



Tomorrow's Doctors, Tomorrow's Cures

# Legislative Update

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Learn

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Serve

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Lead

## Association of Chairs of Departments of Physiology Fall Meeting

David B. Moore  
Senior Associate Vice President  
October 6, 2005



Association of  
American Medical Colleges

# The Political Environment In Washington

**“It is widely noted that the two things you never want to see made are sausage and legislation. Well, this legislation is giving sausage a bad name.”**

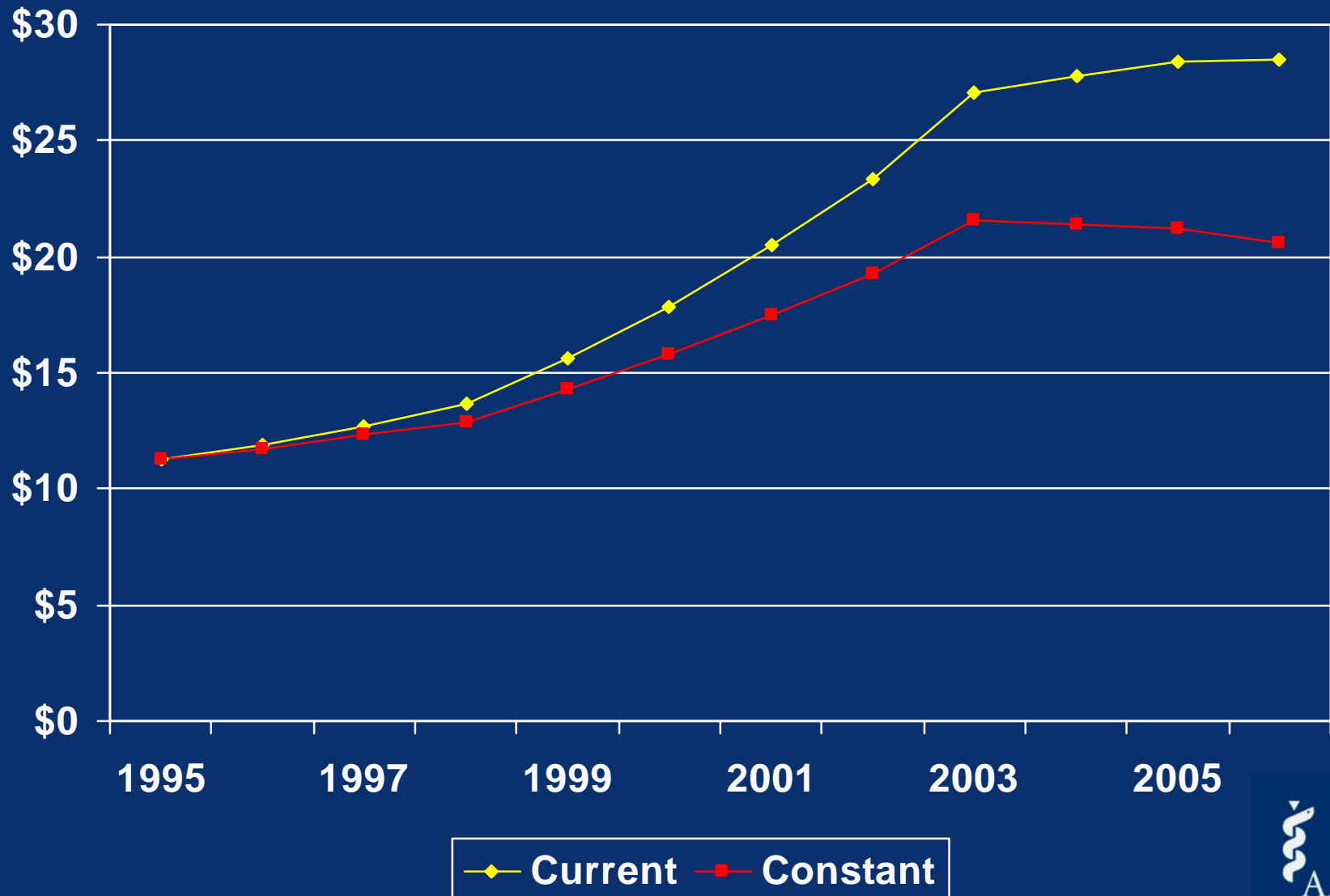
**- Senator Arlen Specter**

# NIH Funding History

## FYs 1995-2006 [in billions]

Year	Current \$	% change	Constant \$	% change
1995	\$11.300	3.1%	\$11.300	---
1996	\$11.928	5.6%	\$11.717	3.7%
1997	\$12.741	6.8%	\$12.286	4.9%
1998	\$13.675	7.3%	\$12.901	5.0%
<b>1999</b>	<b>\$15.629</b>	<b>14.3%</b>	<b>\$14.339</b>	<b>11.1%</b>
<b>2000</b>	<b>\$17.821</b>	<b>14.0%</b>	<b>\$15.785</b>	<b>10.1%</b>
<b>2001</b>	<b>\$20.458</b>	<b>14.8%</b>	<b>\$17.485</b>	<b>10.8%</b>
<b>2002</b>	<b>\$23.296</b>	<b>13.9%</b>	<b>\$19.333</b>	<b>10.6%</b>
<b>2003</b>	<b>\$27.067</b>	<b>16.2%</b>	<b>\$21.585</b>	<b>11.6%</b>
2004	\$27.800	2.7%	\$21.434	-0.7%
2005	\$28.365	2.0%	\$21.168	-1.2%
2006	\$28.510	0.5%	\$20.630	-2.5%

# NIH Funding History FYs 1995-2006 [in billions]



# Growth of HHS Evaluation Tap

<b>FY 2001</b>	<b>1.0%</b>	<b>\$244.4 million</b>
<b>FY 2002</b>	<b>1.25%</b>	<b>\$319.4 million</b>
<b>FY 2003</b>	<b>2.1%</b>	<b>\$621.5 million</b>
<b>FY 2004</b>	<b>2.2%</b>	<b>\$666.1 million</b>
<b>FY 2005</b>	<b>2.4%</b>	<b>\$740.3 million</b>

