

Insights on Federal Funding and the National Institutes of Health



Learn
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Lead

Tannaz Rasouli

Senior Director, Public Policy & Strategic Outreach

Christa Wagner, PhD

Senior Legislative Analyst

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Association of
American Medical Colleges

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Tannaz Rasouli, MPH

AAMC

Senior Director of Public Policy and
Strategic Outreach

trasouli@aamc.org



Christa Wagner, PhD

AAMC

Senior Legislative Analyst

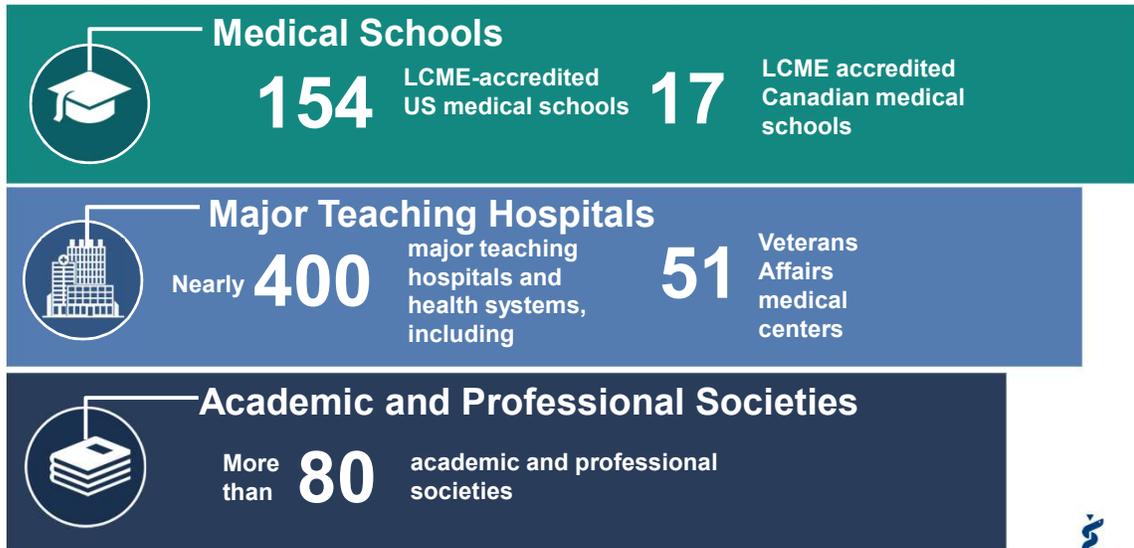
chwagner@aamc.org



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About the AAMC

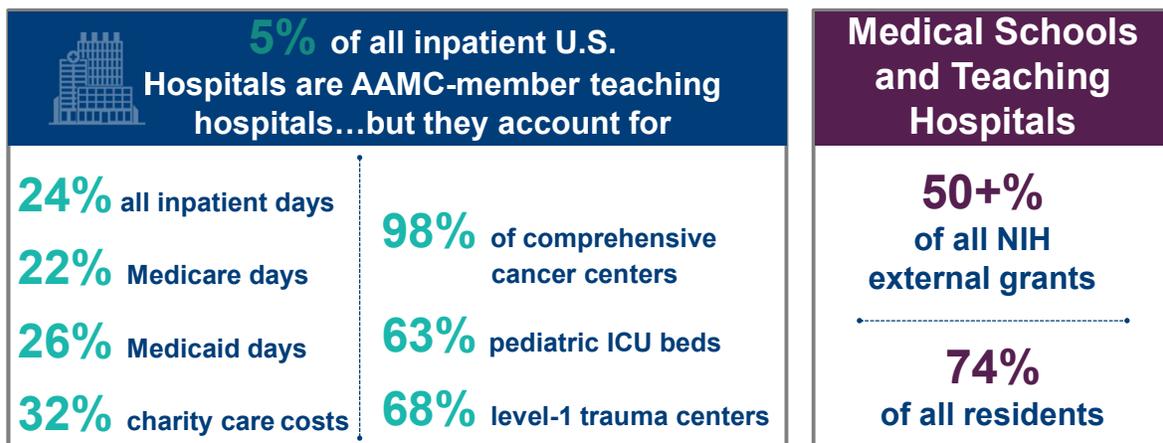


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Academic Medicine: Disproportionate Provider of Patient Care, Research, and Training



