Summary Page

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Request for FY2007:

Agency for Healthcare Research and Quality	$440 million
Office of Research, Development and Information at the Centers for Medicare and Medicaid Services	$72 million
Public Health Research at the Centers for Disease Control and Prevention	$31 million
National Center for Health Statistics at the Centers for Disease Control and Prevention	$139 million

TESTIMONY OF

THE COALITION FOR HEALTH SERVICES RESEARCH

TO THE

SUBCOMMITTEE ON LABOR,
HEALTH AND HUMAN SERVICES,
EDUCATION AND RELATED AGENCIES

COMMITTEE ON APPROPRIATIONS

UNITED STATES HOUSE OF REPRESENTATIVES

MARCH 29, 2006

Good morning, Mr. Chairman. I am Joseph Antos, a member of the board of directors for the Coalition for Health Services Research (Coalition). I am also the Wilson H. Taylor Scholar in Health Care and Retirement Policy at the American Enterprise Institute, an adjunct professor in the School of Public Health at the University of North Carolina at Chapel Hill, and a Commissioner on the Maryland Health Services Cost Review Commission.

I am pleased to offer this testimony on behalf of the Coalition regarding the role of health services research in improving our nation's health. The mission of the Coalition is to support the research that can lead to accessible, affordable, high-quality health care. The Coalition is the advocacy arm of AcademyHealth. Through AcademyHealth, the Coalition represents almost 4,000 individual researchers, scientists and policy experts as well as 135 organizations including universities, providers, employers, patients, and health plans that produce and use health services research.

As you and the members of this Subcommittee know, health services research identifies the most effective ways to organize, manage, finance, and deliver high-quality care, to reduce medical errors, and to improve patient safety. Health services research examines:

- How people get access to care;
- How much care costs; and
- What happens to patients as the result of this care.

This type of research is vitally important in evaluating the $2.1 trillion American health care system, yet health services research only accounts for a small fragment of health care spending. Out of every health care dollar, health services research receives only 0.1 cents – the equivalent of five percent of total federal health research expenditures. More specifically, we estimate that while the federal government spends $37.8 billion on health research, only $1.5 billion is spent specifically on health services research, including $905 million reported by the National Institutes of Health.[1]

The problems of our health care system are well documented. The 2000 Institute of Medicine report *To Err is Human* found that up to 98,000 Americans a year die from medical errors in the hospital. Studies also show that those without adequate health insurance have poorer outcomes than the insured. For example, one study found that an uninsured patient diagnosed with colorectal cancer was 70 percent more likely to die within the three years after diagnosis than someone with insurance[2]. Similarly, we know that disparities and lack of access to care in rural and inner cities result in poorer outcomes.

But the news isn't all bad. Over the past year, you may have seen news reports about the impact health services research has had in improving the lives of millions of Americans. For example,

- In May, the Agency for Healthcare Research and Quality issued a report showing that episiotomies (a preemptive incision used during childbirth to prevent tissue tearing) have few, if any, positive benefits, and probably result in more complications and cause more pain than if no incision were made during childbirth.

[1] *Federal Funding for Health Services Research*, December 2005, Coalition for Health Services Research
[2] Krugman, P, and Wells, R. *The Health Care Crisis and What to Do About It.*, The New York Review of Books, March 23, 2006, Volume LIII, No. 5, page 38.

The report will save millions of women from having to undergo this painful procedure, not to mention the costs saved by having this procedure performed on a routine basis.

- In September, the National Institute of Mental Health published a study comparing antipsychotic drugs used in the treatment of schizophrenia. The study found that the oldest drug was just as effective as newer drugs and caused no additional side effects. While the newer drug helped patients control symptoms slightly better than the others, it caused additional serious side effects. This study enables greater flexibility in care and informs patients and providers about costs and quality of care.

Although the private sector provides some financial support for health services research, government support is vital. As these examples suggest, health services research can contribute greatly to better health care at lower cost for Americans. Health services research is a public good, providing a basis for improvements in our health care system that benefit the general public. Lower government funding means less research and fewer opportunities to improve the operation of a system that is beset with problems.

Health services research helps make sense of America's complex health system. By providing more information, health services research will help all of us make better health decisions. It will help:

- Policymakers to improve the health care system.
- Payers to make the best use of their health care dollars.
- Patients and providers to determine the best course of treatment.