# NIH Funding to Departments of Physiology

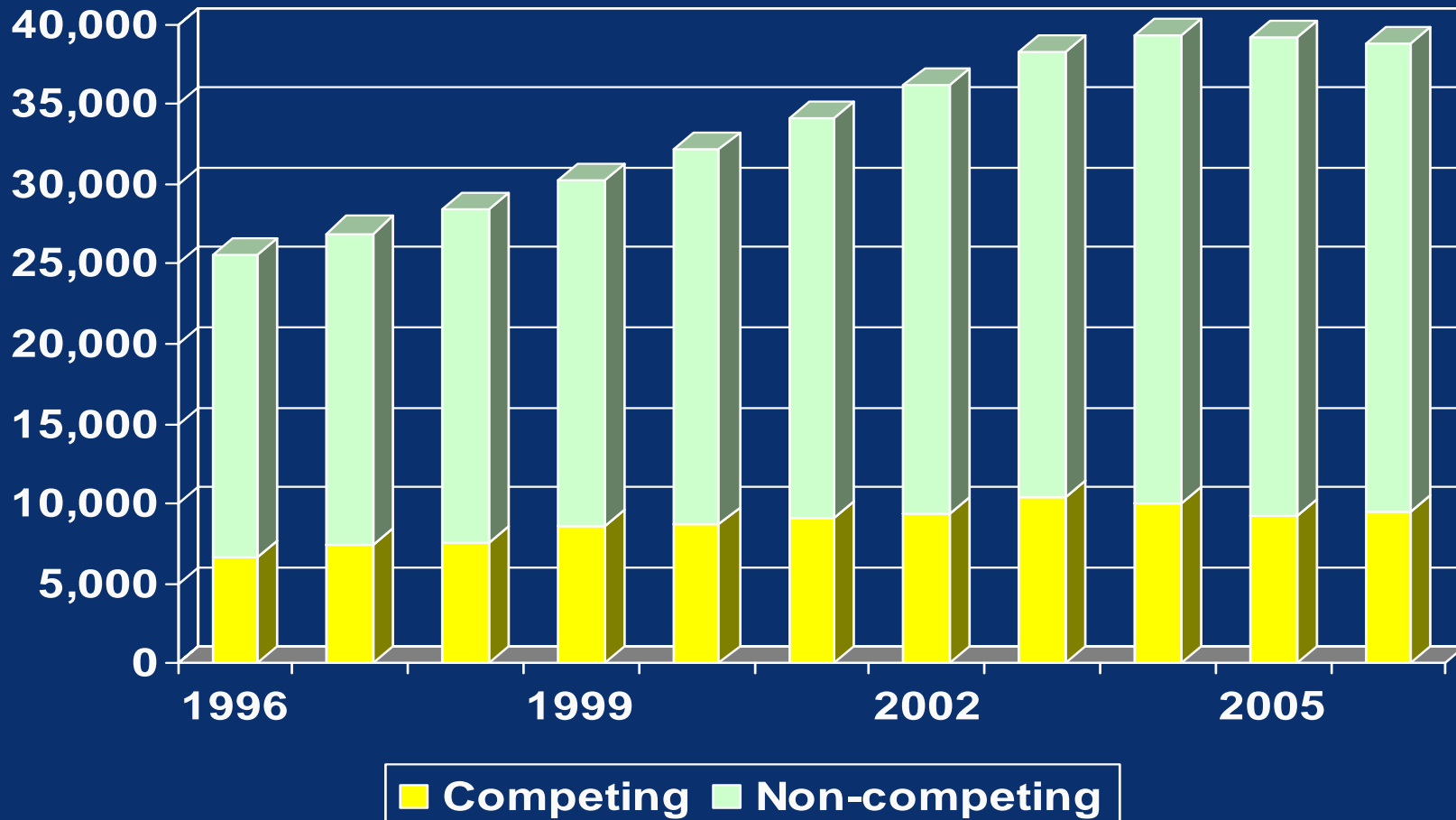
<b>FY 1998</b>	<b>\$ 290.9 million</b>
<b>FY 1999</b>	<b>\$ 325.7 million</b>
<b>FY 2000</b>	<b>\$ 386.8 million</b>
<b>FY 2001</b>	<b>\$ 420.0 million</b>
<b>FY 2002</b>	<b>\$ 506.2 million</b>
<b>FY 2003</b>	<b>\$ 483.2 million</b>
<b>FY 2004</b>	<b>\$ 509.9 million</b>

Source: NIH

# Implications Of the Relatively Small NIH Increase

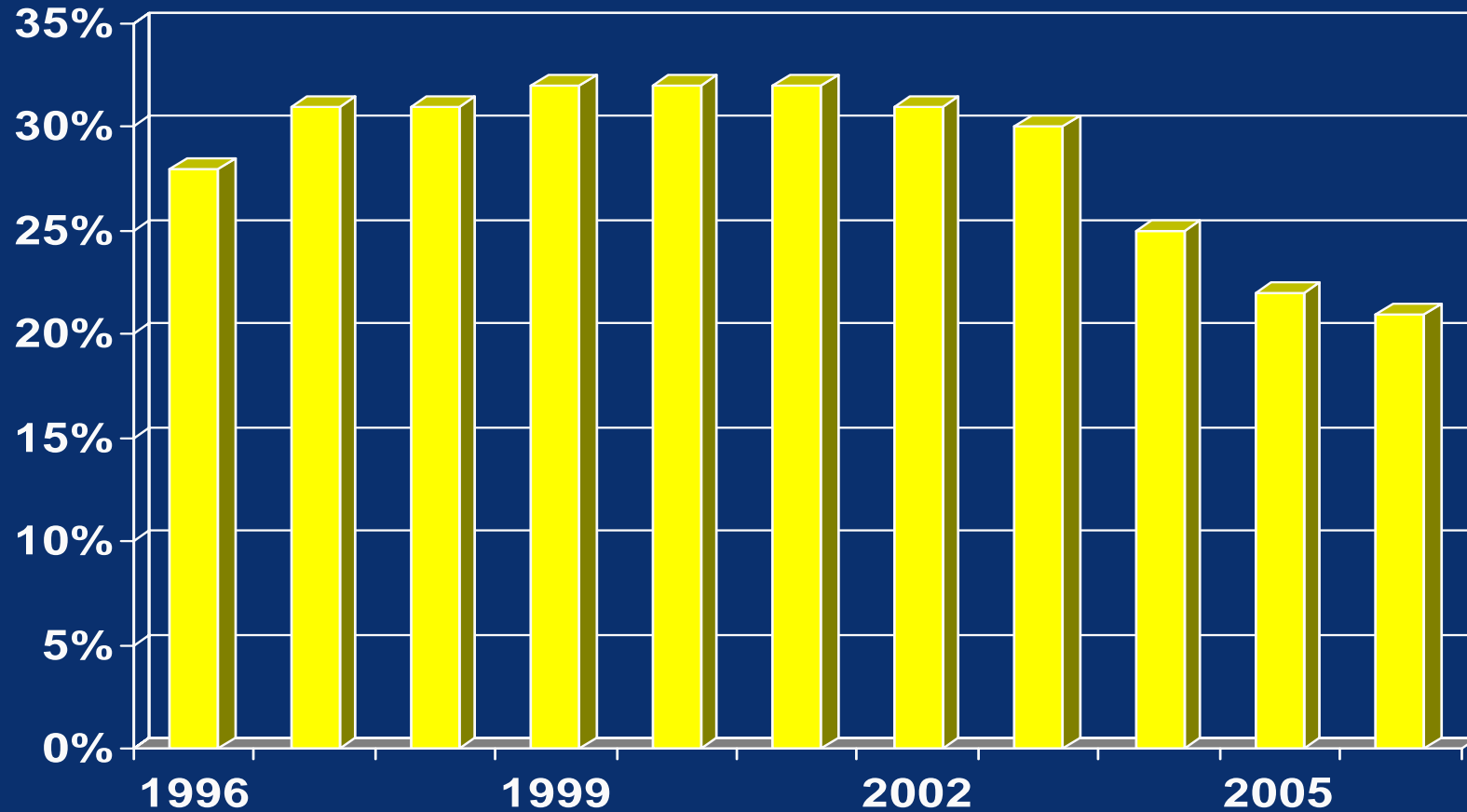
- **Reduced number of grants**
- **Pressure for “downward negotiation” as cost per grant is squeezed**
- **Limited increase for selected training stipends**
- **No funds for facilities; thus increasing the pressure for earmarks**

