



**American Hospital
Association**

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June 9, 2014

The Honorable Tom Harkin
Chairman
Appropriations Subcommittee on Labor
Health and Human Services, Education
And Related Agencies
United States Senate
Washington, DC 20510

The Honorable Jerry Moran
Ranking Member
Appropriations Subcommittee on Labor
Health and Human Services, Education
And Related Agencies
United States Senate
Washington, DC 20510

Dear Chairman Harkin and Ranking Member Moran:

As you begin your deliberations on funding for programs within the Departments of Labor, Health and Human Services (HHS), Education and Related Agencies for Fiscal Year (FY) 2015, the American Hospital Association (AHA) urges you to consider the potential effect your committee's decisions will have on hospitals' ability to meet the many challenges facing them – challenges such as workforce shortages, maintaining emergency readiness, coordinating care for the chronically ill, and facilitating information technology to improve safety and quality of care.

The AHA represents more than 5,000 member hospitals, health systems and other health care organizations, and 40,000 individual members.

Our nation faces serious fiscal challenges this year as Congress works to ensure our national needs are met. While AHA recognizes the fiscal constraints imposed upon the committee, we ask you to give strong and favorable funding consideration to the following health care programs that have proven successful in improving access to quality health care. They have served to greatly improve the health of our citizens and we ask that you make funding these programs a priority in your FY 2015 appropriations measure:

Children's Hospitals GME. The Children's Hospitals Graduate Medical Education (CHGME) program, currently funded at \$265 million, supports the training of pediatric and other medical residents in GME programs carried out in independent children's teaching hospitals. Children's hospitals serve a unique role in our nation's health care system. In addition to training our next generation of pediatricians and pediatric sub-specialists, they care for some of the most vulnerable populations. Currently, independent children's hospitals train more than 49 percent of general pediatricians, 51 percent of all pediatric specialists and the majority of pediatric researchers. 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. The pediatricians educated in children's hospitals are vitally needed in the face of growing shortages throughout the nation. The AHA is dismayed that the President's FY 2015 budget proposes to merge this program into a newly-created Targeted Graduate Education initiative, drastically reducing funding for CHGME from the current level of \$265 million to a minimum of \$100 million. Such a steep reduction to CHGME will be detrimental to the mutual goals of strengthening the primary care workforce and ensuring timely access to critical, high-quality specialty care. **We urge the committee to reject the President's proposal and to continue the current level of funding of \$265 million for this vital program.**

Health Professions Education and Workforce Challenges. The AHA supports funding at the maximum level possible within the 302(b) allocation for the following Health Resources and Services Administration (HRSA) discretionary programs that seek to address workforce challenges:

- **Nursing Workforce Development under Title VIII of the Public Health Service Act.** While the recession has temporarily eased workforce vacancies in some areas, as the economy improves, severe shortages will return. The demand for registered nurses will continue to rise as the "baby boomers" begin to retire and as expanded coverage increases the demand for care. The Department of Health and Human Services (HHS) estimates that by 2020, our nation will need 2.8 million nurses – at least 1 million more than the projected supply. In addition, the Bureau of Labor Statistics projects severe shortages for many allied health professions. Hospitals and health care systems must maintain a vibrant workforce in the educational pipeline. **The AHA supports \$241 million for these programs, an increase of \$17 million over the current level.**
- **Health Professions Programs.** An adequate, diverse and well-distributed supply of health care professionals, including allied health care workers, is indispensable to our nation's health care infrastructure. Health professions programs help address problems associated with maintaining primary care providers in rural areas. These programs also support recruitment of individuals into allied health professions. Our nation must maintain a vibrant workforce in the educational pipeline. Without decisive intervention, workforce shortages threaten hospitals' ability to care for patients and communities.
- **National Health Service Corps (NHSC).** The NHSC awards scholarships to health professions 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.
- **Training for Diversity, including the Centers of Excellence and the Health Careers Opportunity Programs.** These programs focus on recruiting and retaining minorities into the health professions to build a more diverse health care workforce. The Centers of Excellence grants strengthen the national capacity to train students from minority groups that are under-represented in allopathic and osteopathic medicine, dentistry and pharmacy, and graduate programs in behavioral or mental health. The Health Careers

Opportunity program provides support for increasing the number of individuals from disadvantaged backgrounds in the health and allied health professions.

