



American Hospital
Association®

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April 6, 2016

The Honorable Thad Cochran
Chairman
Committee on Appropriations
United States Senate
Washington, DC 20510

The Honorable Barbara Mikulski
Ranking Member
Committee on Appropriations
United States Senate
Washington, DC 20510

Dear Chairman Cochran and Ranking Member Mikulski:

As the Committee on Appropriations begins to consider funding for health care programs for Fiscal Year (FY) 2017, the American Hospital Association (AHA) urges you to consider the potential effect your 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 nearly 5,000 member hospitals, health systems and other health care organizations, and 43,000 individual members.

Our nation faces serious fiscal challenges 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 2017 appropriations measure.

Children's Hospitals Graduate Medical Education (CHGME). The CHGME program supports the training of pediatric and other medical residents in GME programs carried out in independent children's teaching hospitals. These hospitals serve a unique role in our nation's health care system. In addition to training our next generation of pediatricians and pediatric subspecialists, they care for some of the most vulnerable populations. Currently, independent children's hospitals train more than 49 percent of general pediatricians and 51 percent of all pediatric specialists. 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 president's FY 2017 budget provides \$295 million in mandatory funding in each of FYs 2017 through 2021 for CHGME programs. **The AHA is encouraged by the proposal in the president's FY 2017 budget to make CHGME part of the mandatory, rather than**



discretionary, appropriations process, as that would provide the program with a predictable and stable funding source. Given the current discretionary funding status of the program, we are requesting level funding of \$295 million.

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.** The demand for registered nurses will continue to rise as the “baby boomers,” including our aging nurse population, begin to retire and as expanded coverage increases the demand for care. 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. Administered by HRSA, the Title VIII Nursing Workforce Development programs have been instrumental in bolstering and sustaining the nation’s nursing pipeline for more than 50 years. Title VIII programs address all aspects of the nursing workforce demand, including education, practice, recruitment, retention and, most importantly, increasing access to care for communities that most need it, including those in rural and underserved areas. The NURSE Corps Loan Repayment Program and Scholarship Program provide support for students, practicing nurses and nurse faculty who agree to serve full-time in critical shortage facilities, thus helping to connect these high-quality clinicians to areas that struggle to retain health care providers. **The AHA supports \$244 million for these programs for FY 2017 and \$157 million for the National Institute of Nursing Research, one of the centers and institutes within the National Institutes of Health.**
- **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 the 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. **The AHA supports maintaining investments in the NHSC.**
- **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 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 2017 budget proposes a cut of \$6 million to rural programs. **The AHA urges the Committee to reject efforts to cut funding below the current level of \$150 million for these programs.**

340B Drug Pricing Program. One program that has a proven track record of enabling eligible entities, including hospitals, to stretch scarce federal resources, thus improving access to health care, is the 340B Drug Pricing Program. This vital program has improved access to comprehensive health care services for many patients, especially low-income and uninsured individuals. Given the increasingly high cost of pharmaceuticals, the 340B program provides critical support to help hospitals’ efforts to build healthy communities. **The AHA urges funding of \$17 million in budget authority for the 340B program, as reflected in the president’s FY 2017 budget request, an increase of \$17 million above the FY 2016 level. However, we oppose the administration’s request to impose user fees for this program and urge you to reject such an approach. Imposing a user fee on entities eligible for the 340B program would lessen the benefit these safety-net providers receive from the program.**

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 hospital 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, Mo., tornado and the Boston Marathon bombing and the Ebola crisis. However, the Pandemic and All-Hazards Preparedness Reauthorization Act of 2013 (PAHPRA) reduced authorized funding levels and annual appropriations for the HPP to \$374.7 million per year for FYs 2014 through 2018. In FY 2016, Congress appropriated only \$255 million for HPP – a more than 50 percent reduction from prior years. Similarly, the president’s FY 2017 budget request recommends maintaining a funding level of \$255 million for 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 Committee to increase funding for HPP to \$374.7 million in FY 2017, consistent with the amount authorized in PAHPRA.

The AHA further urges the Committee to ensure that the majority of the HPP funding is awarded to hospitals and health systems in order to enhance their preparedness and surge capacity. In recent years, hospitals have received only a fraction of the HPP funds. The states, territories and directly funded cities that are allocated HPP funds keep a significant percentage of the total amount they receive for their own indirect costs. Of the remaining amount, little, if any, has been awarded to the hospitals and health systems that provide care to victims of public health emergencies and other disasters; rather, the majority is currently directed to regional health care coalitions and to other types of providers.

Agency for Healthcare Research and Quality (AHRQ). For FY 2017, the AHA recommends \$364 million in budget authority for AHRQ, consistent with the president's discretionary funding request. 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. Over the past few years, we have seen the effectiveness of providers and federal agencies working in harmony to improve health and health care, and to reduce costs. The greatest improvements have occurred when there is a small, but critical, set of topics on which all are focusing their efforts, and where we have good measures of the outcomes of care, good measures of the critical care processes, good evidence supporting the effectiveness of particular strategies for care improvements, and effective efforts to ensure regulation and oversight activities support the necessary changes. The AHA strongly supports projects and research 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 pleased that the president's FY 2017 budget increases the total discretionary program level by \$84 million. 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.

- **Trauma Care.** According to HHS and CDC, unintentional injury is one of the leading causes of death for individuals ages 1 – 44 in the U.S and the fifth leading cause of death overall. **The AHA urges the Committee to provide funding for programs to help reinforce our nation’s trauma and emergency care systems, including grants for trauma systems planning, Trauma Care Centers and trauma services availability.**
- **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 economic well-being for individuals, families and communities. Within SAMHSA, the president’s budget provides an increase of \$510 million above FY 2016, for a total of \$557 million for programs that will expand the availability of naloxone and medication-assisted treatments, including funds to bolster community partnerships aimed at education and prevention of prescription drug abuse, as well as improve state planning and coordination efforts. **The AHA supports full funding for SAMHSA, including prescription drug monitoring programs.**
- **Office of Minority Health.** **The AHA supports a \$10 million increase, to \$291 million, for the Office of Minority Health for FY 2017.** The president’s budget recommends flat funding of \$271 million. Eliminating health disparities is essential to improving the overall health status of Americans. The National Institute on Minority Health Disparities leads scientific research to improve minority health and eliminate health disparities. As minorities continue to increase as a percentage of the U.S. population, we urge the committee to invest in efforts to close gaps in health care by increasing funding for: health disparities research and activities at NIH; supporting the training of a diverse research workforce; translating and disseminating research information; and fostering innovative public-private partnerships.

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- **The AHA supports the Baldrige Performance Excellence Program and urges the Committee to restore funding to the National Institutes of Standards and Technology within the Department of Commerce for this program.** Authorized by Congress in 1987, the Baldrige Program is a public-private partnership that recognizes performance excellence and quality achievement in the categories of manufacturing, service, small business, and beginning in 1999, education and health care. Most recently, the Baldrige Program has focused on improving cybersecurity through the Baldrige Cybersecurity Excellence Program initiative. Unfortunately, federal funding for the program, which includes the Baldrige National Quality Award, was phased out in 2012. **The AHA supports restoration of the program and urges the Committee to provide \$7.5 million.**

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 2017. We look forward to working with you as the Committee begins the appropriations process for the next fiscal year.

Sincerely,

Thomas P. Nickels
Executive Vice President