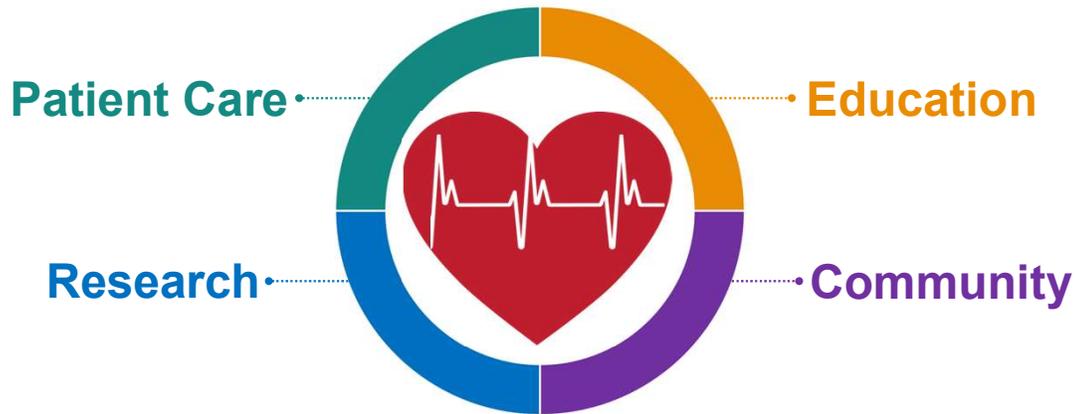
Sources for financial, NIH, and residency data: AAMC analysis of AHA Annual Survey Database FY2017 and NIH Extramural Research Award data. Note: Data reflect all short-term, general, nonfederal hospitals. Sources for clinical data: AAMC analysis of FY 2017 AHA data, American College of Surgeons Level 1 Trauma Center designations, 2018, and the National Cancer Institute's Office of Cancer Centers, 2018. © 2019 AAMC. May not be reproduced without permission.

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At the Heart of AMCs Are 4 Missions They Function Together Like a 4-Chambered Heart



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No Shortage of Advocacy Issues for Academic Medicine

NIH Medicare Medicaid Immigration Physician payment MACRA ACA
Quality measurement Value-based reimbursement Risk adjustment Inpatient
payment Outpatient payment 340B DACA Drug pricing Safety net issues
Funding for Title VII & VIII Common Rule AHRQ funding CMMI funding PCORI
funding VA research funding National Health Services Corps Higher Education
Act J-1 and H-1B visas VA contracting Student financial aid FDA regulation
CDC Response to public health crises – opioids, Ebola, Zika Narrow networks
Health inequities Mental health coverage LDTs Graduate Medical Education

