Annual Appropriations

Background

Every year, Congress considers a dozen appropriations measures that fund various discretionary programs, such as health care (excluding Medicare and Medicaid), national defense and education, as well as general government operations like the administration of federal agencies. The appropriations bill that funds the departments of Labor, Health and Human Services (HHS) and Education is of particular importance for hospitals because it funds a variety of programs affecting the health care field.

Unfortunately, Congress has yet to pass a budget for fiscal year (FY) 2011, which began October 1, 2010. Prior to adjourning in December 2010, Congress was unable to complete the regular individual spending bills to fund government agencies for FY 2011. Instead, in order to prevent a government shutdown, lawmakers have enacted three consecutive continuing resolutions (CRs) since January to keep government agencies funded through April 8. However, over the course of passing the CRs, Congress has reduced spending by approximately $10 billion from FY 2010 levels. Traditionally, CRs have been used to maintain temporary funding for agencies and programs until the regular bills are enacted.

AHA View

With a proposed FY 2012 operating budget of $892 billion, HHS administers numerous federal health care programs, such as maternal and child health, health professions education, disease prevention and health research, to name a few. The AHA is concerned that diminished funding for FY 2011 will carry forward as Congress begins to draft a FY 2012 budget. Because many of HHS’ programs support hospitals’ mission of caring and curing, the AHA urges lawmakers to approve an appropriations bill for the Departments of Labor, HHS and Education that bolsters the health care workforce, improves access to care for vulnerable Americans, enhances hospitals’ disaster readiness and helps hospitals harness the power of information technology to provide safer, more effective and efficient care.

Children’s Hospitals GME. The Children’s Hospitals Graduate Medical Education (CHGME) program funds independent children’s teaching hospitals to support the training of pediatric and other medical residents in GME programs. Funding under the program is critical to assuring an adequate supply of physicians trained to care for children. In addition to training the next generation of pediatricians and pediatric sub-specialists, these hospitals care for many vulnerable children. Currently, independent children’s hospitals train more than 40 percent of general pediatricians, 43 percent of all pediatric specialists and the majority of pediatric researchers.

The AHA is dismayed that the President’s FY 2012 budget proposes to terminate CHGME. We recognize the serious fiscal constraints imposed upon Congress to stay within the margin of available funding for both FY 2011 and 2012. However,
eliminating 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 Congress to reject the President’s proposal to eliminate this vital program in FY 2012. We further urge Congress to preserve the current level of funding at $318 million for CHGME in the FY 2011 appropriations.**

**Health Professions Education and Workforce Challenges.** *The Patient Protection and Affordable Care Act* (ACA) includes several provisions aimed at addressing our projected health care workforce shortages. For example, the ACA creates a National Health Care Workforce Commission to develop a national strategy to address workforce shortages and encourage training in key areas. While the commission members have been appointed, funding for its work has yet to be appropriated. In addition, the ACA provides flexible loan repayment programs for caregivers. As our nation moves toward reforming our health care system, we will need to make a substantial investment in building a strong workforce to ensure access to health care services for all.

The AHA supports funding for the following Health Resources and Services Administration (HRSA) discretionary programs that seek to address workforce challenges:

**Nursing Workforce Development.** While the recession temporarily eased workforce vacancies in some areas, as the economy improves, severe shortages will return. The demand for registered nurses and other health care personnel will continue to rise as the “baby boomers” 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 – 1 million more than the projected supply. In addition, the Bureau of Labor Statistics projects severe shortages for many allied health professions. We must maintain a vibrant workforce in the educational pipeline.

**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.

**Allied Health and Other Health Professions Programs.** These programs support the education and training of a broad array of health care professionals; improve the distribution and diversity of health professionals in medically underserved areas; and ensure a sufficient and capable health workforce able to provide care and meet the demands of a changing population.

Further, **the AHA urges Congress to fund the Centers of Excellence and the Health Careers Opportunity programs.** Both programs focus on recruiting
and retaining minorities in the health professions to build a more diverse health care workforce.

