAKING CARE OF PATIENTS UNDER SUPERVISION;
- THE RENDERING OF MEDICAL CARE IS A SECONDARY, ALBEIT INSEPARABLE, COMPONENT OF THE EDUCATIONAL EXPERIENCE;
- THE NLRA, DESIGNED TO SETTLE INDUSTRIAL DISPUTES, IS NOT AN APPROPRIATE INSTRUMENT FOR GOVERNING THE COLLEGIAL RELATIONSHIPS BETWEEN FACULTY AND STUDENTS;
- IN THE FINAL ANALYSIS, THERE IS NO WAY OF SEPARATING EDUCATIONAL POLICY ISSUES FROM SUCH MANDATORY BARGAINING ISSUES AS HOURS AND WORKING CONDITIONS;
- THE CONCEPT OF RESOLVING BARGAINING IMPASSES ON EDUCATIONAL ISSUES THROUGH LABOR ARBITRATORS IS INTOLERABLE;
- THE EXTENSION OF THE NLRA TO COVER HOUSESTAFF UNDER THE RUBRIC OF "EMPLOYEES" CANNOT BUT DEGRADE THE QUALITY OF GRADUATE MEDICAL EDUCATION AND CONSTITUTE A DISSERVICE TO HOUSESTAFF.

THE ASSOCIATION BELIEVES THAT GRADUATE MEDICAL EDUCATION IS IN TRANSITION AND THAT MANY OF THE DEFICIENCIES OFTEN CITED AS REASONS FOR LABOR ACTIONS BY HOUSESTAFF ARE BEING OR HAVE BEEN CORRECTED. THE CONTINUED IMPROVEMENT OF GRADUATE MEDICAL EDUCATION CAN BE ACCOMPLISHED BY UPGRADING THE ACCREDITATION STANDARDS AND THEIR APPLICATION TO PROGRAM EVALUATION. THE LIAISON COMMITTEE ON GRADUATE MEDICAL EDUCATION IS BECOMING AN EFFECTIVE AGENCY TO ACCOMPLISH THESE NEEDED CHANGES.

AT THE HEARINGS, THE AMERICAN HOSPITAL ASSOCIATION ALSO TESTIFIED AGAINST THE BILL.

HOWEVER, THE SUBCOMMITTEE WAS CLEARLY MORE SYMPATHETIC WITH THOSE WHO TESTIFIED FAVORABLY. THESE WERE:

- THE PHYSICIAN'S NATIONAL HOUSESTAFF ASSOCIATION (PNHA)
- THE AMERICAN MEDICAL STUDENT ASSOCIATION (AMSA)
- THE AMERICAN MEDICAL ASSOCIATION (AMA)

PNHA AND AMSA PAINTED A PICTURE OF INTERNS AND RESIDENTS WORKING LONG HOURS FOR LOW WAGES, SPENDING 80% OF THEIR TIME GIVING SERVICE TO PATIENTS AND ONLY 20% OF THEIR TIME BEING EDUCATED. THEY FURTHER IMPLIED THAT COLLECTIVE BARGAINING BY HOUSESTAFF IS ESSENTIAL IF PATIENT CARE IN TEACHING HOSPITALS IS TO BE IMPROVED.

THE AMA TESTIFIED THAT HOUSESTAFF ARE BOTH STUDENTS AND EMPLOYEES AND BASED THEIR SUPPORT OF THE BILL ON THE RIGHT OF EMPLOYED PHYSICIANS TO BARGAIN COLLECTIVELY OVER THEIR WAGES, HOURS, AND CONDITIONS OF EMPLOYMENT. LATER, BILL RUHE, SENIOR VICE PRESIDENT FOR SCIENTIFIC ACTIVITIES, AT A MEETING OF THE LCGME STATED THAT THE AMA LEGAL COUNSEL THOUGHT THIS AN IMPORTANT PRECEDENT, ANTICIPATING THAT MEDICAL STAFFS IN THE FUTURE WILL ALSO NEED TO BARGAIN COLLECTIVELY. IT IS DIFFICULT TO RECONCILE THE AMA'S SUPPORT OF H.R. 2222 WITH THEIR ALLEGED INTEREST IN IMPROVING THE QUALITY AND MAINTAINING THE INTEGRITY OF GRADUATE MEDICAL EDUCATION.

IT IS APPARENT THAT THE PNHA, CLAIMING 10,000 MEMBERS, IS ATTEMPTING TO CONVINCE THE SUBCOMMITTEE THAT IT REPRESENTS THE VIEWS OF ALL HOUSESTAFF. THOSE OF YOU WHO ARE PROGRAM DIRECTORS SHOULD DISCUSS THIS IMPORTANT ISSUE WITH YOUR GRADUATE MEDICAL STUDENTS, AND ENCOURAGE RESIDENTS WHOSE VIEWS ARE ANTITHETICAL TO THE PROVISIONS OF H.R. 2222 TO MAILGRAM OR WRITE:

HONORABLE FRANK THOMPSON, JR.
CHAIRMAN
SUBCOMMITTEE ON LABOR-MANAGEMENT RELATIONS
HOUSE OF REPRESENTATIVES
U.S. CONGRESS
WASHINGTON, D.C. 20515

COPIES SHOULD ALSO BE SENT TO:

HONORABLE JOHN N. ERLNBORN, WHO IS THE SENIOR MINORITY MEMBER OF THE SUBCOMMITTEE.

THE CONGRESS IS IN RECESS, AND YOUR REPRESENTATIVE WILL BE HOME. CONTACT YOUR OWN REPRESENTATIVE AS WELL.

