



American Hospital  
Association®

## 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 for 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) 2014, which began Oct. 1, 2013. Rather, after a 16-day government shutdown, Congress passed a short-term continuing resolution that kept the government funded through Jan. 15 at FY 2013 levels. Just prior to the January deadline, lawmakers passed a large omnibus bill to fund government programs for the rest of the fiscal year. The bill also set general spending levels for FY 2015.

President Obama's budget proposal, released in early March, set a recommended framework for spending, taxation and other fiscal items for FY 2015. For programs under the jurisdiction of HHS, the president proposes \$77.1 billion for health care programs, a reduction of \$1.3 billion from FY 2014.

### AHA View

The AHA will urge lawmakers to approve a FY 2015 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 Graduate Medical Education (CHGME).** The 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, freestanding children's hospitals train more than 49 percent of general pediatricians, 51 percent of all pediatric specialists and the majority of pediatric researchers, and do not receive GME funding from Medicare.

The AHA is pleased that Congress passed the Children's Hospital GME Support Reauthorization Act, S. 1557, which reauthorizes the CHGME program through FY 2018.

**Health Professions Education and Workforce Challenges.** As our nation moves toward transforming the 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 “baby boomers” begin to retire and 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, 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 for communities, hospitals are pivotal to disaster-response activities, whether they are rural, critical access hospitals or Level 1 trauma centers in major urban areas.

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 hospital preparedness for a wide range of emergencies. HPP funding has been a catalyst for improvements in hospital preparedness for the past 12 years, with hospitals and health systems often supplementing HPP funds with additional initiatives, coordination, training and other support. The program 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 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 appropriations for the HPP to \$374.7 million per year for FYs 2014 through 2018. Congress reduced HPP appropriations to \$255 million for fiscal year (FY) 2014 – a more than 50 percent reduction over the past 12 years. Similarly, the president’s FY 2015 budget proposal recommends only \$255 million for HPP.

**To help hospitals and health systems develop, update and sustain their emergency preparedness and response capabilities, the AHA urges Congress to increase the FY 2015 appropriation for the HPP to \$374.7 million, consistent with the amount authorized in PAHPRA.**

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. For more information, see the AHA issue paper, “Hospital Emergency Preparedness and Response.”

**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 develop new and better diagnostics, preventive strategies to avoid chronic illnesses, and more effective treatments for a wide variety of diseases. The sequester had resulted in a cut of more than 5.1 percent to the NIH, which stymied important research projects. The AHA supports increased investment in the NIH and its valuable programs.

**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.