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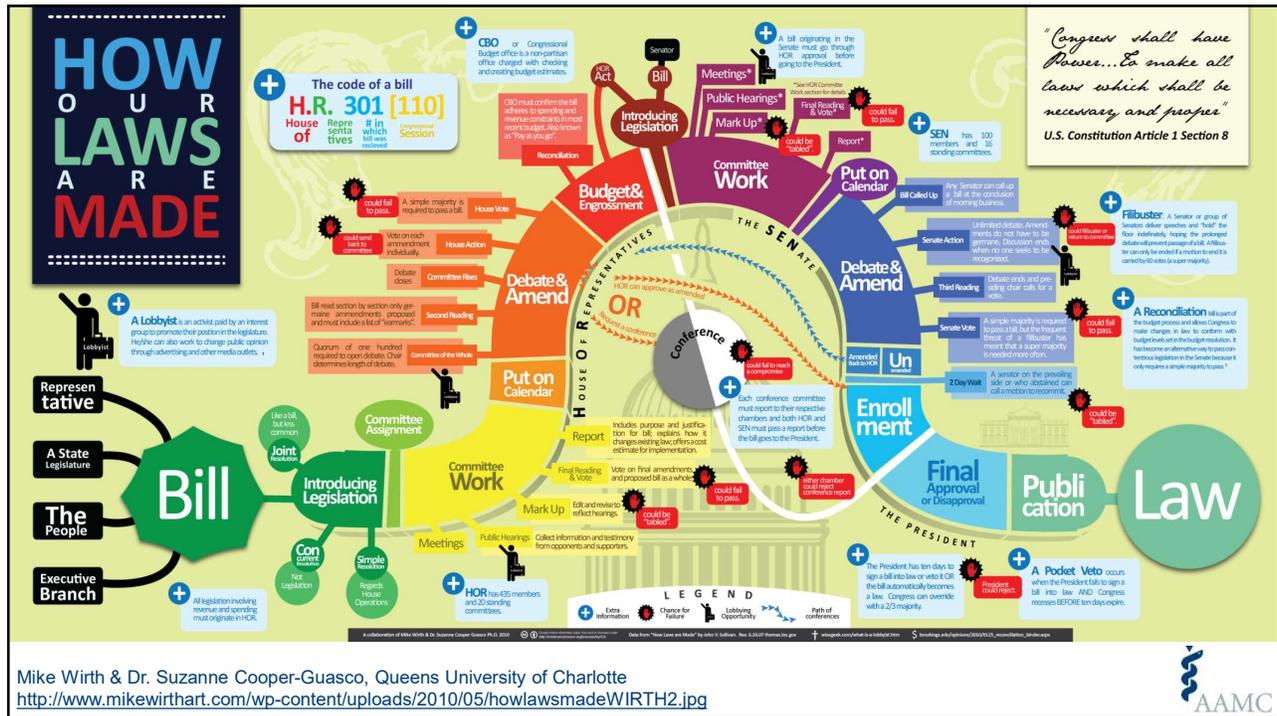
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The Role of Advocacy

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Mike Wirth & Dr. Suzanne Cooper-Guasco, Queens University of Charlotte
<http://www.mikewirthart.com/wp-content/uploads/2010/05/howlawsmadeWIRTH2.jpg>



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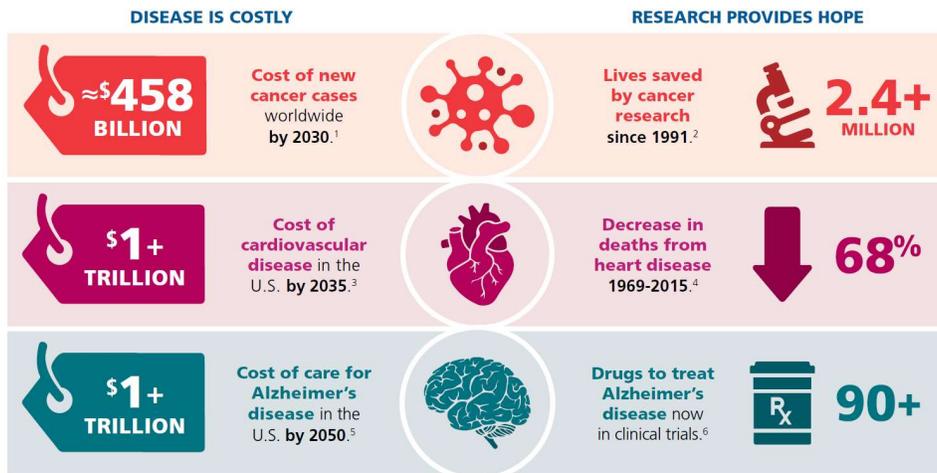
Government Relations Representatives



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AAMC Advocacy: The Value of NIH-Funded Research at Medical Schools and Teaching Hospitals



SOURCES:

1. American Association for Cancer Research. AACR Cancer Progress Report. [cancerprogressreport.org/Pages/cpr17-cancer-in-2017.aspx](https://www.aacr.org/cancer-progress-report). Accessed Sept. 5, 2018.
 2. Siegel RL et al. Cancer statistics, 2018. *CA Cancer J Clin*. 2018;68(1):7-30.
 3. American Heart Association. Cardiovascular disease costs will exceed \$1 trillion by 2035, warns the American Heart Association. 2017/Feb. 14. <https://www.heart.org/healthbeat/heart-costs-to-exceed-1-trillion-by-2035-warns-the-american-heart-association>. Accessed Nov. 9, 2018.