Continued investment in health services research is essential. New knowledge will help improve quality and increase affordability, availability and accessibility. After all, increased spending on new medicines and equipment is wasted if the system cannot safely and effectively deliver the care. Importantly, Americans support continued investment in health services research. When asked how important it is for the United States to invest in health services research 65 percent of those surveyed said it was very important, 28 percent said it was somewhat important.[3] Only five percent said it was not important with two percent having no opinion.

Mr. Chairman, we appreciate the support you and the other members of the Subcommittee have provided to the federal agencies that fund health services research. We now ask that the Subcommittee strengthen this important component of health research so that this field can help improve the health care Americans need.

Agency for Healthcare Research and Quality (AHRQ):
Under the President's proposed FY2007 budget, AHRQ's funding would remain frozen at the FY 2006 level of $319 million. With the exception of a $15 million increase to conduct research on comparative effectiveness, AHRQ has not had a budget increase in more than four years. This 'no growth' budget is having a significant impact on the field of health services research and its ability to respond to the needs of policymakers. For example, AHRQ has had to limit grant award approvals to $300,000 per year regardless of the merits or proposed cost of the research. Investigator-initiated research, such as that undertaken by Lucian Leape in discovering the prevalence of medical errors, is practically non-existent at AHRQ. Last year,

[3] *America Speaks*, Volume 6. Research!America. March 2005

your Senate colleagues were so concerned by the lack of investigator-initiated research at AHRQ, they included report language stating that the agency should undertake more investigator-initiated research. Unfortunately, no additional resources we make available to the agency so that it could fund this needed research.

We are also very concerned that investments in the health services research infrastructure are declining. With the agency budget focused primarily on patient safety, health information technology, and comparative effectiveness, there are fewer resources available to provide training to the next generation of researchers and to develop new methodologies to improve the scientific basis of the field.

Mr. Chairman, we request that the committee appropriate $440 million for AHRQ in 2007. That request includes several important components:

- Patient safety – The IOM report *To Err is Human* called on Congress to spend $100 million in researching patient safety. AHRQ's appropriation for 2006 is $84 million for patient safety, with more than half of that, $50 million, devoted to health information technology (HIT). We urge you to appropriate the entire $100 million for patient safety and provide an additional $10 million for HIT.
- Comparative effectiveness research – Funding for this research program was initially authorized at $50 million, but AHRQ's 2006 appropriation is only $15 million. By comparison, the study I discussed above, in which the NIMH evaluated schizophrenia drugs, cost $67 million. We urge funding for comparative effectiveness at the $75 million level recommended by the Senate last year.
- Other areas also needing increased resources include research into understanding the causes of and solutions to rising health care costs; promoting improvements in health care quality; strengthening efforts to translate research into practice; chronic care management, and long-term care research.

Centers for Medicare and Medicaid Services (CMS):
The President's budget request for the Office of Research, Development and Information is $41.5 million. This is enough for the agency to meet its statutory requirements, but not to conduct any additional research into areas of importance to the Medicare, Medicaid, and SCHIP programs that provide coverage to 96 million Americans. The Coalition supports a funding level of $72 million to ensure that resources are available to allow the agency to further evaluate the prescription drug program and to determine how to make the program run more efficiently and effectively. Research is also needed on how to update payment methodologies, including development of Pay for Performance, and to further refine service delivery methods.

Data on the utilization of services by Medicare beneficiaries represent an important tool in health services research. However, these data are currently not very accessible to the research community. The data are generated primarily for claims payment, and are not kept in a format that can be used easily for research. Currently, researchers must go through a cumbersome and expensive process to generate research data bases, and since Medicare contractors are the ones who hold and maintain these data, researchers must compete with contractor resources to obtain their data files. The Coalition requests that Congress provide the resources for CMS to develop data bases using Medicare program data that can support research on the use and effectiveness of health services as well as other important policy questions while adhering to appropriate confidentiality standards.

Centers for Disease Control and Prevention (CDC):
A continuing concern is the inadequacy of research on the public health infrastructure. While much attention has been focused on research about the acute care system, and on improving the public health system's ability to respond to a terrorist attack, insufficient research has been funded on improving the delivery of public health services. Specific concerns include:

- How can the public health infrastructure be improved and made more effective?
- How do we target critical public health activities to reach individuals and communities that typically encounter barriers in accessing the health system?
- How cost-effective are public health and prevention programs?
- How will new advances in understanding disease be applied in public health?
- How can the medical care and public health delivery systems be better linked?