FOR MORE DETAILS SEE: CAS BRIEF, WINTER, 1977
AAMC ASSEMBLY MEMO #77-15, MARCH 29, 1977

PLEASE DISTRIBUTE TO ALL MEMBERS OF CAS SOCIETIES

CAS ALERT

COUNCIL OF ACADEMIC SOCIETIES

ASSOCIATION OF AMERICAN MEDICAL COLLEGES

1 Dupont Circle, N.W.
Washington, D.C. 20036



APRIL 10, 1978

IMMEDIATE ACTION IS NEEDED

THE House of Representatives is in the final stage of considering recombinant DNA legislation (H.R. 11192) which would: extend NIH guidelines to industry by a 2 year Federal law, pre-empt state and local laws and create a Commission to study the guidelines and recommend any changes needed. This bill is likely to pass the House but the Federal pre-emption provision may be weakened or eliminated. In view of the limited 2 year life of the bill a law lacking Federal pre-emption could lead to a proliferation of local laws. The bill is deficient in that it fails to provide positive protection against government disclosure of confidential information acquired under the regulatory provision of the Act.

PLEASE WRITE OR WIRE YOUR CONGRESSMAN TODAY URGING SUPPORT OF H.R. 11192 WITH A STRONG FEDERAL PRE-EMPTION PROVISION AND APPROPRIATE PROTECTION FOR CONFIDENTIAL INFORMATION. ASK YOUR COLLEAGUES OR SOCIETIES TO DO LIKEWISE.

Thomas E. Morgan, M.D.
(202) 466-5152

1980 -
April

CAS ALERT

COUNCIL OF ACADEMIC SOCIETIES.

ASSOCIATION OF AMERICAN MEDICAL COLLEGES
1 Dupont Circle, N.W.
Washington, D.C. 20036



AS STATED IN THE CAS BRIEF ARTICLE ON THE FY 1980 AND 1981 BUDGET, SUBSTANTIAL CUTBACKS ARE BEING PROPOSED IN ALL AREAS OF HEALTH EDUCATION AND BIOMEDICAL RESEARCH. BASED UPON PRIOR ANALYSIS OF THE PRESIDENT'S JANUARY BUDGET AND GIVEN THESE FURTHER CUTS, RESEARCH TRAINING IS IN SERIOUS PERIL. PLEASE WRITE TO YOUR CONGRESSIONAL REPRESENTATIVE IMMEDIATELY TO POINT OUT THAT THE CONTINUATION OF THE NATION'S BIOMEDICAL RESEARCH ENDEAVOR ABSOLUTELY DEPENDS UPON THE TRAINING OF NEW INVESTIGATORS AND THAT THE DISRUPTION OF RESEARCH TRAINING, EVEN FOR ONE YEAR, COULD VERY WELL MEAN THAT WE WILL LOSE A GENERATION OF YOUNG INVESTIGATORS. IN YOUR LETTERS, YOU SHOULD REQUEST THAT RESEARCH TRAINING BE FUNDED AT \$198 MILLION IN FY 1981 WHICH WILL SUPPORT THE SAME NUMBER OF TRAINEES (9,500) AS IN 1979.

CAS ALERT



ANNOUNCEMENT OF IMPORTANT MEETING

FOR THE FIRST TIME IN THE HISTORY OF THE COUNCIL OF ACADEMIC SOCIETIES, WE ARE CALLING A SPECIAL MEETING OF CAS PUBLIC AFFAIRS REPRESENTATIVES. THE PURPOSE OF THE MEETING, WHICH WILL TAKE PLACE ON MARCH 25, 1981 FROM 10:30 AM TO 4:00 PM IN WASHINGTON, IS TO EXAMINE THE SPECIFICS OF THE FINAL REAGAN BUDGET REDUCTIONS (DUE TO BE RELEASED MARCH 10) IN MEDICAL EDUCATION AND RESEARCH AREAS. TO DATE, IT HAS BEEN EXTREMELY DIFFICULT TO OBTAIN PRECISE INFORMATION ON THE NATURE, MAGNITUDE, AND DISTRIBUTION OF CUTS, BUT ALL INDICATIONS ARE THAT THEY COULD HAVE ENORMOUS IMPLICATIONS FOR PROGRAMS OF FACULTY INTEREST.

ON THE MORNING OF THE 25TH, AGENCY HEADS FROM NIH, NIMH, VA, AND HRA WILL PRESENT THE RELEVANT AREAS OF THE REAGAN BUDGET. THE AFTERNOON WILL BE DEVOTED TO AN IN DEPTH DISCUSSION OF IMPLICATIONS, REACTIONS, AND RESPONSES TO THE BUDGET INFORMATION.

WE STRONGLY URGE YOU TO ATTEND THIS MEETING IF AT ALL POSSIBLE. IF YOU CANNOT BE PRESENT, IT WOULD BE IN THE BEST INTEREST OF YOUR MEMBERSHIP TO SEND AN ALTERNATE. PLEASE USE THE ATTACHED SELF-MAILING RESPONSE SHEET TO REGISTER. WE WILL BE SENDING YOU ADDITIONAL INFORMATION ABOUT THE MEETING IN THE NEAR FUTURE.

PLEASE RETURN THIS FORM BY MARCH 16

This form is self-mailing. Simply fold, staple, stamp and mail.

CAS PUBLIC AFFAIRS MEETING

March 25, 1981

REGISTRATION FORM

CHECK ONE:

I will attend the meeting as representative of the _____
_____ (society)

I will require a hotel reservation for the night of March 24.

I will not attend the meeting. The alternate representative who will attend in my place is:

name: _____

address: _____

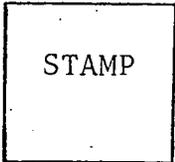
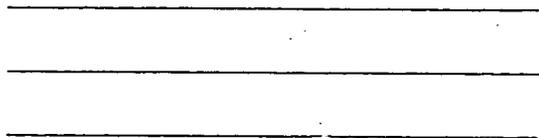
phone: _____

He/She will require a hotel reservation for the night of March 24.

No hotel reservations are required.