4. Weir HK et al. Heart disease and cancer deaths — trends and projections in the United States, 1969-2020. *Prev Chronic Dis*. 2016;13:160211.
 5. Alzheimer's Association. New Alzheimer's Association report reveals sharp increases in Alzheimer's prevalence, deaths, and costs of care. 2018/May 30. https://www.alz.org/news/2018/new_alzheimer_s_association_report_reveals_sharp_i. Accessed Nov. 5, 2018.
 6. National Institute on Aging. Alzheimer's Disease and Related Dementias. [nia.nih.gov/health/alzheimers-dementias-research-and-clinical-trials](https://www.nia.nih.gov/health/alzheimers-dementias-research-and-clinical-trials). Accessed Sept. 20, 2018.

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AAMC Relationships With Other Associations



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Research Advocacy As A Community: Ad Hoc Group for Medical Research



300+ organizations representing patients, scientists & health care providers, research institutions, & industry

Regular steering committee meetings with I/C directors, White House, and congressional offices

Congressional briefings to educate Members of Congress and their staff about the value of the NIH investment

Weekly newsletter

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The Appropriations Process

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The Federal Budget

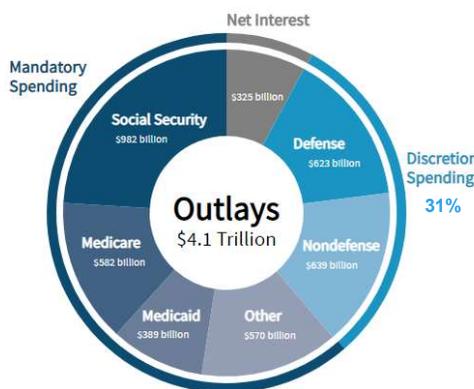
Mandatory spending

- Includes payments for programs like Medicare and Social Security
- Payments are required by prior legislation



Discretionary spending

- Budgets for cabinet departments and agencies (i.e. NIH)
- Appropriated annually during the budget process



FY 2018

Adapted from National Journal Presentation Center and the Congressional Budget Office

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The Budget: Appropriations and Authorizations

Appropriations bill

- Designates budget for federal agencies and programs
- Must be passed by:



Authorization bill

- Gives the government legal authority to spend money
- Necessary for mandatory spending



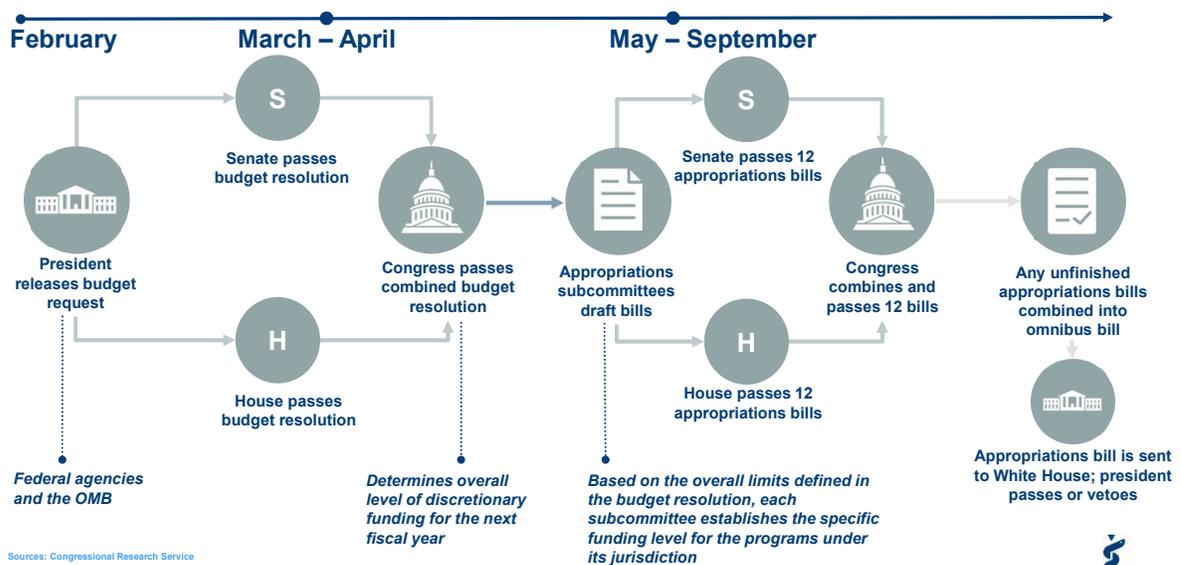
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Adapted from National Journal Presentation Center



