Insights on Federal Funding and the National Institutes of Health

Tannaz Rasouli
Senior Director, Public Policy & Strategic Outreach

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GREAT / GRAND Community Forum
August 11, 2020
Know someone not currently in GREAT or GRAND who might benefit from these conversations and networking? Tell them to email GREAT@aamc.org or GRAND@aamc.org and ask to join the group.

GREAT and GRAND monthly community calls bring group members together to discuss how their institutions are responding to the coronavirus.

- MD-PhD Section Forum – August 19, 12 pm ET
- GREAT Community Call – August 25, 2020, 1 pm ET

To be invited, email Sr. Administrative Associate Emily Outtarac at eouttarac@aamc.org.

Save the date: Community Forum on Addressing Sexual Harassment in Academic Medicine – October 28, 3 pm ET
Insights on Federal Funding and the NIH

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Overview
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
AAMC Leadership Continues to Engage Policymakers

“Beyond the White Coat” Podcast Interviews this Spring

NIH Director Collins  Rep. Shalala (FL)  Sen. Blunt (MO)

AAMC President
David J. Skorton, MD
# AAMC Advocacy: The Value of NIH-Funded Research at Medical Schools and Teaching Hospitals

<table>
<thead>
<tr>
<th>DISEASE IS COSTLY</th>
<th>RESEARCH PROVIDES HOPE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$458 BILLION</strong></td>
<td><strong>Lives saved by cancer research since 1991.</strong>&lt;sup&gt;2&lt;/sup&gt;</td>
</tr>
<tr>
<td>Cost of new cancer cases worldwide by 2030&lt;sup&gt;1&lt;/sup&gt;</td>
<td><strong>2.4+ MILLION</strong></td>
</tr>
<tr>
<td><strong>$1+ TRILLION</strong></td>
<td><strong>68%</strong></td>
</tr>
<tr>
<td>Cost of cardiovascular disease in the U.S. by 2035&lt;sup&gt;3&lt;/sup&gt;</td>
<td>Decrease in deaths from heart disease 1969-2015&lt;sup&gt;4&lt;/sup&gt;</td>
</tr>
<tr>
<td><strong>$1+ TRILLION</strong></td>
<td><strong>90+</strong></td>
</tr>
<tr>
<td>Cost of care for Alzheimer’s disease in the U.S. by 2050&lt;sup&gt;5&lt;/sup&gt;</td>
<td>Drugs to treat Alzheimer’s disease now in clinical trials&lt;sup&gt;6&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

**Sources:**
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

Adapted from National Journal Presentation Center
Overview: The Appropriations Process

**February**
- President releases budget request
- House passes budget resolution

**March – April**
- Senate passes budget resolution
- Congress passes combined budget resolution
- Appropriations subcommittees draft bills

**May – September**
- Senate passes 12 appropriations bills
- Congress combines and passes 12 bills
- Appropriations bill is sent to White House; president passes or vetoes

- Any unfinished appropriations bills combined into omnibus bill

Federal agencies and the OMB

Determines overall level of discretionary funding for the next fiscal year

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
• 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
- 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

Adapted from National Journal Presentation Center
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

Adapted from National Journal Presentation Center
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.

October 1
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
Current Status of Appropriations
## Current State of Play: FY 2021 Funding for NIH

($) in millions

<table>
<thead>
<tr>
<th></th>
<th>FY 2020 Final</th>
<th>FY 2021 House</th>
<th>$ change vs FY 20</th>
<th>% change vs FY 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>NIH Total (pre-Innov. Account)</td>
<td>$41,192</td>
<td>$41,555</td>
<td>$363</td>
<td>0.9%</td>
</tr>
<tr>
<td>** NIH Innovation Account</td>
<td>$492</td>
<td>$404</td>
<td>-$88</td>
<td>-17.8%</td>
</tr>
<tr>
<td>* NIH Program Level</td>
<td>$41,684</td>
<td>$41,959</td>
<td>$275</td>
<td>0.7%</td>
</tr>
<tr>
<td>Emergency Funds</td>
<td>--</td>
<td>$5,000</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>**Total with Emergency Funds</td>
<td>--</td>
<td>$46,959</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

* The FY 20 bill includes a one-time transfer of $225 million to NIH for buildings and facilities. **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 20 bill (P.L. 116-94) provided the full $492 million available to NIH, and the House-passed FY 21 bill (HR 7617) utilizes the full amounts available in FY 21. *** HR 7617, Title VI provides emergency funds to NIH available until Sept. 30, 2025.
Covid Relief Packages Have Totaled $2.5 Trillion

In just 2 months, Congress enacted 4 stimulus packages:

- Mar. 6: 1\textsuperscript{st} Stimulus Package $8.3 Billion
- Mar. 18: 2\textsuperscript{nd} Stimulus Package $2.4 Billion
- Mar. 27: 3\textsuperscript{rd} Stimulus Package $2.0 Trillion
- Apr. 24: 4\textsuperscript{th} Stimulus Package $484 Billion