(name

(fold)



Ms. Lynn Gumm
Department of Academic Affairs
Association of American Med. Colleges
One Dupont Circle, N.W. #200
Washington, D.C. 20036

(fold)

April 1981

CAS ALERT



TO: CAS Officers and Representatives
FROM: John A. D. Cooper, M.D., Ph.D.
SUBJECT: Reagan Administration Budget Proposals

A special meeting of the Public Affairs Representatives of the Council of Academic Societies was held in Washington on March 25, 1981. Forty-four Representatives from 47 CAS societies were present for the first public affairs meeting in the history of the Council.

PRESENTATION OF THE REAGAN ADMINISTRATION BUDGET

The purpose of the special session was to discuss the Reagan Administration Budget proposals for FY1981 and FY1982. The meeting began with presentations by the following Administration officials: Robert J. Rubin, M.D., Special Assistant to the Secretary, Department of Health and Human Services; Herbert Pardes, M.D., Director, National Institute of Mental Health; Robert Graham, M.D., Acting Administrator, Health Resources Administration; Donald S. Fredrickson, M.D., Director, National Institutes of Health; and William Jacoby, Deputy Chief Medical Director, Veterans Administration.

PROPOSED FEDERAL CAP ON MEDICAID PROGRAM EXPENDITURES

Dr. Richard M. Knapp, Director of the AAMC Department of Teaching Hospitals, provided information on a Reagan Administration proposal to revise and cap the formula for federal funding of state Medicaid expenditures (see Addendum 1). Dr. Knapp pointed out that many teaching hospitals, because of their location and community role, care for large numbers of Medicaid patients and that these institutions and the physicians on their medical staffs would be disproportionately burdened by the proposed Medicaid cap.

DISCUSSION OF CAS STRATEGY

Ms. Diane Plumb of the AAMC staff provided information on the Congressional budget process. The flow chart which is attached as Addendum 2 outlines the process as it is designed to operate, but Ms. Plumb pointed out that there are often deviations from this plan and that potential nuances in the process this year are difficult to anticipate. Ms. Plumb also called attention to the importance of the Budget Committees which set binding spending and revenue targets which the Appropriations Committees cannot exceed.

In my remarks, I reviewed possible strategies for responding to the budget cuts and advocated that faculty members look not only at program cuts that directly affect their discipline but also at the impact to the institutions of cutbacks in virtually

all areas enacted simultaneously (see Addendum 3). I also emphasized that AAMC has not suggested budgetary increases in programs important to the medical school but rather had advocated that these programs be maintained at the 1980 constant dollar level.

Daniel X. Freedman, Chairman of the CAS, outlined the areas of paramount concern to faculty: FY1981 rescissions and FY1982 budget cuts to research, institutional support for research training, student financial assistance, and the proposed Medicaid cap. The floor was opened for discussion and the Representatives present agreed that the most prudent strategy would be total opposition to any rescissions or reductions in medical education and research programs. It was agreed that the Representatives would immediately contact the officers of their organizations and begin developing mechanisms for contacting their members (telephone cascades, mailings) to encourage them to personally contact their Senators and Representatives. In the meantime, AAMC staff would be developing additional background information (see Addendum 4) for use as a reference in communications with Congressional Representatives and their staffs. *

I hope that members of all CAS societies will play an active part in these efforts to avert the weakening and, in some cases, the elimination of programs that are so important to us and to the country. I again reiterate my request that you keep me apprised of your activities by sending me blind copies of any correspondence or by dropping me a line about any personal or telephone contacts you or members of your society have had with Members of Congress. If you have any questions, please call Diane Plumb (202-828-0482) or Tom Morgan (202-828-0480).

* Additional information and Congressional Committee lists may be found in pink Assembly Memorandum #81-12 which was mailed to you in March.

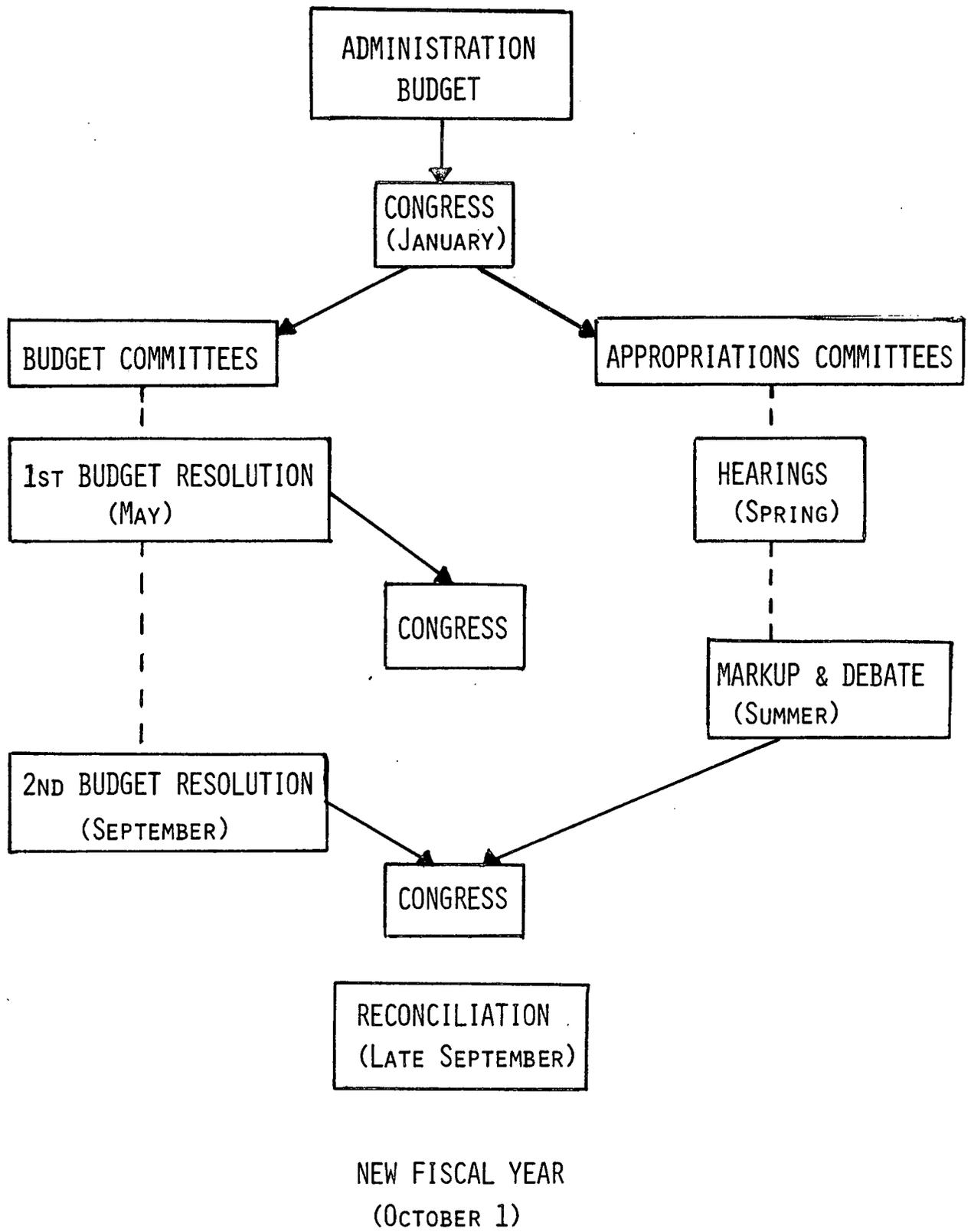
Administration's Proposed Medicaid Budget Reduction