# NIH Research Project Grants FYs 1996-2006



Source: NIH FY 2006 Congressional Justification

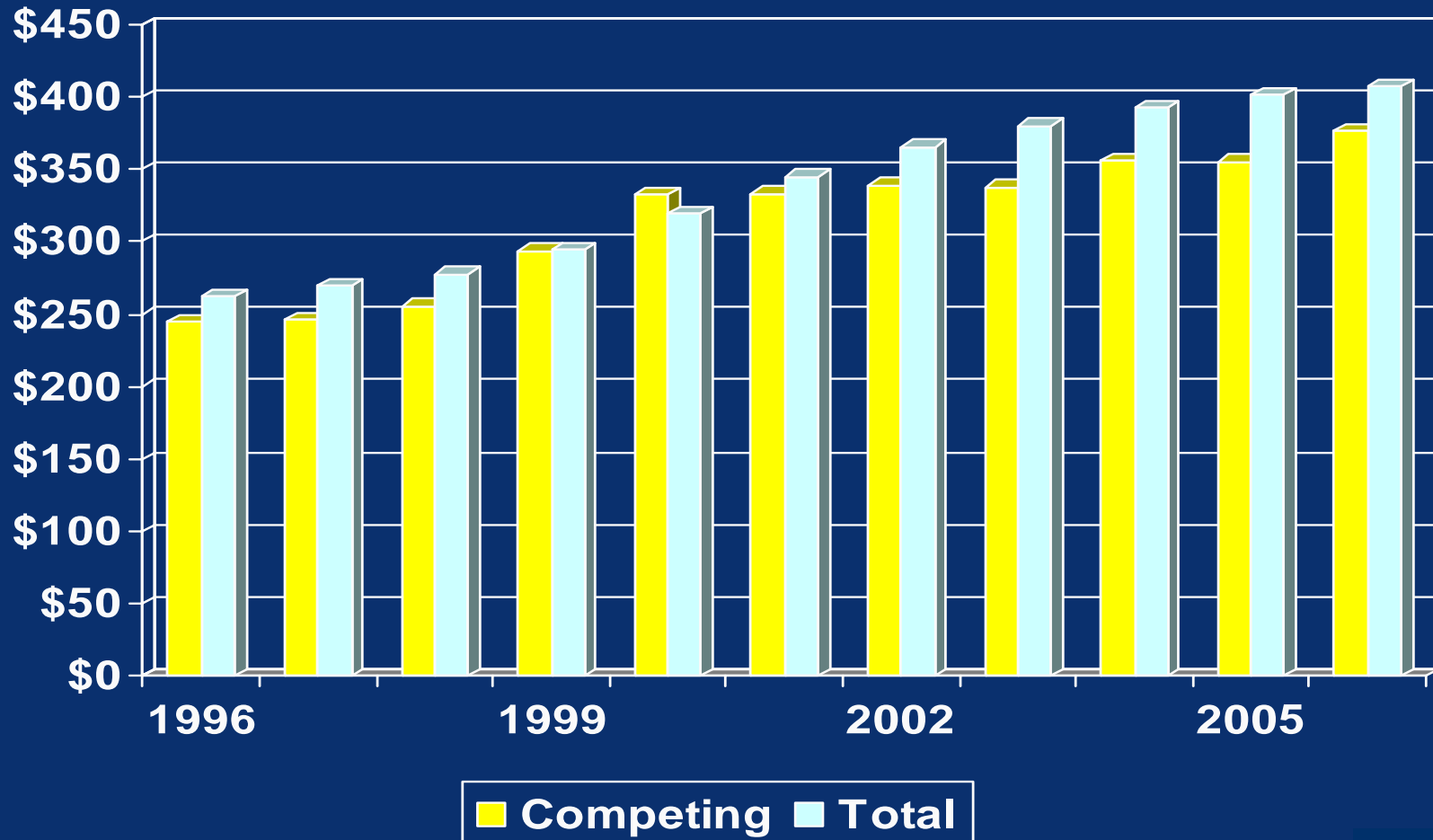
# Success Rates for RPGs FYs 1996-2006



Source: NIH FY 2006 Congressional Justification



# Average Cost of RPGs FYs 1996-2006 [in thousands]



Source: NIH FY 2006 Congressional Justification

**“Predictions are hard,  
especially if you are  
talking about the future.”**

**- attributed to Yogi Berra**

# The Political Environment in Washington

**Days Until 2006 Elections = 397**

**Projected FY 2005 Deficit = \$331 billion**

**Cost of Hurricane Relief = ?????**

# The Political Environment in Washington

**“The Partisanship has never  
been worse – but it will be”**