Rural Health Programs. Rural Health Programs, such as the Medicare Rural Hospital Flexibility Grant Program, Rural Health Outreach and Network Development, State Offices of Rural Health, Rural Telehealth, Rural Policy Development, and other health care programs are vital to ensuring that needed services remain available in America's rural communities. The President's FY 2015 budget proposes a cut of \$18 million to rural programs. **The AHA urges the subcommittee to reject efforts to cut funding below current levels for these programs.**

Disaster/Emergency Preparedness. The Hospital Preparedness Program (HPP), the primary federal funding program for hospital emergency preparedness, has provided critical resources since 2002 to improve health care surge capacity and ensure hospitals are prepared for a wide range of emergencies. The HPP has supported greatly enhanced planning and response, facilitated the integration of public and private sector medical planning to increase the preparedness, response and surge capacity of hospitals, and has led to improvements in state and local infrastructures that help hospitals and health systems prepare for public health emergencies. These investments have contributed to saving lives during many events, such as the Joplin, Missouri tornado and the Boston Marathon bombing. However, authorized funding levels and annual appropriations for the HPP have significantly declined since the program began. Congressionally authorized funding and appropriations for the HPP was \$515 million per year in the early years of the program. The Pandemic and All-Hazards Preparedness Reauthorization Act of 2013 (PAHPRA) reduced authorized funding for the HPP to \$374.7 million per year for FYs 2014 through 2018. However, for FY 2014, Congress appropriated only \$255 million for the HPP – a reduction of more than 50 percent from prior years. The President's FY 2015 budget proposes only \$255 million for the HPP.

HPP funding is critical in helping hospitals cover the costs of providing emergency coverage 24 hours a day, 7 days a week and for building the infrastructure needed to be ready for disasters. **To help hospitals and health systems develop, update and sustain their emergency preparedness and to ensure their ability to respond appropriately in a time of need, the AHA urges the subcommittee to increase funding for HPP to \$374.7 million in FY 2015, consistent with the amount authorized in PAHPRA.**

Agency for Healthcare Research and Quality (AHRQ). **The AHA opposes the President's FY 2015 recommendation to reduce funding for AHRQ by \$24 million and urges the Committee to reject this proposal.** We believe it is imperative that AHRQ research continue to be directed specifically at the question of what systemic interventions are likely to provide the greatest improvements in the safety and quality of care, the coordination of care to best meet the needs of patients, and improvements in the efficiency of the care delivery system that can be made without damaging the safety or quality of care. For example, AHRQ has provided more than \$20 million for the "Comprehensive Unit-Based Safety Program" or CUSP initiative for reducing healthcare-associated infections. This research has enabled

hospitals and their improvement partners to identify new strategies for improving the consistency and effectiveness of care through systemic changes. As an example, the AHRQ-funded CUSP initiative has helped reduced bloodstream infections by 40 percent while reducing associated health care costs by \$34 million. The AHA strongly supports the need for similar projects that focus not only on how to help patients with a specific condition, but also helps us understand how to make the entire system work more safely and effectively. This type of research provides system leaders with valid and reliable information about the changes they can make that will improve the care for many patients.

Centers for Disease Control and Prevention (CDC). The AHA is disappointed that the President's FY 2015 budget does not increase funding to the CDC. The CDC is a vital partner to hospitals, patients, and other health care providers in the prevention and monitoring of disease, and in emergency preparedness. Much of the research from CDC demonstrates the value of prevention activities in averting health care crises, resulting in savings to Medicare, Medicaid and other health care programs. We urge the Committee to increase funding for vital CDC activities.

Public Health and other health care programs. The AHA advocates increased funding over current levels for the following programs:

- **Maternal and Child Health Block Grant (MCHBG).** The MCHBG enables states and territories to address their unique needs, and is in great need of increased funding. On an annual basis, 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 MCHBG.
- **Healthy Start program.** The Healthy Start program provides services in 37 states, the District of Columbia and Puerto Rico for high-risk pregnant women, infants and mothers in communities with exceptionally high rates of infant mortality.
- **Ryan White HIV/AIDS activities.** The Ryan White CARE Act addresses the health care needs of more than 500,000 low-income and uninsured people living with HIV disease. Among the services provided are dental care, medications, home-based care, case management and support services.
- **Emergency Medical Services for Children.** This valuable program is designed to provide specialized emergency care for children through improved availability of child-appropriate equipment in ambulances and emergency departments. In addition, the program supports training programs to prevent injuries to children and to educate emergency medical technicians, paramedics and other emergency medical care providers.
- **Substance Abuse and Mental Health Services Administration (SAMHSA).** Providing adequate substance abuse and mental health services are essential to increasing productivity and

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economic well-being for individuals, families, and communities. The AHA supports full funding for these programs.

The AHA appreciates and is grateful for the support you have provided to vital health care programs, and hopes the committee will continue to support these funding priorities in FY 2015. We look forward to working with you as the committee begins the appropriations process for the next fiscal year.

Sincerely,

Rick Pollack
Executive Vice President