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Overview: The Appropriations Process



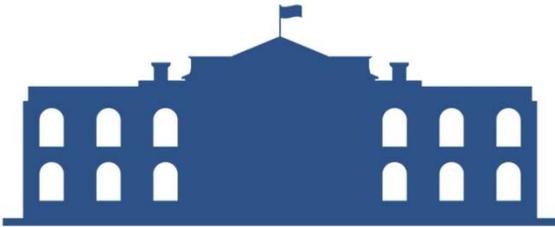
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Sources: Congressional Research Service
Adapted from National Journal Presentation Center



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President's Budget Request



- Administration kicks off the budget process
 - Budget developed beginning in September
 - OMB and Agencies help determine priorities
- February: President's Budget Request delivered

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Adapted from National Journal Presentation Center



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Annual Appropriations Process



- Congress agrees to overall discretionary spending level
- Appropriators divide overall discretionary spending among 12 subcommittees through "302(b) allocations"

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Adapted from National Journal Presentation Center



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Discretionary Spending: 12 Appropriations Bills

 Agriculture, Rural Development, FDA, and Related Agencies	 Commerce, Justice, Science, and Related Agencies	 Defense	 Energy and Water Development
 Financial Services and General Government	 Homeland Security	 Interior, Environment, and Related Agencies	 Labor, HHS, Education, and Related Agencies
 Legislative Branch	 Military Construction, VA, and Related Agencies	 State, Foreign Operations, and Related Programs	 Transportation, HUD, and Related Agencies

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Adapted from National Journal Presentation Center

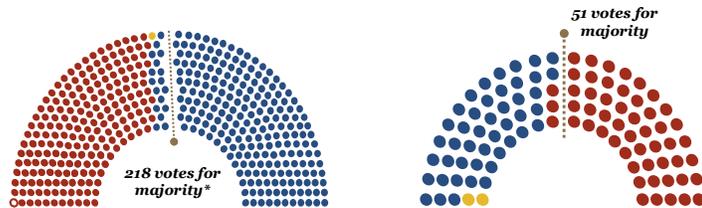


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Both Houses of Congress Must Pass Spending Bills



- The House and Senate must vote on the bills



- If the bills pass, the two versions must be reconciled in Conference Committee

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Adapted from National Journal Presentation Center



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Completed Bills Sent to the President



The president must sign the appropriations bills into law

October

1

If the bill is not signed into law by the start of the fiscal year, Congress must pass a continuing resolution or face a government shutdown

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Adapted from National Journal Presentation Center



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Omnibus and Minibus Spending Bills



A series of 'minibus' funding bills can be passed in place of 12 separate bills or one omnibus



A single omnibus funding bill can be passed in place of the 12 separate bills

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Where are we now?