*The Hill*, April 14, 2004

**“Post Election Preview: More  
Bitterness and Division Ahead”**

*Roll Call*, Oct. 21, 2004

# The Political Environment in Washington

**“I’m just sorry we repealed the law  
on dueling. I’d have shot a couple  
of the sons of bitches.”**

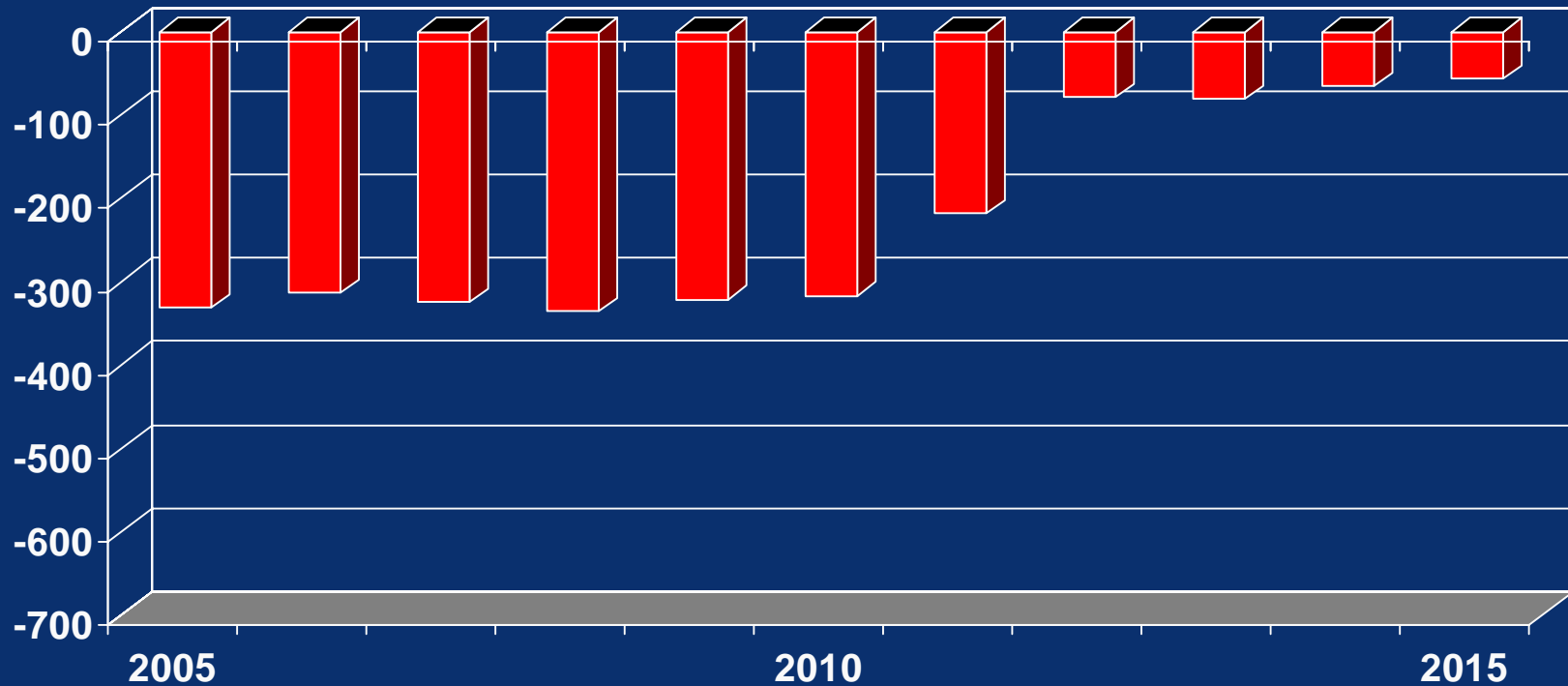
**- Senator Ted Stevens**

# The Political Environment in Washington

**“The deficit is a symptom;  
spending is the disease.”**

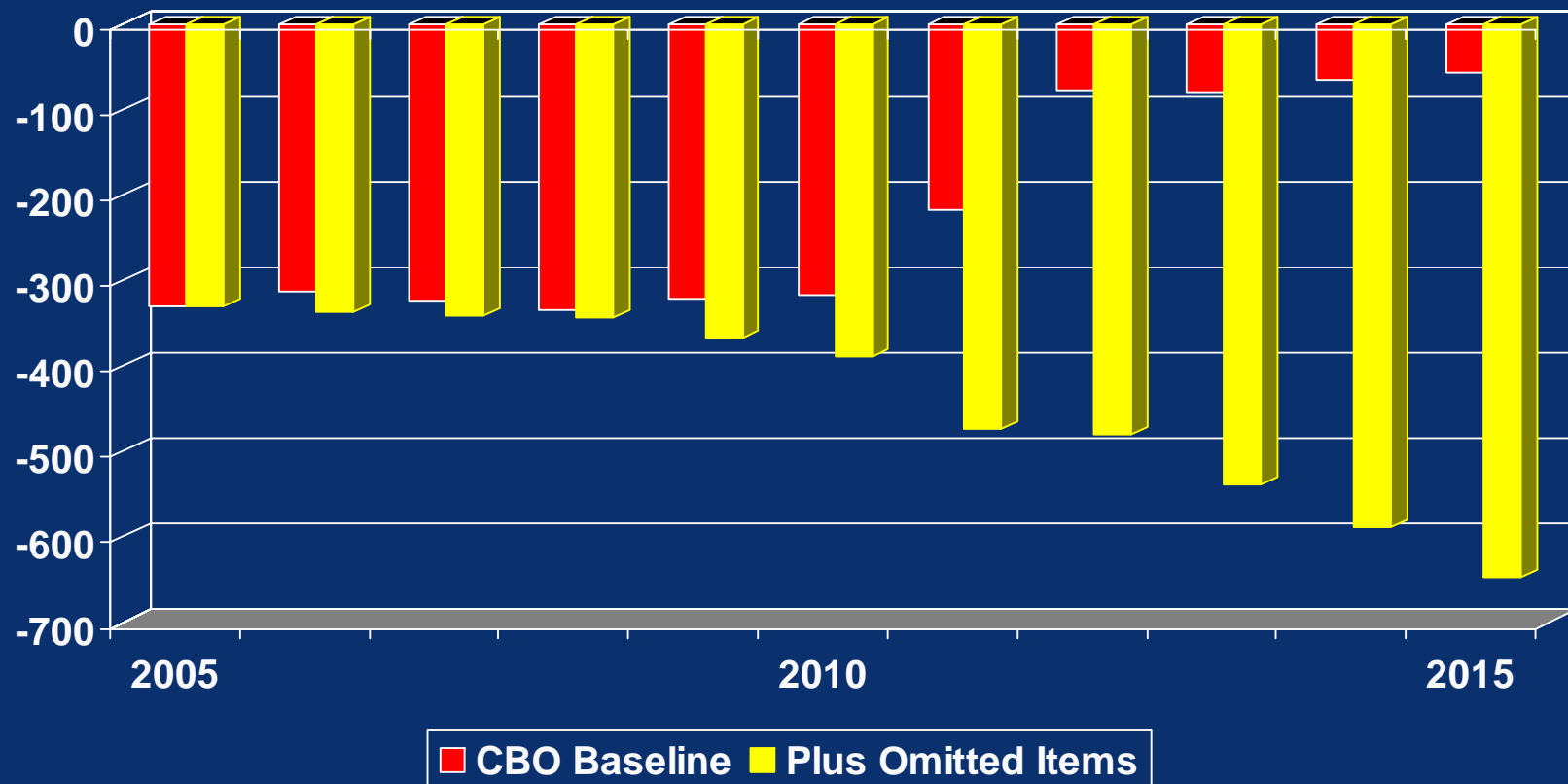
- Rep. Jeb Hensaling (R-Texas)  
*The Washington Post*, June 30, 2004