The President's budget proposes $31 million in Public Health Research. We support this program and urge the Subcommittee to provide it with full funding.

The CDC's **National Center for Health Statistics (NCHS)** plays a crucial role in collecting the data needed in many important research areas including the status of the nation's health. These data are also used to measure the impact and effectiveness of health policies and programs. The Subcommittee recognized its importance in FY 2005 by providing a much needed increase of $19 million to stabilize the agency at $109 million. However, the President's request for FY 2007, freezes funding at that level. The Coalition supports a funding level of $139 million to enable the agency to:

- Provide needed data on prescription drug usage;
- Improve the availability of detailed health data at the State level to facilitate program decision-making and to enable us to learn which policies and programs work best at the State level;
- Improve data on race and ethnicity to allow us to better understand health disparities and help identify interventions to reduce them;
- Expand data collection on the health care system to include dental care, community health centers, assisted living, nursing home, and hospice care;
- Update NCHS' hospital survey so that the sample of hospitals is representative of current industry patterns;
- Accelerate the adoption of new data collection and processing technology to improve overall timeliness and access to data; and
- Implement improved mechanisms to allow greater research access to health statistics while preserving the confidentiality of the health information on individuals.

We feel strongly that data development must receive more attention and funding. While NCHS has made tremendous strides in improving the quality and timeliness of its data, greater efforts should be undertaken. Needed improvements in health data will help federal and state policy makers make better use of the resources now being devoted to improve health and health care. We also encourage the Subcommittee to strengthen the coordination of federal agencies that produce health data so that we can achieve greater efficiencies in data collection and make needed improvements in these critical data sets.

National Institutes of Health (NIH)
Last year, the NIH reported that it spent $905 million on health services research—or 3.2 percent of its entire budget—making it the largest funder of health services research within the federal government. The following table shows what specific institutes spend on health services research:

Dollars in Millions			
	Institute's Total HSR Budget	**Percent of Institute's Budget allocated to HSR**	**Percent of NIH's Budget allocated to HSR**
NIMH	$204,123	14.46%	22.55%
NIDA	$151,620	15.07%	16.75%
NCI	$131,700	2.73%	14.55%
NIA	$76,309	7.25%	8.43%
NIDDK	$74,600	4.00%	8.24%
NIAAA	$69,000	15.74%	7.62%
NHLBI	$73,101	2.49%	8.08%
NLM	$26,576	8.43%	2.94%
Other NIH HSR	$98,081	0.66%	10.84%
Total	**$905,110**		**100.00%**

While these are significant amounts, and we appreciate all that the various institutes do to support the health services research field, we encourage NIH to increase the share of its budgets devoted to moving discoveries from clinical trials into mainstream health services. We also encourage NIH to foster greater coordination of its health services research investment.

Conclusion
The accomplishments of health services research would not be possible without the leadership and support of this Subcommittee. Scientifically-based evidence provides crucial guidance to you and your colleagues as you make difficult decisions that will affect the health and health care services of all Americans.

While our funding requests are modest—totaling $181 million—the return on investment will be much higher. This investment will generate improved information for consumers and providers, leading to improved quality, accessibility, and affordability.

We urge the Subcommittee to continue the progress made during the past several years and accept our funding recommendations for the federal agencies funding health services research in FY2007.

If you have any questions or comments about this testimony, please contact Jon Lawniczak, Director, Government Relations at (202) 292-6742 or email at jonathan.lawniczak@academyhealth.org.

Antos Bio

Joseph R. Antos, Ph.D., is the Wilson H. Taylor Scholar in Health Care and Retirement Policy at the American Enterprise Institute and an adjunct professor in the School of Public Health at the University of North Carolina at Chapel Hill. He is also a Commissioner on the Maryland Health Services Cost Review Commission and serves on the board of directors for the Coalition for Health Services Research. Antos previously served as the assistant director for health and human resources at the Congressional Budget Office (CBO), and earlier held senior positions in the Office of Management and Budget, the President's Council of Economic Advisers, the U.S. Department of Health and Human Services, and the Health Care Financing Administration (the precursor to the Centers for Medicare and Medicaid Services, CMS). His recent research focuses on the economics of health policy, including Medicare reform, health insurance regulation, and the uninsured. Antos has a doctorate in economics from the University of Rochester.

Rule XI Declaration

The Coalition for Health Services Research has not received any federal grant (or sub grant thereof) or contract (or subcontract thereof) in this fiscal year or either of the two pervious fiscal years.