The Reagan Administration has proposed that the formula for federal funding of state Medicaid expenditures be revised and capped. For the current fiscal year, federal Medicaid expenditures would be limited to \$16.38 billion, a reduction of \$100 million over otherwise anticipated expenditures. In fiscal year 1982, the proposal would limit the federal expenditure to 105% of 1981 Medicaid expenditures, a reduction of \$1.043 billion over otherwise anticipated increases. In subsequent years, increases in federal Medicaid expenditures would be limited to the increase in the Gross National Product Deflator. If implemented, federal Medicaid expenditures would be 18.8% lower than otherwise anticipated by 1986.

Teaching hospitals, both publicly and privately owned, are major sources of care provided to Medicaid recipients. In 1977, Medicaid recipients were at least 25% of the admissions at 65 hospitals belonging to the Council of Teaching Hospitals. In addition, it has been estimated that COTH members provide over \$2 billion of uncompensated and charity care. The Medicaid cuts will have a substantial adverse impact on teaching hospital financial stability:

- Medicaid expenditures underwrite the costs of medical care, including hospital services provided our needy citizens. Their medical needs and the resulting costs incurred by hospitals will remain even if the federal government reduces Medicaid funding.
- Because of the geographic location and health service needs of Medicaid recipients, their hospital services are disproportionately concentrated in a relatively small number of major teaching hospitals.
- Hospitals providing substantial amounts of medical services are already incurring significant additional amounts of charity and uncompensated care to patients not meeting the categorical requirements of Medicaid. And,
- Given the concentration of Medicaid recipients and their continuing needs for hospital care, Medicaid spending reductions which further limit eligibility, reduce the scope of services, or cut hospital payments will increase the financial instability and distress of major urban teaching hospitals.

Therefore, the AAMC has urged the Congress to reject the Administration's proposed Medicaid reductions and look to other areas of the proposed federal budget where reductions would have less devastating impacts.



MULTIPLE IMPACT OF PROPOSED BUDGET CUTS ON INSTITUTIONS

The table below reflects the funds that will be lost to four representative institutions if the Administration's budget proposals are accepted by Congress. Not included in the table are funds these institutions will lose to (1) State reductions, (2) cutbacks in special projects grants, (3) recommitting university funds to cover the short fall in tuition and expenses for students who cannot obtain adequate student aid, and (4) reductions in VA support for outpatient care. The fiscal impact of reductions in these areas are very difficult to calculate on an institution-by-institution basis at this time. The totals in the table may, therefore, increase by 100% or more if all the proposed cutbacks are executed.

REPRESENTATIVE MEDICAL SCHOOL AND HOSPITAL LOSSES
FROM FEDERAL FUNDS IN FY 1982 IF
REAGAN ADMINISTRATION PROPOSALS ARE ADOPTED

<u>Institution</u>	<u>Research Training Costs</u>		<u>Medical Student Capitation</u>	<u>Medicaid*</u>	<u>Total</u>
	<u>Institutional</u>	<u>Indirect</u>			
Western Public	1,035,300	321,700	448,000	1,320,000	3,090,000
Southern, Private	820,100	250,900	303,400	834,000	2,405,100
Midwestern, Public	189,000	66,600	470,700	1,360,000	2,086,300
Western, Private	617,400	177,100	237,200	930,000	1,062,000

* Estimated loss of 5.6% of Federal Medicaid payments in 1982 does not include proposed State Medicaid cuts which may more than double the loss.

The medical schools are acknowledged to be socially conscious institutions that (1) have striven valiantly to provide one-class medical care regardless of patients' ability to pay, (2) provide equal access to medical education regardless of students' ability to pay, and (3) provide the locus for the nation's biomedical research and training endeavors.

There is no question that if all the proposed reductions in Federal funding are enacted simultaneously, these institutions will be forced to choose between continuation of these social commitments and fiscal solvency. If the Administration has indeed determined that the scope and availability of health services for the indigent must be made less available, that access to medical education should be limited to the wealthy, and that support for biomedical research should be reduced, it should clearly state those policy decisions and eliminate the pretense that institutions can continue to provide the same level of services with greatly reduced Federal support.