# Baseline Deficit Projections [in billions of dollars]



Source: CBO, 08/05

# Baseline Deficit Projections [in billions of dollars]



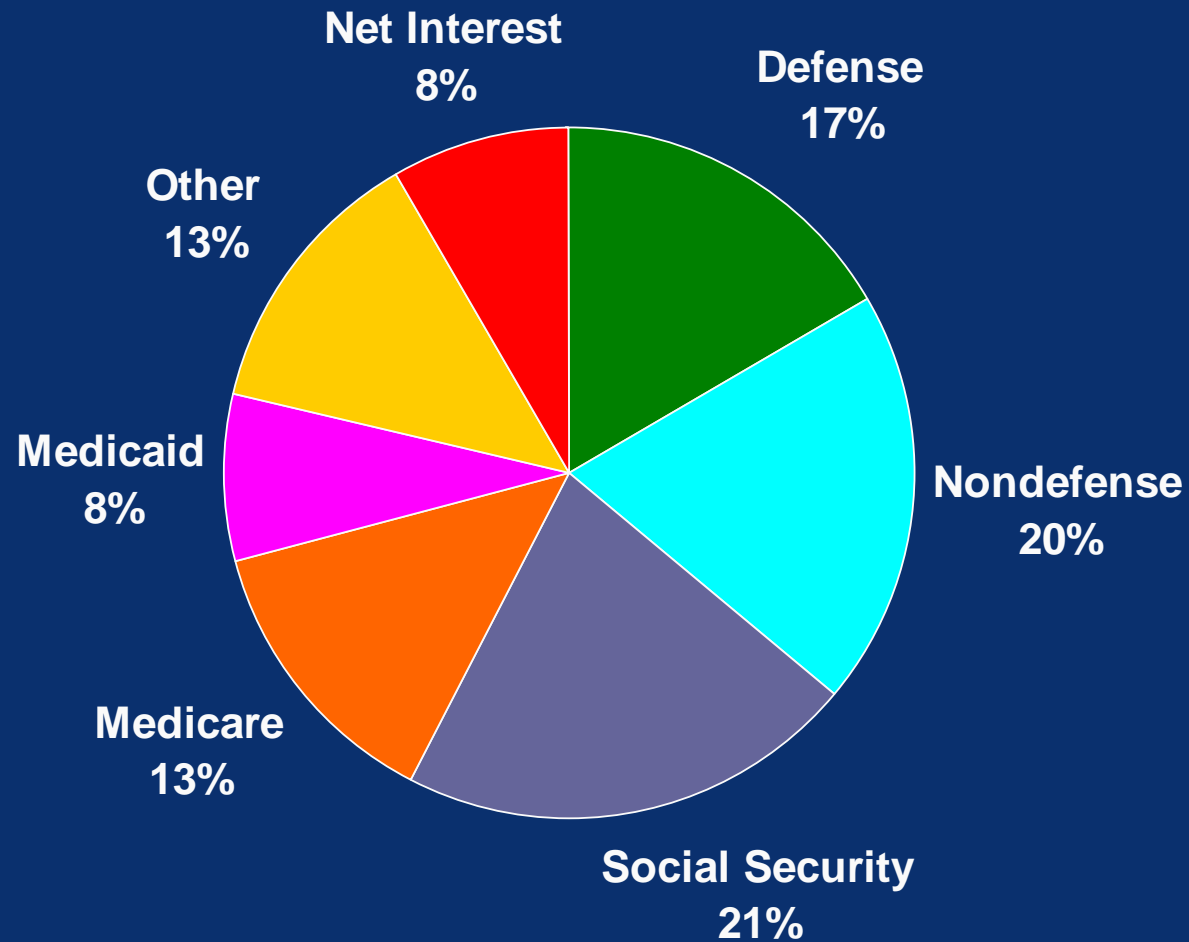
Source: CBO, 08/05; House Budget Democratic Staff, 08/05

# A View From The Senate Budget Committee Chair

**“This cannot afford to be a guns and  
butter term....  
You’ve got to cut the butter.”**

**- Senator Judd Gregg (R-NH)  
*Wall Street Journal*, Dec. 21, 2004**

# FY 2006 Spending [outlays]



Source: OMB

# Discretionary Spending FY 2006 Proposals

<b>Total</b>	<b>\$843 billion (+2.1%)</b>
<b>Defense</b>	<b>\$419 billion (+4.8%)</b>
<b>Homeland Security</b>	<b>\$32 billion (+3.2%)</b>
<b>Non-defense, non-homeland security</b>	<b>\$391 billion (-0.8%)</b>
<b>State Department &amp; international assistance</b>	<b>\$32 billion (+15.7%)</b>
<b>Non-defense, non-homeland security, non-international</b>	<b>\$359 billion (-1.9%)</b>

# The Impact of Katrina

“Congress needs to pay for as much of the hurricane relief as possible by cutting spending. I'll work with members of Congress to identify offsets, to free up money for the reconstruction efforts. I will ask them to make even deeper reductions in the mandatory spending programs than are already planned. As Congress completes action on the 2006 appropriations bills, **I call on members to make real cuts in non-security spending.**”

- President Bush, 10/4/05

# FY 2006 AAMC Priorities – HHS

	FY 2005	FY2006 House	Δ	FY 2006 Senate Cmte.	Δ	FY 2006 AAMC	Δ
NIH	\$28.365 B	\$28.507 B	0.5%	\$29.415 B	3.7%	\$30.067 B	6%
Title VII	\$299.6 M	\$47.1 M	-84%	\$298.7 M	-0.3%	\$550 M	
Title VIII	\$150.7 M	\$150.0 M	-0.4%	\$155.7 M	3.3%		
AHRQ	\$318.7 M	\$318.7 M	0%	\$323.7 M	1.6%	\$440 M	38%
Children's GME	\$300.7 M	\$300.0	-0.2%	\$300 M	-0.2%		
NHSC	\$131.4 M	\$126.8 M	-3.5%	\$126.8 M	-3.5%		
CDC	\$6.133 B	\$5.946 B	-3.0%	\$5.989 B	-2.4%		

# FY 2006 AAMC Priorities – VA/NSF

	FY 2005	FY 2006 House	Δ	FY 2006 Senate	Δ	FY 2006 AAMC	Δ
<b>VA Medical Care *</b>	<b>\$27.7 B</b>	<b>\$28.8 B</b>	<b>4.0%</b>	<b>\$30.9 B</b>	<b>10.7%</b>	<b>\$31.2 B</b>	<b>12.3%</b>
<b>VA Research</b>	<b>\$402.3 M</b>	<b>\$393 M</b>	<b>-2.3%</b>	<b>\$412 M</b>	<b>2.5%</b>	<b>\$460 M</b>	<b>14.3%</b>
<b>NSF Total</b>	<b>\$5.47 B</b>	<b>\$5.64 B</b>	<b>3.1%</b>	<b>\$5.53 B</b>	<b>1.1%</b>	<b>\$6.0 B</b>	<b>9.7%</b>
<b>NSF Research</b>	<b>\$4.22 B</b>	<b>\$4.38 B</b>	<b>3.7%</b>	<b>\$4.35 B</b>	<b>3.0%</b>	<b>--</b>	<b>--</b>

\* VA Medical Care numbers do not include third-party collections or revenue generated through proposed enrollment fees and increased co-payments.