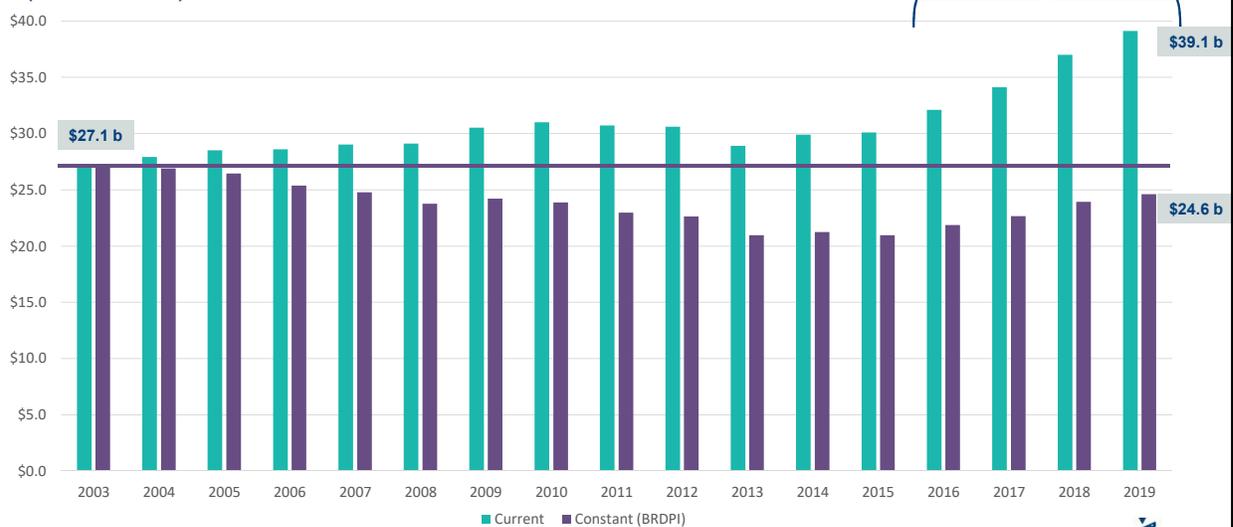
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NIH Funding FYs 2003-2019

(\$ in billions)



Sources: NIH Office of Budget; White House Office of Management and Budget. Updated 2/26/19.

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Ad Hoc Group Recommendation

The Ad Hoc Group for Medical Research recommends **at least \$41.6 billion** for NIH in FY 2020, an increase of at least **\$2.5 billion (6.4%)** over the comparable FY 2019 funding level.

Endorsed by **300+** organizations across the research advocacy community.



THE AD HOC GROUP FOR MEDICAL RESEARCH
The Ad Hoc Group Fiscal Year 2020 Recommendation

The 318 undersigned members of the Ad Hoc Group for Medical Research, which represents patient groups, scientific societies, research institutions, health professionals, educators, and industry, are extremely grateful to Congress for making meaningful, reliable funding support for the National Institutes of Health (NIH) a key national priority. These investments in the NIH yield compound dividends in the form of improved health and quality of life for Americans, young and old.

For FY 2020, the Ad Hoc Group recommends an appropriation of at least \$41.6 billion for the NIH, a \$2.5 billion increase over the NIH's program level funding in FY 2019. This funding level would allow for meaningful growth above inflation in the base budget that would expand NIH's capacity to support promising science in all disciplines. It also would ensure that funding from the Innovation Account established in the 21st Century Cures Act would supplement the agency's base budget, as intended, through dedicated funding for specific programs.

As a result of the strong, bipartisan vision of Senate and House Labor-HHS-Education Appropriations Subcommittee leaders Roy Blunt, Patty Murray, Rosa DeLauro, and Tom Cole, over the last four years, Congress has helped the agency regain some of the ground lost after years of effectively flat budgets. This most welcome renewed investment in NIH has advanced discovery toward promising therapies and diagnostics, reenergized existing and aspiring scientists nationwide, and restored hope for patients and their families. To further realize the potential of medical research, we must continue this forward momentum.

We recognize that the impractical budget caps imposed by the Budget Control Act of 2011 restrict the ability of appropriators to invest adequately in critical federal priorities. To enable the FY 2020 appropriations process to advance in a timely manner, we urge Congress to swiftly reach a bipartisan budget agreement that sufficiently raises the nondefense discretionary spending caps to ensure continued scientific innovation and progress in medical research. We believe that any discretionary caps deal must treat nondefense increases similar to defense increases. We further urge a funding allocation for the Labor-HHS Subcommittee that allows for the necessary investment in NIH and other agencies that promote the health of our nation.