NATIONAL INSTITUTES OF HEALTH

The level of support proposed by the Reagan Administration for the National Institutes of Health (NIH) will:

- reduce the number of research grants that could be funded under the Administration's Proposal below the minimum level of 5,000 the Congress established just last year--in FY1981 only 4,800 would be funded, and in FY1982, only 4,900.
- further compromise the ability of NIH to support meritorious biomedical research in FY1983-FY1986 as evidenced by the Congressional Budget Office's interpretation of the Administration's long-range projections converted to 1980 dollars.

NIH

(in millions)

	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>
Administration's Recommended Level.....	3,443	3,616	3,763	3,877	4,003	4,135	4,274
Amounts Needed to Maintain 1980 level of effort ^{1/}	<u>3,443</u>	<u>3,905</u>	<u>4,217</u>	<u>4,554</u>	<u>4,918</u>	<u>5,311</u>	<u>5,736</u>
Shortfall.....	0	289	454	677	915	1,176	1,462

^{1/} Based on an assumed 8% increase in the inflation rate.

STATUS OF APPROPRIATIONS

NATIONAL INSTITUTES OF HEALTH APPROPRIATIONS

(millions)

	<u>1980</u>	<u>1981</u>	<u>1981</u>	<u>1982</u>	<u>1982^{2/}</u>
		Continuing Resolution	Total Rescission Request	Reagan Budget Request	Needs expressed in terms of 1980 constant dollars
TOTAL, NIH	\$3,442.6	\$3,616.4	126.2	\$3,762.3	\$4,138.0

(1980 constant \$) ^{1/} (\$3,442.6) (\$3,348.5)

(\$3,225.5)

^{1/} Comparison illustrates current and requested appropriations in terms of their relationship to 1980 constant dollars based on an 8% increase in the inflation rate.

^{2/} Based on R&D Price index - 120.2.

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CONGRESSIONAL COMMITTEES

Senate: ● Appropriations Committee--Subcommittee on Labor/HHS

House: ● Appropriations Committee--Subcommittee on Labor/HHS

Division of Federal Liaison

RESEARCH TRAINING

The Administration proposes to reduce the number of research trainees and and the quality of training programs by eliminating institutional support and indirect costs.

The Administration's rationale ignores:

- all available evidence, including studies performed under the aegis of the National Academy of Sciences, which suggest that the nation is already training too few scientists,
- the fact that the important and cost effective contributions that graduate students make to the conduct of research would be severely compromised were these proposals to be enacted,
- the role that institutional support plays in the education and training of students not supported by Federal funds.

STATUS OF AUTHORIZATIONS:

The authority under which the National Research Service Award (NRSA) program operates is presently up for renewal.

Senate (S.800) would put a funding ceiling on NRSA's at a level more than 25% below current appropriations and would undermine the current legislative mandate that awards provide for institutional costs.

House (H.R.2562) would reauthorize NRSA's for only one year at a ceiling approximately 25% below current appropriations.

STATUS OF APPROPRIATIONS:

NIH RESEARCH TRAINING

	1980			1981			1981			1982		
	Actual			Current Estimate			Requested Rescissions			President Reagan's Budget		
	FTE	No.	Amount	FTE	No.	Amount	FTE	No.	Amount	FTE	No.	Amount
TOTAL:												
Individual.....	1786	1786	34,669	1476	1476	31,089	158	158	8,806	1457	1457	24,790
Institutional.....	8878	1335	141,719	9312	1306	157,685	630	46	53,070	8543	1221	108,996
TOTAL.....	10664	3121	176,388	10788	2782	188,774	780	204	61,876	10000	2678	133,786
(1980 constant dollars) ^{1/}	--	--	176,388	--	--	174,790	--	--	--	--	--	114,699

^{1/} Comparison illustrates current and requested appropriations in terms of their relationship to 1980 constant dollars based on an 8% increase in the inflation rate.

CONGRESSIONAL COMMITTEES:

Senate: ● Labor and Human Resources Committee

- Appropriations Committee - Subcommittee on Labor/HHS

House: ● Energy and Commerce Committee - Subcommittee on Health and the Environment

- Appropriations Committee - Subcommittee on Labor/HHS

Division of Federal Liaison

NATIONAL LIBRARY OF MEDICINE

The Administration proposes to reduce the ability of the National Library of Medicine (NLM) to play its vital role in facilitating the effective transfer of the increasing body of medical knowledge in a highly cost effective manner by a rescission of \$341 thousand in the FY 1981 funding level and a substantially reduced FY 1982 appropriation request.

STATUS OF AUTHORIZATIONS:

The NLM Extramural programs are presently up for reauthorization. These include grants for:

- resources;
- training;
- research;
- publications;
- special scientific projects; and
- the 10 regional libraries.

Senate: S. 800 would: eliminate three of the six grant programs-- training, publications, and special scientific projects; put a debilitating ceiling on the amount of resource grants; and reauthorize the remaining programs at an amount 40 percent below current appropriations.

House: H.R. 2562 would reauthorize Medical Library Assistance for only one year at an amount 50 percent below its current authorization and 10 percent below its current appropriation.

STATUS OF APPROPRIATIONS:

NATIONAL LIBRARY OF MEDICINE

(In Millions)

	<u>1980</u>	<u>1981</u>	<u>1981</u>	<u>1982</u>	<u>1982</u>	<u>1982</u>
			FY 81	FY 82	FY 82	
		Continuing	Total	Reagan	Needs Expressed	Coalition for
		Resolution	Rescission	Budget	in terms of	Health Funding's
			Request	Request	1980 Constant \$	Recommended Level
NLM	44.7	44.7	.3	47.7	53.7	53.7
(1980 constant \$) ^{1/}	(44.7)	(41.4)	--	(40.9)	--	--
Medical Library						
Assistance Act						
Programs	9.9	9.8	--	8.9	11.9	--
(1980 constant \$) ^{1/}	(9.9)	(9.0)	--	(7.6)	--	--

^{1/} Comparison illustrates current and requested appropriations in terms of their relationship to 1980 constant dollars based on an 8 percent increase in the inflation rate.