# NIH Budget – FY 2005 Chronology

[in billions]

<b>FY 2004 Comparable</b>	<b>\$27.800</b>		
<b>President's Budget</b>	<b>\$28.527</b>	<b>+\$0.727</b>	<b>(2.6%)</b>
<b>House Bill</b>	<b>\$28.527</b>	<b>+\$0.727</b>	<b>(2.6%)</b>
<b>Senate Bill</b>	<b>\$28.900</b>	<b>+\$1.000</b>	<b>(4.0%)</b>
<b>Initial Conference</b>	<b>\$28.600</b>	<b>+\$0.800</b>	<b>(2.9%)</b>
<b>Final Conference (minus 0.8% cut)</b>	<b>\$28.371</b>	<b>+\$0.571</b>	<b>(2.05%)</b>

# NIH Budget – FY 2006 Chronology

[in billions]

<b>FY 2005 Comparable</b>	<b>\$ 28.365</b>	
<b>President's Budget</b>	<b>\$ 28.510</b>	<b>+ \$0.145 (0.5%)</b>
<b>House Bill</b>	<b>\$ 28.507</b>	<b>+ \$0.142 (0.5%)</b>
<b>Senate Bill</b>	<b>\$ 29.415</b>	<b>+ \$1.050 (3.7%)</b>

# A Different Viewpoint on NIH

**“I want to tell you something: You have heard about people in the Federal Government who want more and more and more for their agencies.... I hate to say it. The NIH is one of the best agencies in the world, but they have turned into pigs, pigs. They can't keep their `oinks" closed. They send a Senator down here to argue as if they are broke....”**

**- Senator Pete Domenici  
*Congressional Record*, March 11, 2004**

# FY 2005 Subcommittee Allocations [in billions]

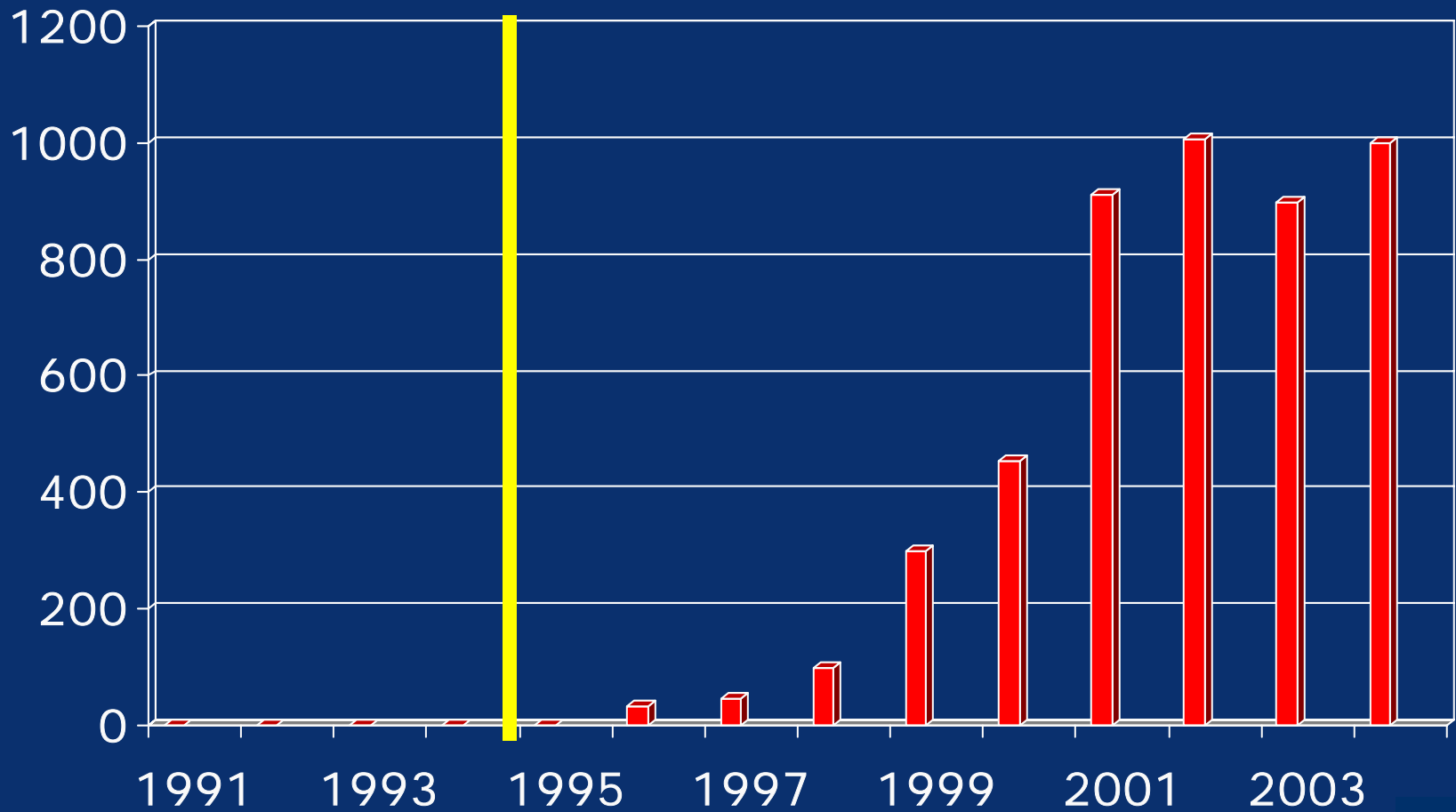
Defense	\$390.9
Labor-HHS-Education	\$142.5
VA-HUD-Ind. Agencies	\$92.9
Commerce-State-Justice	\$39.8
Homeland Security	\$32.0
<b>NIH</b>	<b>\$28.4</b>
Energy-Water	\$28.0
Transportation-Treasury	\$25.4
Interior	\$20.0
Foreign Operations	\$19.4
Ag-Rural Development-FDA	\$16.8
Military Construction	\$10.0
Legislative	\$2.8
District of Columbia	\$0.6