318 Signatories as of 04.19.19
Academic Consortium for Integrative Medicine and Health
Academic Pediatric Association
Academy for Radiology and Biomedical Imaging Research
AcademyHealth
ACT for NIH Foundation
Alliance for Academic Internal Medicine
Alliance for Aging Research
ALS Association



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FY 2020 "Dear Colleague" Letters on NIH

Vicente Gonzalez
Member of Congress

Jack Yarnock
Member of Congress

Congress of the United States
Washington, DC 20515

March 31, 2017

The Honorable Rodney P. Frelinghuysen
Chairman
Committee on Appropriations
U.S. House of Representatives
Washington, D.C., 20515

The Honorable Tom Cole
Chairman
Subcommittee on Labor, HHS, & Education
U.S. House of Representatives
Washington, D.C., 20515

The Honorable Nita Lowey
Ranking Member
Committee on Appropriations
U.S. House of Representatives
Washington, D.C., 20515

The Honorable Rosa DeLauro
Ranking Member
Subcommittee on Labor, HHS, & Education
U.S. House of Representatives
Washington, D.C., 20515

Dear Chairmen Rogers and Cole and Ranking Members Lowey and DeLauro:

As Members of Congress who value the critical role played by the National Institutes of Health (NIH) in achieving better health outcomes, job creation, education, and economic growth, we respectfully request an FY18 appropriation of \$36 billion to reflect the rising costs of biomedical research. Therefore we respectfully request that the NIH receive an increase of at least \$2 billion above Fiscal Year (FY) 2017. This amount, which accounts for inflation, is the minimum level of funding needed to offset the rising costs associated with biomedical research. At a time of unprecedented scientific opportunity, it is critical that the United States make forward-thinking investments that promote medical breakthroughs as well as our international leadership in biomedical research.

Over the past decade, our nation's investment in NIH has often fallen short of what is needed to meet our research needs. Although a modest increase was included in the 2016 end of the year spending package, Congressional appropriations for our nation's greatest research institution have failed to keep pace with inflation. We can already see the widening impact this has had, with dramatically lower grant application success rates and less money available for new researchers seeking their first grant. Students are receiving a world-class education at American universities only to graduate and seek research positions in China, India, or other nations that emphasize investment in biomedical research.

The 114th Congress made a strong promise on continued advancements of the NIH through the passage of the 21st Century Cures law. While that funding will benefit the Precision Medicine and BRAIN initiatives as well as the Cancer Moonshot, this request for discretionary funding is necessary for the NIH to continue as the world's preeminent medical research institution and our best hope for finding cures, improving treatments, and gaining a better understanding of the complex causes of disease that affect millions of Americans. The agency conducts research that

Page 1 of 2

House: Led by Reps. David McKinley (R-W.Va.), Susan Davis (D-Calif.), Andre Carson (D-Ind.), and Peter King (R-N.Y.) with 222 total signatories.

Chen Yan He
Chen Yan He

Thom Tillis
Thom Tillis

Collins

Brown

Bluffe

Heath

Waters

Richard Burr

United States Senate
WASHINGTON, DC 20540

May 24, 2017

The Honorable Thad Cochran
Chairman
Senate Committee on Appropriations
The Capitol, Room 5-146A
Washington, DC 20510

The Honorable Roy Blunt
Chairman
Subcommittee on Labor, Health and Human Services, and Related Agencies
Dirksen Senate Office Building, Room 150
Washington, DC 20510

The Honorable Patrick Leahy
Vice Chairman
Senate Committee on Appropriations
The Capitol, Room 5-146A
Washington, DC 20510

The Honorable Patty Murray
Ranking Member
Subcommittee on Labor, Health and Human Services, and Related Agencies
Dirksen Senate Office Building, Room 150
Washington, DC 20510

Dear Chairman Cochran, Vice Chairman Leahy, Chairman Blunt and Ranking Member Murray:

As you and your colleagues begin to work on the Fiscal Year (FY) 2018 appropriations bills, we respectfully request that you maintain a strong commitment to funding for the National Institutes of Health (NIH) in the Labor-Health and Human Services-Education bill, to 2018 the NIH sees its largest funding increase in a decade, and the 2017 Congress provided for additional funding for the NIH through the 21st Century Cures Act. We commend the Appropriations for recognizing the critical role support for the NIH plays in ensuring continued innovation and progress in medical research. We believe that it is essential to continue robust support for medical research because of the potential health benefits for all Americans and the importance of ensuring that our Nation remains at the forefront of medical research.

