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May 23, 2005

Dear Chairman:

The American Hospital Association (AHA), which represents nearly 5,000 hospitals, health care systems, networks, and other providers of care, recognizes the serious fiscal constraints imposed upon your committee to stay within the margin of available funding for programs under your jurisdiction. We appreciate your committee's past support and hope that you will continue to give strong and favorable consideration to health care programs that have proven successful in improving access to quality health care. As you begin to deliberate funding for programs within the Departments of Labor, Health and Human Services (HHS), Education and Related Agencies for Fiscal Year (FY) 2006, the AHA asks that you consider the potential effect your committee's decisions will have on hospitals' ability to combat the nation's health care workforce crisis and maintain quality health care services for the patients they serve. Accordingly, we offer the following funding recommendations for programs under your jurisdiction:

### **HEALTH CARE WORKFORCE**

Today's hospitals and health care systems continue to experience both immediate and long-term shortages of health care caregivers. The shortages not only include nurses, who are perhaps the most visible to the public, but also pharmacists, radiological and laboratory technicians, housekeepers, food service workers, information technology employees, and other allied health professionals. At the same time, our patient populations are growing. And with 78 million "baby boomers" approaching retirement, the stress of the shortages on our health care system will get worse. The role of the federal government is pivotal in addressing our health care workforce shortages.



**The AHA strongly recommends at least \$175 million in FY 2006 for nursing programs within Title VIII to help deal with the critical nursing shortage.** The reasons for the nursing shortage are complex and affected by changing demographic trends. Our current nursing workforce is aging; sicker patients require more advanced care and technology; and despite significant efforts to increase enrollments in schools of nursing nationwide, programs are unable to quickly meet the huge demand for nurses. The aging nursing workforce, combined with the impending health care needs of the baby boom generation, make the shortage all the more critical. The U.S. Bureau of Labor Statistics projected that 1.1 million new and replacement nurses will be needed by 2012. The President's FY 2006 budget recommends \$150 million for nursing programs. However, we need additional resources to prepare nursing faculty to increase our capacity to educate nurses.

**The AHA urges funding of \$252 million for health professions training activities for FY 2006.** The AHA is disappointed that the President's budget request drastically cuts federal support for health professions training. An adequate, diverse, and well-distributed supply of allied health care workers is indispensable to our nation's health care infrastructure. Programs within the Health Professions cluster address problems associated with maintaining primary care providers in rural areas. These programs also support recruitment of individuals into allied health professions with the most severe shortages or whose services are most needed by the elderly. The AHA also urges the committee to continue to provide funds for strengthening the national capacity to educate students from disadvantaged backgrounds in the health professions.

**The AHA supports at least \$132 million for the National Health Service Corps (NHSC) for FY 2006.** The administration's budget proposal recommends a \$5 million reduction to this program. The NHSC awards scholarships to health profession students and assists graduates of health professions programs with loan repayment in return for an obligation to provide health care services in underserved rural and urban areas. This program is of vital importance to many of our citizens. The NHSC's 2,700 clinicians provide primary health care services in communities where there is a shortage of caregivers. In many areas of the country, the NHSC provides the only source of health care to medically underserved Americans.

## **BIOTERRORISM AND HOSPITAL PREPAREDNESS**

**The AHA strongly urges the committee to increase funding for hospital bioterrorism to at least \$515 million in FY 2006 to help hospitals meet their obligations as "first responders."** The President's FY 2006 budget proposes a reduction in funds for hospital bioterrorism preparedness from \$491 million to \$483 million, a cut of \$9 million. The hospital preparedness program was initiated to help states, territories and municipalities develop and implement biological and chemical preparedness plans focused on hospitals. The tragic events of September 11, 2001, and the subsequent anthrax threats in our Capitol have forced us to realize that we must

enhance our hospitals' capacity to deal with any nuclear, biological, or chemical attack. Hospitals need to train their clinical and laboratory staff to recognize the symptoms of biological terrorism. They need personal protection equipment for health care workers, who often are the first responders to a biological terrorism attack. And they need dedicated decontamination facilities. Funds provided to hospitals will help meet those needs. We urge the committee to increase funding for these activities to at least \$515 million.

### **ACCESS TO HEALTH CARE**

**The AHA strongly supports continued funding for the Community Access Program (CAP) and urges the committee to provide at least \$83 million for FY 2006.** The AHA has long supported efforts to expand access to health care. More than 45 million Americans are uninsured, and at least 48 million do not have regular access to health care. The CAP was designed to assist communities and consortia of health care providers to develop the infrastructure necessary for integrated health systems that coordinate health services for the uninsured and underinsured. We are disappointed that the administration's FY 2006 budget recommends eliminating funding for this program.