Source: House Appropriations Committee

# NIH AS Percentage of Labor-HHS Bill

- **FY 1988 = 16.8%**
- **FY 2005 = 20.0%**

# “Earmarks” Contained in Labor-HHS-Education Bills



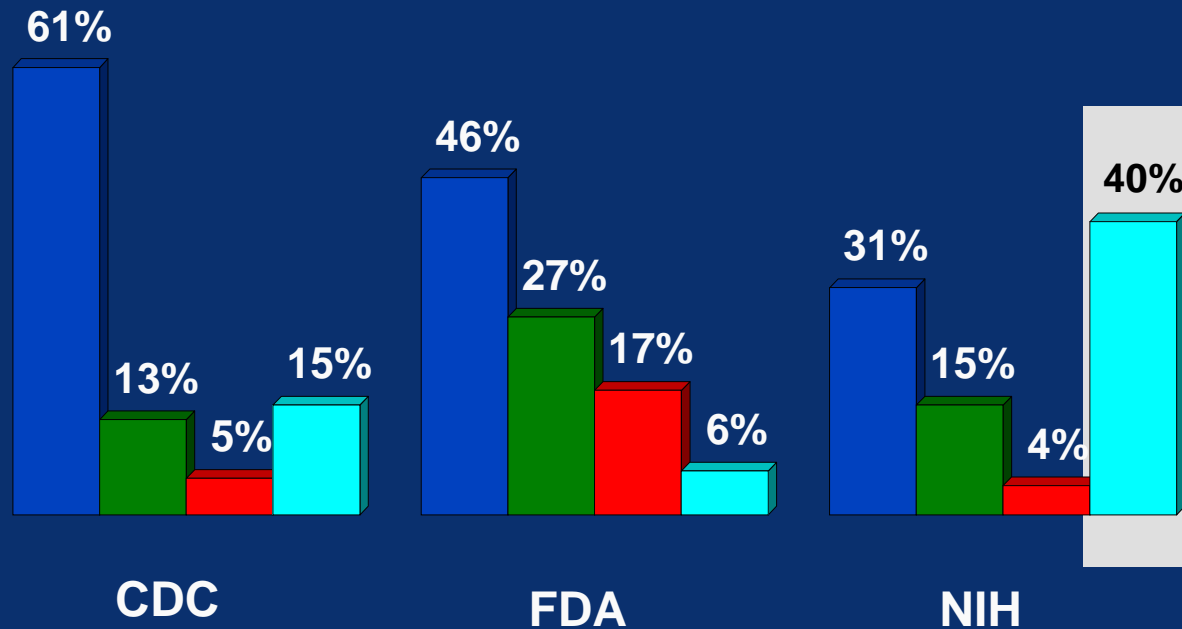
Source: House Appropriations Committee Minority Staff

**“In pursuit of earmarks and to influence policy, higher education has become a major player on Capitol Hill... equaling defense contractors and ranking ahead of some other large, influential interest groups such as lawyers, labor unions, and the construction industry....”**

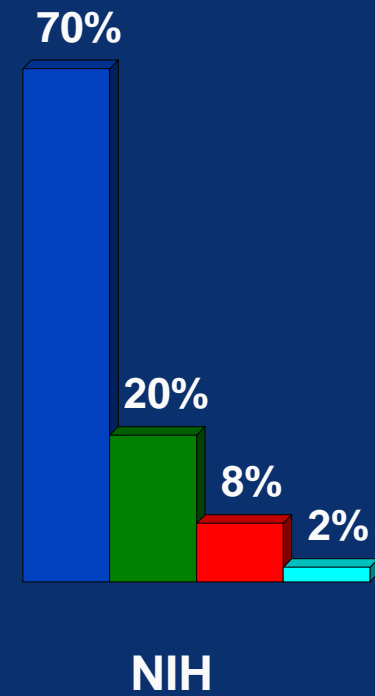
**- *The Chronicle of Higher Education*  
October 22, 2004**

# Four out of ten voters have never heard of NIH.

## National



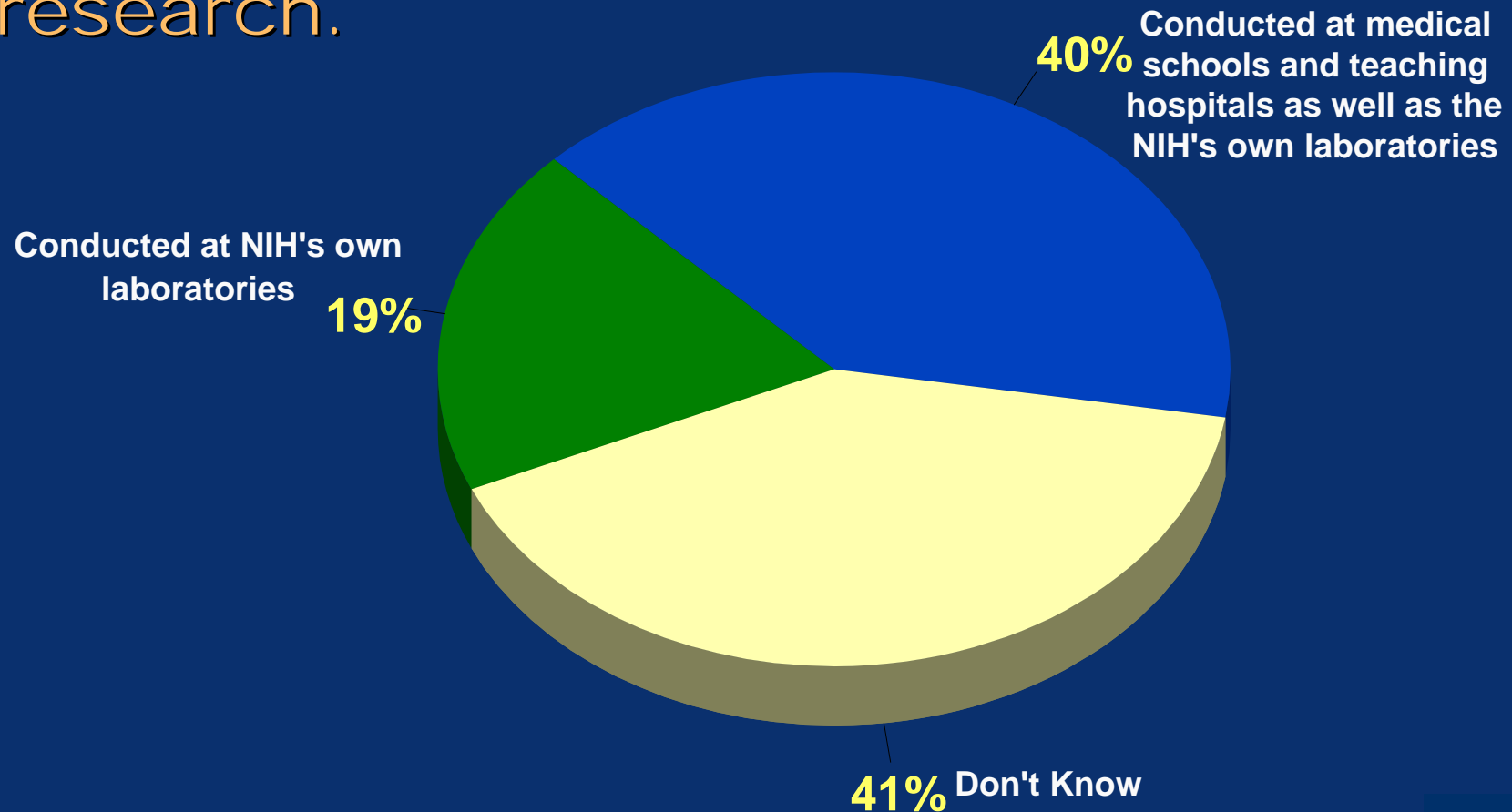
## Congressional



■ % Favorable ■ % Half and Half ■ % Unfavorable ■ % Never Heard Of

Source: Public Opinion Strategies

A plurality of congressional staffers is unsure of how and where the NIH budget is primarily being used to fund medical research.