CONGRESSIONAL COMMITTEES:

- Senate: ● Labor and Human Resources Committee
- Appropriations Committee - Subcommittee on Labor/HHS
- House: ● Energy and Commerce Committee - Subcommittee on Health and the Environment
- Appropriations Committee - Subcommittee on Labor/HHS

Division of Federal Liaison

ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION

The Administration and Congressional proposals for support of mental health research and training would markedly slow the developments in this field.

- National Institute of Mental Health--FY1982 request would substantially reduce the funds available for research and training by 17.2 percent and result in the loss of nearly a quarter of the research trainee slots.
- National Institute on Drug Abuse--will experience a 5.4 percent decline in research and training funds and a 20 percent loss in the number of research trainees.
- National Institute on Alcoholism and Alcohol Abuse--is essentially held stable. However, in the face of rapidly escalating costs, this translates into a substantial loss.

STATUS OF AUTHORIZATIONS:

- Reauthorization of the National Research Service Award program is essential to ADAMHA's research training programs.

SENATE: S. 800 would put a funding ceiling on NRSAs at a level more than 25% below current appropriations and would undermine the current legislative mandate that awards provide for institutional costs.

HOUSE: H.R. 2562 would reauthorize NRSAs for only one year at a ceiling approximately 25% below current appropriations.

STATUS OF APPROPRIATIONS:

(millions)

NATIONAL INSTITUTE OF MENTAL HEALTH FOR RESEARCH AND TRAINING						
	1980	1981	1981	1982	1982	1982
		Continuing Resolution	Total Rescission Request	Reagan Budget Request	Needs expressed in terms of 1980 constant dollars	Coalition for Health Funding's Recommended Level
TOTAL	\$240.9	\$245.1	\$ 31.3	\$188.9	\$289.6	\$298.6
(1980 constant \$) 1/	(\$240.9)	(\$226.9)	--	(\$161.9)	--	--
NATIONAL INSTITUTE ON ALCOHOL ABUSE AND ALCOHOLISM APPROPRIATIONS FOR RESEARCH AND TRAINING						
TOTAL	29.5	28.0	1.0	29.2	35.4	40.2
(1980 constant \$) 1/	(29.5)	(25.9)	--	(25.0)	--	--
NATIONAL INSTITUTE ON DRUG ABUSE APPROPRIATIONS FOR RESEARCH AND TRAINING						
TOTAL	54.6	53.7	1.4	50.2	65.6	61.8
(1980 constant \$) 1/	(54.6)	(49.7)	--	(43.0)	--	--

1/ Comparison illustrates current and requested appropriations in terms of their relationship to 1980 constant dollars and based on an 8% increase in the inflation rate.

CONGRESSIONAL COMMITTEES:

- SENATE: ● Labor and Human Resource Committee
● Appropriations Committee -- Subcommittee on Labor/HHS/Education
- HOUSE: ● Energy and Commerce--Subcommittee on Health and the Environment
● Appropriations Committee--Subcommittee on Labor/HHS

Division of Federal Liaison

INSTITUTIONAL SUPPORT

The Administration and S. 799 recommend that:

- the capitation grant program be terminated.

STATUS OF AUTHORIZATIONS:

The future of this program is currently being debated during legislative efforts to renew the prevailing health manpower law.

Senate: S. 799 terminates the current capitation program

House: H.R. 2004 continues institutional support but at progressively reduced levels with the purpose of terminating it by FY1984.

STATUS OF APPROPRIATIONS:

	1980	1981	1981	1982	1982	1982
		Continuing Resolution	Total Rescission Request	Reagan Budget Request	Needs expressed in terms of 1980 constant dollars ^{a)}	Coalition for Health Funding's Recommended level
Health Professions institutional assistance						
Capitation grants (constant 1980 \$) ^{1/}	87.7 (87.7)	71.9 (66.6)	71.9	--	110.6	71.9
Schools of medicine (constant 1980 \$)	49.7 (49.7)	40.6 (37.6)	40.6	--	62.7	40.6

^{1/} Comparison illustrates current and requested appropriations in terms of their relationship to 1980 constant collars and based on an 8% increase in the inflation rate.

^{2/} 1982 constant dollars based on the Reagan Administration's projections that the increase in the CPI in FY1980 was equal to 13.5% and will decrease to 11.1% in FY1981

CONGRESSIONAL COMMITTEES

Senate: ● Labor and Human Resources Committee
● Appropriations Committee--Subcommittee on Labor/HHS

House: ● Energy and Commerce Committee--Subcommittee on Health and Environment
● Appropriations Committee--Subcommittee on Labor/HHS

Division of Federal Liaison

STUDENT ASSISTANCE

The Administration's recommended policies on vital loan programs would make it exceedingly difficult for students--save those from the wealthiest families--to afford to attend medical school. Specifically, the President requested:

- That funding for the two programs designed to assist students in "exceptional financial need"--(usually minority students)--the Exceptional Financial Need Scholarship (EFN) Program and the Health Professions Student Loan (HPSL) Program be discontinued;
- The National Health Service Corps (NHSC) Scholarship Program be phased out by granting assistance to only prior recipients;
- The Guaranteed Student Loan (GSL) Program be sharply curtailed;
- A stringent cap on funds available under the Health Education Assistance Loan (HEAL) Program; and
- The Student Loan Marketing Association's (Sallie Mae) access to below market rate financing through the Federal Financing Bank be suspended in 1982.

STATUS OF AUTHORIZATIONS:

GSL: The specific changes the Administration has recommended to this program are:

- limiting loans to "remaining need";
- eliminating the 9 percent in-school interest subsidy; and
- removing the special allowance lenders receive on loans to parents.

The future of the other programs is now being debated in the context of legislation to reauthorize the current health manpower statute.

HPSL:

Senate: S. 799 discontinues funds for this program but permits the revolving funds to remain in the schools until 1986 for the continuation of loans. It raises the interest rate from 7 percent to 9 percent.