Total $2.5 Trillion
## Covid Relief Packages: Enacted Funds for NIH

($ in millions)

<table>
<thead>
<tr>
<th>Institute/Center</th>
<th>P.L. 116-123 (Supp 1)</th>
<th>P.L. 116-136 (Supp 3)</th>
<th>P.L. 116-139 (Supp 4)</th>
<th>Total Enacted</th>
</tr>
</thead>
<tbody>
<tr>
<td>OD</td>
<td></td>
<td>$30</td>
<td>$1,000</td>
<td>$1,030</td>
</tr>
<tr>
<td>NIAID</td>
<td>$826</td>
<td>$706</td>
<td></td>
<td>$1,532</td>
</tr>
<tr>
<td>NIEHS</td>
<td>** $10</td>
<td></td>
<td></td>
<td>$10</td>
</tr>
<tr>
<td>NHLBI</td>
<td></td>
<td>$103</td>
<td></td>
<td>$103</td>
</tr>
<tr>
<td>NCATS</td>
<td></td>
<td>$36</td>
<td></td>
<td>$36</td>
</tr>
<tr>
<td>NLM</td>
<td></td>
<td>$10</td>
<td></td>
<td>$10</td>
</tr>
<tr>
<td>NIBIB</td>
<td></td>
<td>$60</td>
<td>$500</td>
<td>$560</td>
</tr>
<tr>
<td>NCI</td>
<td></td>
<td></td>
<td>$306</td>
<td>$306</td>
</tr>
<tr>
<td><strong>Total Enacted</strong></td>
<td><strong>$836</strong>*</td>
<td><strong>$945</strong>*</td>
<td><strong>$1,806</strong>*</td>
<td><strong>$3,587</strong>*</td>
</tr>
</tbody>
</table>

* Funding available through Sept. 30, 2024.
** Transferred to NIEHS from NIAID.
Additional Emergency Funding Needs for NIH

- Additional covid-related research across NIH
- Relief to offset expenses associated with resuming pre-pandemic research
- Support for the research workforce pipeline
- Long-term investments to rebuild the biomedical research enterprise

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Relief to Resume Pre-pandemic Research

May 27, 2020
The Honorable Mitch McConnell
Majority Leader
United States Senate
2361 Russell Office Building
Washington, DC 20510

The Honorable Richard Shelby
Chairman
Appropriations Committee
United States Senate
234 Russell Office Building
Washington, DC 20510

Dear Leader McConnell, Leader Schumer, Chairman Shelby,

We represent the leading national voices for the health of our nation’s health care and economic well-being. The COVID-19 pandemic has severely disrupted our nation’s health care system, including hospitals, nursing homes, and other long-term care facilities. We urge you to take immediate action to provide the necessary funding to ensure that our health care system can continue to provide critical care to patients and ensure the health and safety of our communities.

The coronavirus pandemic claims another victim: Medical research for d...
Work on many conditions is deemed nonessential, dismay families who found hope in promising treatments.

Francis Collins, director of the National Institutes of Health, testifies during a Senate panel hearing on May 7, 2020.
Photographer: Andrew Harnik/AP Photo/Bloomberg

Virus Will Cost NIH $10 Billion in Lost Research, Director Warns (1)
## Covid Relief Packages: Proposed Funds for NIH

($ in millions)

<table>
<thead>
<tr>
<th>Institute/Center</th>
<th>Senate HEALS Proposal</th>
<th>House-passed Heroes Act</th>
<th>House-passed FY 21 (Title VI)</th>
</tr>
</thead>
<tbody>
<tr>
<td>OD</td>
<td>$12,905</td>
<td>$4,021</td>
<td>$5,000</td>
</tr>
<tr>
<td>NIAID</td>
<td>$481</td>
<td>$500</td>
<td>--</td>
</tr>
<tr>
<td>NHLBI</td>
<td>$290</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>NCATS</td>
<td>$1,225</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>NIMH</td>
<td>$200</td>
<td>$200</td>
<td>--</td>
</tr>
<tr>
<td>NIDDK</td>
<td>$200</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>NICHD</td>
<td>$173</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>NIMHD</td>
<td>$64</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td><strong>Total Proposed</strong></td>
<td>* $15,538</td>
<td>* $4,721</td>
<td>** $5,000</td>
</tr>
<tr>
<td><strong>Research Relief</strong></td>
<td>&gt; $10,100</td>
<td>&gt; $3,000</td>
<td>&gt; $2,500</td>
</tr>
</tbody>
</table>


Discussion

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Addressing Sexual Harassment in Academic Medicine
October 28, 3 pm ET

Frazier Benya, PhD
Senior Program Officer
National Academy of Sciences

Carrie Wolinetz, PhD
Acting Chief of Staff
Associate Director for Science Policy
NIH Office of the Director