*Do you think the NIH research budget is primarily used to fund medical research...*

Source: Public Opinion Strategies



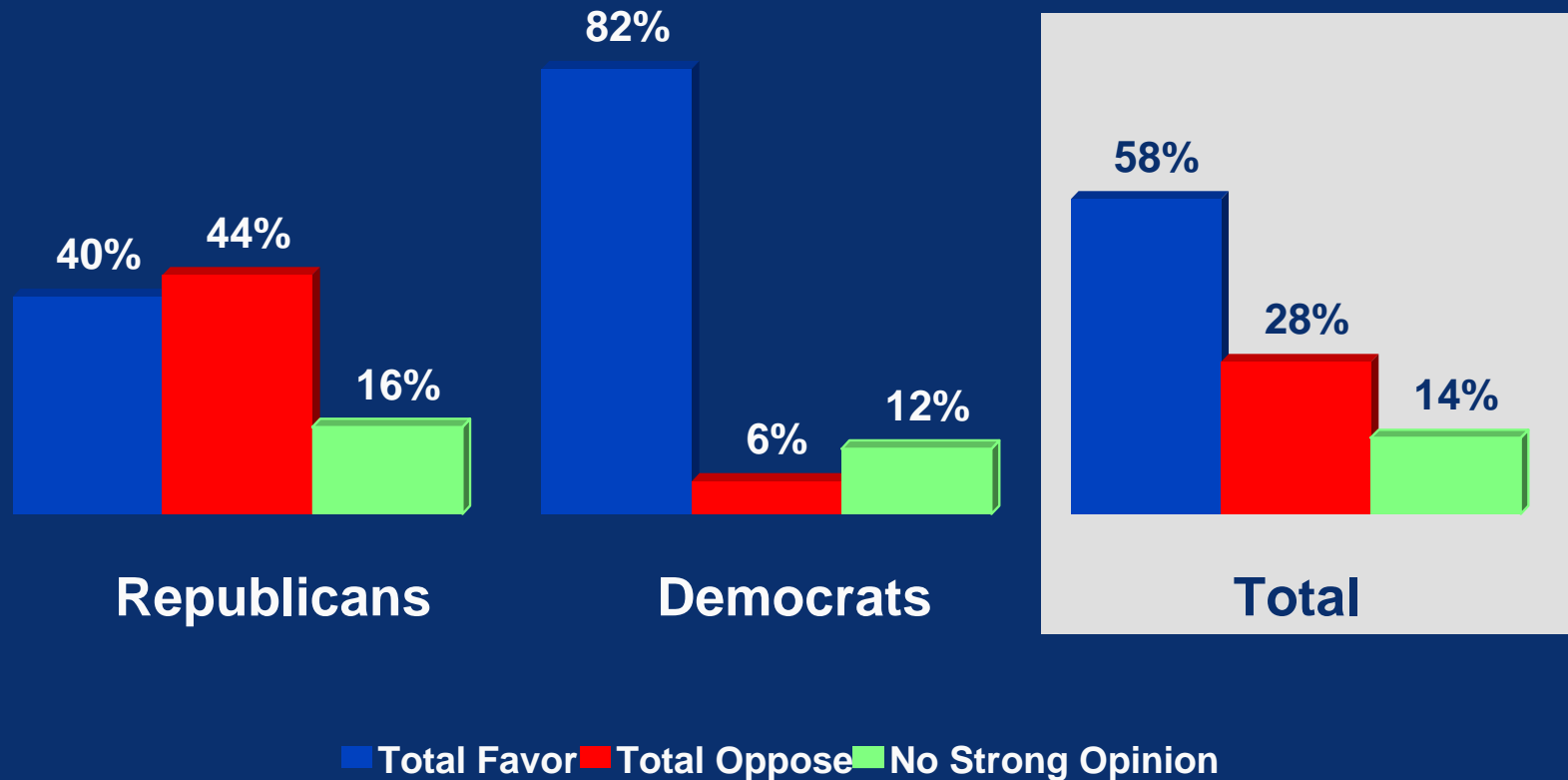
Voters and staffers are divided about where medical research is primarily taking place...

	<u>Voters</u>	<u>Staffers</u>
<i>Medical laboratories funded by private companies</i>	47%	35%
<i>Medical Schools/Teaching Hospitals</i>	33%	18%
<i>The National Institutes of Health</i>	9%	29%

Source: Public Opinion Strategies



Support for continuing to increase NIH funding is closely split among Republican staffers.



Source: Public Opinion Strategies

# NIH Reauthorization

- **March 17 hearing focused on organizational structure of NIH**
- **Chairman Barton emphasized 3 objectives**
  - **Enhance authority of the Director**
  - **“Budget Clusters”**
  - **More Transparent Reporting**
- **Accountability**
- **Efficiency**

# NIH Reauthorization

- Discussion drafts released July and August
- Hearing on July 19
- ICs divided into two categories:
  - “mission-specific”
  - “science-enabling”
- Trans-NIH planning
- Division on Program Coordination, Planning, and Strategic Initiatives,
- “Common Fund”
- Extensive reporting requirements

# NIH Reauthorization AAMC Activities

- *ad hoc* Working Committee on NIH Reauthorization chaired by Phil Pizzo and Bob Kelch
- submitted letter prior to July 19 hearing
- cosponsored with FASEB “town hall” on August 25

# Akaka Amendment on Class B Animal Dealers

- **Sponsored by Senator Akaka (D-Hawaii) to FY 2006 Agriculture Appropriations bill (H.R. 2744)**
- **Adopted by voice vote September 20 on the Senate floor**
- **Bans USDA or FDA funding for any research facility that uses a Class B animal dealer**
- **AAMC letter September 29 to House and Senate conferees**

# Stem Cell Research Enhancement Act of 2005

- **Expands Stem Cells Lines Eligible for Federal Funding**
- **House bill (H.R. 810) – Castle (R-Del.) and DeGette (D-Colo.) – passed on May 24 by vote of 238-194**
- **Senate bill (S. 471) – Specter (R-Pa.), Harkin (D-Iowa), Hatch (R-Utah), Feinstein (D-Calif.) and Kennedy (D-Mass.)**

# Human Cloning

- **Human Cloning Prohibition Act of 2005**
- **S. 658 – Sen. Brownback (R-Kan.)/H.R. 1357 – Rep. Weldon (R-Fla.)**
- **Bans Both Reproductive and Therapeutic Cloning**
- **Human Cloning Band and Stem Cell Protection Act of 2005**
- **S. 876 – Sens. Hatch (R-Utah), Feinstein (D-Calif.), Specter (R-Pa.), Kennedy (D-Mass.) and Harkin (D-Iowa)**
- **Bans Reproductive Cloning**
- **Permits SCNT**

# Fair Access to Clinical Trials (FACT) Act of 2005

- **S. 470 – Sens. Dodd (D-Conn.), Grassley (R-Iowa), Johnson (D-S.D.) and Wyden (D-Ore.)**
- **H.R. 3196 – Rep. Waxman (D-Calif.)**
- **Expands National Clinical Trials Registry**
- **Establishes Database for Clinical Trials Results**

**“It’s obvious that we’re going to be here until Thanksgiving.”**

**-Tom DeLay (R-Texas)  
*Roll Call, Sept. 7, 2005***





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