



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 particularly important for hospitals because it funds a variety of programs affecting the health care field.

The House in March passed a budget resolution for fiscal year (FY) 2013 that would eliminate the defense and domestic discretionary automatic spending reductions (sequester) scheduled to take effect in January 2013 under the process put in place by last year's *Budget Control Act* (BCA). However, it would replace the sequester with alternative savings. The alternative savings call for discretionary spending to be reduced by \$19 billion below the BCA's cap, potentially leading to further cuts in funding to appropriated health care programs. The House-passed budget resolution is not expected to advance in the Senate.

AHA View

President Obama's FY 2013 budget included an operating budget of \$941 billion for HHS, which administers numerous federal health care programs, such as maternal and child health, health professions education, disease prevention and health research, to name a few. Because many of HHS's 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 supports efforts to improve hospital quality-improvement research.**

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 of our nation's medically 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 opposes the President's FY 2013 budget proposal to drastically reduce medical funding for CHGME, from the current level of \$265 million to \$88 million. Such a steep reduction to CHGME funding 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 reduce funding for this vital program in FY 2013 and to preserve the current level of funding at \$265 million for CHGME in the FY 2013 appropriations.**

Health Professions Education and Workforce Challenges. As our nation moves toward transforming our health care system, we need to make a substantial investment in building a strong workforce to ensure access to health care services for all. The AHA supports funding 302(b) allocations at the maximum level possible 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 – at least 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 and bolster the educational pipeline. **The AHA supports \$251 million for these programs, as recommended by the President’s FY 2013 budget proposal.**

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 Diverse Health Professionals. The AHA urges Congress to fund the Centers for Excellence and the Health Careers Opportunity programs, which focus on recruiting and retaining minorities in the health professions to build a more diverse health care workforce that reflects our patients and communities.

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 2013 budget proposes a \$15 million cut to rural programs. **The AHA urges Congress to reject efforts to cut funding below current levels for these programs.**

Disaster/Emergency Preparedness. As part of America's health care infrastructure, hospitals play a key role in disaster readiness and response. 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 urges Congress to reject the significant funding reduction for this program proposed in the President's FY 2013 budget and instead recommends funding of at least \$378 million for the hospital preparedness program for FY 2013, consistent with the amount authorized in the House and Senate legislation, the *Pandemic and All Hazards Preparedness Act Reauthorization of 2011*.**

The President's budget proposes \$255 million for hospital preparedness, a reduction of 32 percent from the FY 2012 amount. Such a severe cut would undermine the ambitious emergency preparedness agenda upon which HHS has embarked to advance all-hazards preparedness and national health security by aligning hospital and public health emergency preparedness programs and by building an effective medical surge response through the development of robust hospital-based systems and strong, resilient and effective health care coalitions. Over the next five years, hospital preparedness funding will be used to enhance health care system preparedness, health care system recovery, medical surge, emergency operations coordination, fatality management, information sharing, responder safety and health and volunteer management. These capabilities, which are necessary to facilitate preparedness planning and response at the local level. They cannot be successfully achieved if hospital preparedness program funding is significantly reduced.

In addition, the AHA urges 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.

Quality and Comparative Effectiveness. The AHA supports continued expanded research to identify strategies for improving the quality and safety of health care. Much of this research is funded by the Agency for Healthcare Research and Quality (AHRQ). But the Centers for Medicare & Medicaid Services (CMS) and the Centers for Disease Control and Prevention (CDC) also have important roles. Previous research projects have, for example, identified effective strategies for reducing several types of hospital-acquired conditions and helped to develop and disseminate the tools that enable all hospitals to routinely use those strategies. The result has been a nationwide improvement in patient safety, driving down the number of central line-associated blood stream infections and catheter-associated urinary tract infections. While this federal investment in research was important and successful, there remain many important opportunities to improve patient safety and enhance the overall quality of patient care. **The AHA supports increased funding for AHRQ and continued support for**

CMS's Innovation Center and the CDC so that they can continue to fund the development of vital knowledge to improve the delivery of safe and effective care.

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 increase funding for the Maternal and Child Health Block Grant, Healthy Start, Ryan White HIV/AIDS, Emergency Medical Services for Children and the Substance Abuse and Mental Health Services Administration.**