House: H.R. 2004 renews this program with authorization levels slightly above its current appropriation.

EFN Scholarships:

Senate: S. 799 terminates this program.

House: H.R. 2004 renews this program at levels far above its present appropriation.

HEAL:

Senate: S. 799 continues this program with a sharply reduced cap on the aggregate amount of loans that can be Federally insured.

House: H.R. 2004 reauthorizes this program with the currently authorized cap on the total amount of loans that the government will underwrite.

NHSC Scholarship:

Senate: S. 801 phases this program out by limiting the authorization of appropriations to continue awards to prior recipients only. S. 801 also permits a student's service obligation to be converted to a 7 percent loan.

House: H.R. 2004 reauthorizes this program at essentially its current level.

STATUS OF APPROPRIATIONS:

STUDENT ASSISTANCE

Activity	1980	1981	1981	1982	1982 ^{2/}	1982
		Continuing Resolution	Total Rescission Request	Reagan Budget request	Needs expressed in terms of 1980 constant dollars	Coalition for Health Funding's Recommended Level
Health Professions Student Assistant						
Loans (HPSI) (1980 constant dollars) ^{1/}	16.5 (16.5)	16.5 (15.3)	16.5	--	20.8	16.5
Exceptional Need Scholarships (1980 constant dollars)	10.0 (10.0)	10.0 (9.2)	--	--	12.6	10.0
Loan Repayments (1980 constant dollars)	1.5 (1.5)	1.5 (1.4)	--	4.0 (3.4)	1.9	1.5
National Health Service Corps (NHSC) Scholarships (1980 constant dollars)	85.5 (85.5)	79.5 (73.6)	16.1	37.9 (32.5)	107.8	79.5

^{1/} Comparison illustrates current and requested appropriations in terms of their relationship to 1980 constant dollars based on an 8% increase in the inflation rate.

^{2/} 1982 constant dollars based on the Reagan Administration's projections which reveal that the increase in the FY 1980 CPI was equal to 13.5% and will decrease to 11.1% in FY 1981.

CONGRESSIONAL COMMITTEES:

- Senate:
- Labor and Human Resources Committee (Health Manpower Programs)--
 - Subcommittee on Education Arts and Humanities (GSL only)
 - Appropriations Committee - Subcommittee on Labor/HHS/Education
- House:
- Energy and Commerce Committee - Subcommittee on Health and the Environment (Health Manpower Programs)
 - Education and Labor Committee - Subcommittee on Post-secondary Education (GSL only)
 - Appropriations Committee - Subcommittee on Labor/HHS/Education

Division of Federal Liaison

SPECIAL PROJECTS

The Administration proposes to address the problems of the supply of primary care physicians and the availability of physicians in underserved areas.

The Administration's FY 1982 budget reduces support for:

- Family Medicine Departments;
- Area Health Education Centers (AHEC);
- Family Medicine residencies; and
- Training in General Internal Medicine and Pediatrics.

STATUS OF AUTHORIZATIONS:

The future of these programs are currently the subject of discussion during the debate on legislative proposals to renew P.L. 94-484.

FAMILY MEDICINE DEPARTMENTS

Senate: S.799 retains this program at a level below its present appropriation.

House: H.R.2004 renews this at a level approximately twice its current level.

AHEC's

Senate: S.799 retains this program but at reduced level.

House: H.R.2004 retains this program at a level slightly above the current appropriation.

FAMILY MEDICINE RESIDENCIES

Senate: S.799 retains this program at a severely reduced level.

House: H.R.2004 renews this program above its current level.

TRAINING PROGRAMS IN GENERAL INTERNAL MEDICINE AND PEDIATRICS

Senate: S.799 renews this program at a substantially reduced level.

House: H.R.2004 retains this authority at a level above its present funding.

STATUS OF APPROPRIATIONS:

	1980	1981	1981	1982	1982 ^{1/}	1982
		Continuing Resolution	Total Rescission Request	Reagan Budget Request	Needs expressed in terms of 1980 constant dollars	Coalition for Health Funding's Recommended Level
Special Education Programs						
Family Medicine Departments (1980 constant \$) ^{4/}	9.5 (9.5)	9.5 (8.8)	--	8.0 (6.8)	12.0	9.5
Primary Care Residencies ^{2/} (1980 constant \$)	56.0 (56.0)	56.0 (51.8)	22.0 ^{3/}	36.0 (30.9)	70.6	56.0
Area Health Education Centers (1980 constant \$)	21.0 (21.0)	21.0 (19.4)	--	15.8 (13.5)	26.5	21.0
Disadvantaged Assistance (1980 constant \$)	19.6 (19.6)	19.6 (18.1)	--	19.6 (16.8)	24.7	19.6

^{1/} 1982 constant dollars based on the Reagan Administration's economic projection that the CPI will increase 13.5% in FY 1980, followed by an increase of 11.1% in FY 1981.

^{2/} The programs Family Medicine Residencies and Training in General Internal Medicine and Pediatrics have been combined under a new title, Primary Care. This change presumably will be consistent with the Administration's yet-to-be introduced manpower bill.

^{3/} Rescission request is \$16 million for Family Medicine Training and \$6 million for General Internal Medicine and Pediatrics.

^{4/} Comparison illustrates current and requested appropriations in terms of their relationship to 1980 constant dollars based on an 8% increase in the inflation rate.

