



Annual Appropriations

Background

Each 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.

Congress failed to pass any individual appropriations bills for fiscal year (FY) 2013. Instead, lawmakers passed large omnibus bills or continuing resolutions (CRs) to fund government programs. For example, in late September 2012, Congress passed a CR to fund the government until March 27 at FY 2012 levels. Just prior to that March deadline, Congress approved another CR for the remainder of FY 2013. That CR encompasses the *Budget Control Act's* sequester reductions.

For FY 2014, the House and Senate each have passed a budget resolution. These budget resolutions along with the president's budget, which was released in mid-April, set a framework for spending, taxation and other fiscal items in the coming fiscal year. They are not appropriations bills, which actually allocate money for specific purposes. If the budget resolutions differ – as the FY 2014 plans do – the House and Senate are supposed to hammer out a compromise before beginning work on appropriations. That seems unlikely this year; thus, each chamber of Congress may continue to rely on its own budget resolutions to fund most federal programs for FY 2014.

AHA View

The AHA will urge lawmakers to craft and approve a FY 2014 appropriations bill for the departments of Labor, HHS and Education that bolsters the health care workforce, funds biomedical research, 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 ensuring 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 supports reauthorization of the CHGME program and urges funding of at least \$265 million for FY 2014. We oppose efforts to reduce funding for this program.

Reductions to CHGME from the current level will be detrimental to the mutual goals of strengthening the primary care workforce and ensuring timely access to critical, high-quality specialty care.

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 the maximum funding 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, 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 in many allied health professions. We must have adequate funding to maintain a vibrant workforce and bolster the educational pipeline.

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. 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.

For more information, see the AHA issue paper, “Workforce.”

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 AHA urges Congress to reject efforts to cut funding below current levels for these programs.** (For more information, see the AHA issue paper, "Small or Rural Hospitals.")

Disaster/Emergency Preparedness. Hospitals play a key role in the nation's emergency preparedness and response as part of America's health care infrastructure. In times of disaster, such as in the wake of Hurricane Sandy, communities look to hospitals not only to mobilize resources to care for the ill and injured but also to provide food and shelter, and coordinate relief and recovery efforts. As part of this standby role to communities, hospitals are pivotal to disaster-response activities, whether they are rural, critical access hospitals or Level 1 trauma centers.

The Hospital Preparedness Program (HPP) is the primary grant program for hospital emergency preparedness. It has provided funding to enhance hospital preparedness and response for the past 11 years and is critical to hospitals' ability to continue to be prepared. While the recently passed *Pandemic and All-Hazards Preparedness Reauthorization Act of 2013* addresses our national medical and public health preparedness and response capabilities, the AHA is disappointed that the bill reauthorizes funding at \$375 million per year, a level that is nearly \$100 million dollars less than the amount authorized in the 2006 *Pandemic and All-Hazards Preparedness Act*. Furthermore, the annual appropriations for the HPP have declined nearly 30 percent since the program began in FY 2003. Cuts of this magnitude undermine preparedness and diminish the ability of the nation's hospitals to respond in the event of a large-scale disaster.

In addition, the AHA urges sufficient funding to support an increase in production capacity for vaccines and antiviral agents, 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.

The AHA will continue to work with Congress and the Obama administration to ensure that funding earmarked for hospital preparedness is sustained.

(For more information, see the AHA issue paper, "Hospital Emergency Preparedness and Response.")

Quality and Comparative Effectiveness. The AHA supports continued 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 play 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 is 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 they can continue to fund the development of vital knowledge to improve the delivery of safe and effective care.**

National Institutes of Health (NIH). The NIH is our nation's leading biomedical research agency supporting vital scientific projects that have led to breakthroughs in disease treatment, cures for diseases and innovative treatments to ease human suffering. The 27 institutes of the NIH drive scientific innovation, and they develop new and better diagnostics, preventive strategies to avoid chronic illnesses, and more effective treatments for a wide variety of diseases. The sequester has resulted in a cut of more than 5.1 percent to the NIH, which will stymie important research projects. **The AHA supports increased investment in the NIH and a restoration of funding cut by the sequester.**

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 Program, Emergency Medical Services for Children and the Substance Abuse and Mental Health Services Administration.**