The NIH is our country's premier institution for medical research, supporting research in all 50 states. It offers us our best hope for treating or curing debilitating diseases like heart disease, cancer, diabetes, and so many other illnesses that American families battle every day. It is through the innovative medical research supported by the NIH that we may have a chance to contain the increasing health care costs associated with the aging of the Baby Boomer generation. A large portion of the projected increase in health care expenditures in the coming decades is due to demographic changes and the resulting costs associated with many chronic and chronic diseases that cost the federal government and private sector billions of dollars each year.

Our investment in the NIH has yielded an unprecedented number of scientific advances that have improved health outcomes and contributed significantly to the Nation's economic growth. NIH grants fund basic, medical and translational research that leads to breakthroughs into health interventions for patients. Unfortunately, scientists in being ground at the world leader in research and development and researchers are struggling to secure funding. As NIH grants get more competitive, researchers can rarely spend half their careers working before receiving a grant, resulting in promising, talented young researchers being discouraged from the field of biomedical research and some investigators deciding to abandon scientific research altogether or to conduct their research outside the United States.

We all recognize the difficult choices that need to be made with respect to the budget as we seek to reduce the deficit. As we continue to grapple with emerging threats, and if we are to continue improving the health of Americans and the quality of their lives, we must continue to invest in biomedical research that has the potential to save money in the future, improve the lives of Americans, and offer an economic return for our Nation. We urge you to consider the tremendous benefits of sustained investment in the NIH, and ask you to remember our Nation's role as a world leader in biomedical research and the impact this research has on patients in your Committee's funding decisions for FY 2018. We also ask that you include the full allocation of funding for the NIH provided by the 21st Century Cures Act. Investing in research today will yield cures and therapies for patients tomorrow.

Bob Casey Jr.
Robert P. Casey, Jr.

Sincerely,
Richard Burr
Richard Burr

Senate: Led by Senators Bob Casey (D-Pa.) and Richard Burr (R-N.C.), with 62 total signatories.

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Current State of Play: FY 2020 Funding for NIH

(\$ in millions)

	FY 2019 Final	FY 2020 House	\$ change vs FY 19	% change vs FY 19	FY 2020 Senate draft	\$ change vs FY 19	% change vs FY 19
NIH Total (pre-Innov. Account)	\$38,373	\$40,592	\$2,219	5.8%	\$41,592	\$3,219	8.3%
NIH Innovation Account**	\$711	\$492	-\$219	-30.8%	\$492	-\$219	-30.8%
NIH Program Level	\$39,084	\$41,084	\$2,000	5.1%	\$42,084	\$3,000	7.7%

** The 21st Century Cures Act (P.L. 114-254) established an "NIH Innovation Account" that allows appropriators to supplement NIH's base appropriation in FYs 17 - 26 with additional funds for four targeted initiatives (precision medicine, Brain Research through Advancing Innovative Technologies, cancer research, and regenerative medicine). The final FY 2019 spending bill provided the full \$711 million available to NIH in FY 19, and both the House-passed and draft Senate spending bills provide the full \$492 million available to NIH in FY 20.



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Now What?

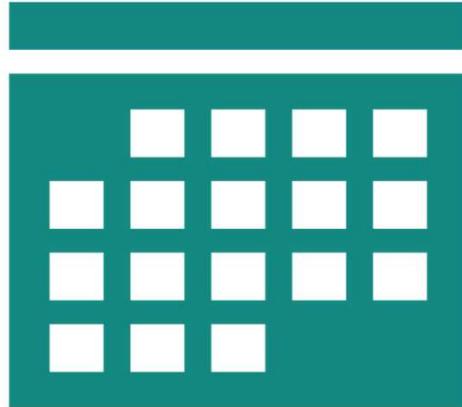


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New Fiscal Year Begins October 1st

Continuing resolution necessary to avoid government shutdown



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Discussion



Tannaz Rasouli, MPH

AAMC

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Strategic Outreach

trasouli@aamc.org



Christa Wagner, PhD

AAMC

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chwagner@aamc.org

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