**Disaster/Emergency Preparedness.** As part of America’s health care infrastructure, hospitals play a key role in disaster readiness. Hospitals, as vital community resources, must be among the best prepared to provide crisis services, alongside police, fire, rescue and other public safety services. To help achieve that aim, the AHA recommends at least level funding for the hospital preparedness program for the FY 2011 appropriations along with legislation to reauthorize the *Pandemic and All Hazards Preparedness Act of 2006*. This will help hospitals meet their obligations to provide surge capacity in the event of a public health emergency or other disaster. The program enhances hospitals’ ability to prepare for and respond to terrorism and other public health emergencies and includes priorities such as improving bed and personnel surge capacity, decontamination capabilities, and isolation capacity, assuring pharmaceutical supplies and supporting training, drills and exercises as well as education. The program must be maintained and adequately funded to allow hospitals to meet those needs.

In addition, the AHA seeks sufficient funding to support an increase in production capacity for vaccines and antiviral agents, and the stockpiling of supplies needed in a pandemic, such as ventilators and personal protective equipment, and the development of rapid diagnostic tests and enhanced surveillance.

**Information Technology.** The AHA calls on Congress to continue adequate funding for the Office of the National Coordinator for Health Information Technology (ONC). Funds will assist in improving the safety, quality and cost-effectiveness of health care through rapid implementation of secure and interoperable electronic health records. Funding will enable ONC to meet its mission of promoting the use of health information technology to improve the quality of care.

**Rural Health Programs.** The AHA supports funding for rural health care programs, such as the Medicare Rural Hospital Flexibility Grant Program, Rural Health Outreach and Network Development, State Offices of Rural Health, Rural Telehealth and Rural Policy Development. These and other HHS programs play a significant role in ensuring that needed services remain available in America’s rural communities. Refer to AHA’s issue paper “Small or Rural Hospitals” to learn more about our efforts on behalf of rural providers.

**Prevention and Wellness.** The ACA created the largest national investment in public health by focusing significant resources in prevention and wellness, including allocating $12.9 billion over 10 years to a Prevention and Public Health Fund through mandatory funding. The Fund will provide grants to support state and community efforts that fight obesity, increase HIV testing, promote tobacco cessation and prevention programs, reduce diabetes and heart disease, expand
mental health and substance abuse programs and track, monitor and respond to disease outbreaks. In addition, the Fund will support initiatives that expand opportunities for recreation and exercise, increase access to fresh fruits and vegetables and farmers markets, and help children eat healthier meals and snacks in schools.

**Quality and Comparative Effectiveness.** The AHA supports continued funding for efforts to improve hospital quality-improvement research through the Agency for Healthcare Research and Quality (AHRQ). For example, AHRQ has provided more than $20 million for the “Comprehensive Unit-Based Safety Program” or CUSP initiative for reducing healthcare-associated infections (HAIs). Through its contract with AHRQ, the AHA’s Health Research & Educational Trust, in partnership with Johns Hopkins University Quality and Safety Research Group and the Michigan Health and Hospital Association’s Keystone Center for Patient Safety and Quality, is implementing a nationwide patient safety program proven to reduce central line-associated bloodstream infections (CLABSI) and catheter-associated urinary tract infections (CAUTI). Funding from AHRQ is vital to hospitals’ ability to reduce infection rates. The AHA strongly supports this research, which will provide clinicians, hospitals, patients and others with valid and reliable information about the relative effectiveness of various treatment alternatives so that they can make better case decisions.

**Other Health Care Programs.** Hospitals play an important role in coordinating efforts to improve the public’s health. Federal funding should reflect both the hospital commitment to and the challenge of preventing and managing chronic conditions, dealing with life-threatening injuries and improving access to care for underserved residents. The AHA urges Congress to fund the Maternal and Child Health Block Grant, Healthy Start, Ryan White HIV/AIDS, Poison Control Centers and Emergency Services for Children programs. Further, the AHA seeks full funding for the Substance Abuse and Mental Health Services Administration and the Trauma-EMS Systems program.

**Medicare Survey and Certification.** Adequate funding is necessary for survey and certification activities within the Centers for Medicare & Medicaid Services. The President’s FY 2012 budget requests $400 million for this program. Survey and certification ensures that institutions and agencies providing care to Medicare and Medicaid patients 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.