### **CHILDREN'S HOSPITALS GRADUATE MEDICAL EDUCATION**

**The AHA recommends \$309 million for Children's Graduate Medical Education (GME) for FY 2006.** Children's hospitals serve a unique role in our nation's health care system, taking care of some of the most vulnerable populations. Because Medicare is the largest single payer of GME funds, and because our nation's children's hospitals typically treat very few Medicare patients, these hospitals receive no significant federal support for GME. Although they represent less than one percent of all hospitals, independent children's teaching hospitals train almost 30 percent of all pediatricians, almost half of all pediatric subspecialists, and two-thirds of pediatric critical care physicians. Equitable GME funding for children's hospitals is a sound investment in the future of children's health care.

### **RURAL HEALTH CARE**

**The AHA is disappointed that the administration has proposed \$115 million in cuts to rural health care programs and urges appropriators to reject this approach.** Programs such as the Medicare Rural Hospital Flexibility Grant Program, Rural Health Outreach and Network Development, Rural Telehealth, Rural Policy Development, the Quentin N. Burdick program for rural health interdisciplinary training, and others have played a significant role in ensuring that needed services remain available to America's rural communities. The administration's proposal to cut rural health programs by \$115 million has the potential to further impede access to health care for rural Americans.

## INDIAN HEALTH SERVICE

**The AHA supports an increase of \$170 million above the President's recommended funding level for health care programs within Indian Health Services (IHS) for FY 2006.** The IHS provides care to approximately 1.5 million American Indians and Alaska Natives who are members of more than 560 federally recognized tribes. Recent statistics reflect that the overall death rate for Native American people has increased by approximately 4 percent over the past few years. At the same time, the U.S. "all race" mortality rate dropped by about 6 percent. In addition, the morbidity rates for diabetes, alcoholism and depression are greater in Native American populations. An increase in funding would help ensure access to medical treatment and preventative health care services to Native Americans.

## AGENCY FOR HEALTHCARE RESEARCH AND QUALITY

**The AHA recommends \$440 million for the Agency for Healthcare Research and Quality (AHRQ) for FY 2006.** The President's budget request for AHRQ is \$319 million, same as for FY 2005. The AHRQ serves as the focal point within the federal government for determining what works best in health care. As such, it generates and disseminates valuable information aimed at improving the delivery of health care in an increasingly complex and sophisticated environment.

The AHA is especially pleased that the administration's budget proposal includes \$125 million for improving the safety, quality, and cost-effectiveness of health care through rapid implementation of secure and interoperable electronic health records. The AHA strongly supports the activities of the Office of the National Coordinator for Health Information Technology. Additional funding will enable it to meet its mission of promoting the use of information technology in health care to improve quality of care.

## PUBLIC HEALTH AND OTHER HEALTH CARE PROGRAMS

**The AHA is concerned with the administration's FY 2006 proposal to "flat fund," reduce or eliminate funding for programs that affect maternal and child health and urges appropriators to reject such reductions.** The Maternal and Child Health Block Grant (MCHBG) enables states and territories to address their unique needs and remains in great need of increased funding. The administration's budget proposal recommends \$724 million for FY 2006, same as last year. Each year, this program serves more than 26 million pregnant women, infants and children nationwide. Of the nearly 4 million mothers who give birth annually, almost half receive some prenatal or postnatal service through the MCHBG.

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The proposed elimination of the Emergency Medical Services for Children Program is also troubling. This program provides vital health care services to many children who, although eligible for Medicaid and the State Children's Health Insurance Program (SCHIP), cannot enroll due to state enrollment limitations and budgetary pressures.

Another important program promoting children's health is newborn screening, which, under the administration's budget proposal, is eliminated. Screening programs are vital to early identification of certain genetic, metabolic, hormonal or functional conditions for which there are effective treatment or intervention.

**The AHA strongly supports funding for the Ryan White CARE Act for HIV/AIDS activities.** The President's budget for FY 2006 requests a total of \$2.1 billion for this program, an increase of \$10 million over FY 2005. The CARE Act program is an important safety net program, providing health care services and treatments to people with HIV/AIDS. Among the services provided by the CARE Act are dental care, medications, home-based care, case management, and support services.

#### **MEDICARE SURVEY AND CERTIFICATION**

**The AHA supports \$261 million for Medicare Survey and Certification activities, as recommended in the President's FY 2006 budget request.** Survey and certification ensures that institutions and agencies providing care to Medicare and Medicaid beneficiaries meet federal health, safety, and program standards. On-site surveys are conducted by state survey agencies, with a pool of federal surveyors performing random monitoring surveys.

The AHA appreciates and is grateful for the support you have provided us over the years, and hopes that the committee will continue to support funding for these valuable programs in FY 2006. We look forward to working with you as you move forward with your funding proposal for the next fiscal year.

Sincerely,

Rick Pollack  
Executive Vice President