Insights on Federal Funding and the National Institutes of Health

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About the AAMC

Medical Schools

- 154 LCME-accredited US medical schools
- 17 LCME accredited Canadian medical schools

Major Teaching Hospitals

- Nearly 400 major teaching hospitals and health systems, including 51 Veterans Affairs medical centers

Academic and Professional Societies

- More than 80 academic and professional societies

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

- 5% of all inpatient U.S. Hospitals are AAMC-member teaching hospitals...but they account for:
  - 24% all inpatient days
  - 22% Medicare days
  - 26% Medicaid days
  - 32% charity care costs
  - 98% of comprehensive cancer centers
  - 63% pediatric ICU beds
  - 68% level-1 trauma centers

Medical Schools and Teaching Hospitals

- 50+% of all NIH external grants
- 74% of all residents

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

- Patient Care
- Education
- Research
- Community

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
The Role of Advocacy

Mike Wirth & Dr. Suzanne Cooper-Guasco, Queens University of Charlotte
AAMC Advocacy: The Value of NIH-Funded Research at Medical Schools and Teaching Hospitals

DISEASE IS COSTLY

$≈458 BILLION
Cost of new cancer cases worldwide by 2030

$≈1+ TRILLION
Cost of new cardiovascular disease in the U.S. by 2035

$≈1+ TRILLION
Cost of care for Alzheimer’s disease in the U.S. by 2050

LIVES SAVED BY RESEARCH PROVIDES HOPE

2.4+ MILLION
Lives saved by cancer research since 1991

68%
Decrease in deaths from heart disease 1969-2015

90+
Drugs to treat Alzheimer’s disease now in clinical trials

SOURCES:
AAMC Relationships With Other Associations

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
The Appropriations Process

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

Adapted from National Journal Presentation Center and the Congressional Budget Office
The Budget: Appropriations and Authorizations

### Appropriations bill
- Designates budget for federal agencies and programs
- Must be passed by: October 1

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

Overview: The Appropriations Process

**February**
- President releases budget request

**March – April**
- Senate passes budget resolution
- Congress passes combined budget resolution
- Determines overall level of discretionary funding for the next fiscal year

**May – September**
- Congress combines and passes 12 bills
- Appropriations subcommittees draft bills
- House passes 12 appropriations bills
- Based on the overall limits defined in the budget resolution, each subcommittee establishes the specific funding level for the programs under its jurisdiction

*Sources: Congressional Research Service*

*Adapted from National Journal Presentation Center*
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

Annual Appropriations Process

- Congress agrees to overall discretionary spending level
- Appropriators divide overall discretionary spending among 12 subcommittees through “302(b) allocations”
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
- Legislative Branch
- Military Construction, VA, and Related Agencies
- State, Foreign Operations, and Related Programs
- Transportation, HUD, and Related Agencies
- Labor, HHS, Education, and Related Agencies
- Legislative Branch

Both Houses of Congress Must Pass Spending Bills

- The House and Senate must vote on the bills
- 218 votes for majority
- 51 votes for majority
- If the bills pass, the two versions must be reconciled in Conference Committee
Completed Bills Sent to the President

The president must sign the appropriations bills into law.

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.

Omnibus and Minibus Spending Bills

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

A series of ‘minibus’ funding bills can be passed in place of 12 separate bills or one omnibus.
Where are we now?

NIH Funding FYs 2003-2019

($ in billions)

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

FY 2020 “Dear Colleague” Letters on NIH

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.

Senate: Led by Senators Bob Casey (D-Pa.) and Richard Burr (R-N.C.), with 62 total signatories.
**Current State of Play: FY 2020 Funding for NIH**

($ in millions)

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

** 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?**
New Fiscal Year Begins October 1\textsuperscript{st}
Continuing resolution necessary to avoid government shutdown

Discussion

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