CONGRESSIONAL COMMITTEES:

- Senate: ● Labor and Human Resources
 ● Appropriations Committee - Subcommittee on Labor/HHS
- House: ● Energy and Commerce Committee - Subcommittee on Health and the Environment
 ● Appropriations Committee - Subcommittee on Labor/HHS

Division of Federal Liaison

VETERANS ADMINISTRATION

The proposed reductions proposed by the Administration in the Veterans Administration's (VA) medical care budget will seriously impact the agency's ability to deliver health care because:

- The resulting loss of 5,181 full-time employees will bring the VA's staffing ratio to a level of 224 per 100 patients, well below the private sector's staffing ratio of 333 per 100 patients;
- The immediate loss of \$4 million and proposed FY 1982 reduction of \$37.2 million below the Carter Administration's request for new and replacement medical equipment will lead to a substantial decline in the quality and quantity of the medical technology available in VA facilities;
- The reduction in the salary increases for VA physicians and thus the ability to attract and retain high caliber personnel, despite the overwhelming support Congress demonstrated last year.

STATUS OF AUTHORIZATIONS:

- Rescinding the physician pay increase will require revisions in the authorizing legislation. The administration will try to accomplish through an omnibus reconciliation bill.

STATUS OF APPROPRIATIONS:

Veterans Administration

	1980	1981	1981	1982	1982
		Appropriations	Total Rescission Request	Reagan Budget Request	Needs Expressed in Terms of 1980 Constant Dollars
Medical Care	5,855.0	6,365.2	39.3	6,674.9	7,383.2
(1980 Constant \$) ^{1/}	(5,855.0)	(5,893.7)	--	(5,722.6)	--

^{1/} Comparison illustrates current and requested appropriations in terms of their relationship to 1980 constant dollars based on an 8% increase in the inflation rate.

CONGRESSIONAL COMMITTEES:

- SENATE:
- Veterans Affairs
 - Appropriations Committee - Subcommittee on HUD and Independent agencies
- HOUSE:
- Veterans Affairs - Subcommittee on Medical Facilities
 - Appropriations Committee - Subcommittee on HUD and Independent agencies

Division of Federal Liaison

CAS ALERT

COUNCIL OF ACADEMIC SOCIETIES

ASSOCIATION OF AMERICAN MEDICAL COLLEGES

1 Dupont Circle, N.W.
Washington, D.C. 20036

March 22, 1982

I M M E D I A T E A C T I O N I S N E E D E D

To: All Officers and Representatives of CAS Societies

From: Diane Plumb

The small business set-aside bill (H.R. 4326) could reach the House floor for a vote very soon. Since the Rules Committee has not yet acted on the bill, it is impossible to predict the timing; a vote could occur before or after the April 7-19 Easter recess.

Since action on H.R. 4326 may be imminent, you are urged to telephone your Congressman immediately to request either:

- defeat of the bill--the far preferable outcome since passage of the bill in any form would lead to a conference with the unanimously-passed Senate bill and the high possibility that the conferenced version will be unacceptable in the area of health research.
- acceptance of the amendments adopted by the Waxman Committee (which would essentially exempt both NIH and ADAMHA) and by the Veterans Affairs Committee (which would essentially exempt VA research).

The Science and Technology Committee has recommended an amendment that would lower the set-aside percentage from three to one percent and would basically convert the mandatory set-aside to a goal by providing authorizing committees a controlling role in the reprogramming of funds to support Small Business Innovation Research programs. This amendment may be perceived as an extremely attractive compromise by members who are sympathetic to opponents of the bill but are unwilling to "vote against small business" by supporting agency exemptions or by voting against the bill entirely. While inclusion of this amendment would be more acceptable than adoption of H.R. 4326 as it is now written, your conversations with your Congressmen should stress that the two outcomes listed above are by far the preferable approaches to protecting the research programs of NIH, ADAMHA, and the VA.

We are urging CAS Society officers and representatives to contact their Congressmen now, but if it turns out that action on the bill will be postponed until after the recess, we will issue another CAS alert at a later time recommending that you make another contact just prior to the vote. Information that may be helpful in developing your response to H.R. 4326 is printed on the back of this page.

Congressmen may be reached by calling the Capitol switchboard (202-224-3121) and asking to be connected with their office.

Information on the Small Business Set-Aside Proposal

H.R. 4326, "The Small Business Innovation Development Act" would require all the major science agencies to set aside an amount reaching 3 percent of their total research and development appropriations to support small business innovation research (SBIR) programs. These amounts would be over and above any awarded to small firms through normal contract and grant procedures. The bill also requires the establishment of annually increasing goals for awards to small business through mechanisms other than the SBIR program.

The Association of American Medical Colleges has been opposing the measure on the following grounds:

1. The set-aside would create yet another type of entitlement and the amount is completely arbitrary.
2. A set-aside for small business participation in the traditional research activities of the Federal government would create a double standard in the awarding of funds--an untenable public policy.
3. With the opening of eligibility for PHS grants to for-profits almost all Federal agencies now accept unsolicited research proposals from commercial firms.
4. The charge that Federal science agencies discriminate against small business cannot be sustained.
5. To the extent--large--that the set-aside would support product development activities, it is unwarranted.
 - a. There is no evidence of lack of development activity in the health field and venture capital is widely available with the reduction in the capital gains tax.
 - b. In the few areas in which market imperfections justify government assistance, the appropriate means of intervention are tax incentives and various loan mechanisms.

After being reported from the Small Business Committee, H.R. 4326 was sequentially referred to six other House Committees. All have now reported to the full House and five did so with amendments. Three of the amendments are relevant to biomedical research.

Most significantly, the Energy and Commerce Committee redefined research to exclude all health related research supported or conducted by the Department of Health and Human Services. This would exempt both NIH and ADAMHA from the provisions of the bill.

The Veteran's Affairs Committee redefined research to exclude all intramural research. This would lower the base on which the three percent set-aside would be calculated in all affected agencies and would also, in effect, exempt the Veterans' Administration from the set-aside requirement because the Administration would no longer reach the \$100 million floor triggering the requirement. The VA would still be subject to the goals provision.

The Science and Technology Committee amendment lowers the three percent figure in the bill to one percent and basically converts the mandatory set-aside to a goal by providing authorizing committees a controlling role in the reprogramming of funds to support SBIR programs. This amendment was agreed to by a very slim (1 vote) margin in Committee.