TESTIMONY OF

THE FRIENDS OF THE
AGENCY FOR HEALTHCARE RESEARCH AND QUALITY

TO THE

SUBCOMMITTEE ON LABOR,
HEALTH AND HUMAN SERVICES,
EDUCATION AND RELATED AGENCIES

COMMITTEE ON APPROPRIATIONS

UNITED STATES HOUSE OF REPRESENTATIVES

APRIL 15, 2005

Overview of AHRQ

The Friends of AHRQ was founded in 1992 to advocate on behalf of the Agency for Healthcare Research and Quality (AHRQ). The Friends consists of provider, business, consumer, university, academic health centers, health plans, and voluntary health organizations. The Friends of AHRQ thank the Subcommittee for its past support of AHRQ, including providing an additional $15 million to enable the agency to conduct the comparative effectiveness research authorized in Section 1013 of the Medicare Modernization Act of 2003. **The Friends of AHRQ support a funding level of $440 million for this agency for FY 2006.**

AHRQ is the lead agency charged with supporting research designed to improve the quality of medical and dental healthcare, reduce its cost, improve patient safety, decrease medical errors, and broaden access to essential services. The research sponsored, conducted, and disseminated by AHRQ provides evidence-based information on healthcare outcomes; quality; and cost, use, and access provides information that helps people make better decisions about health care. The information helps healthcare decisionmakers—patients and clinicians, health system leaders, and policymakers—make more informed decisions and improve the quality of healthcare services. AHRQ does this by identifying what treatments work best, for whom, when, and at what cost. It also evaluates the effectiveness and efficiency of different approaches for financing, organizing, and delivering health care services. With health care costs rising, the case for AHRQ research has never been more compelling.

AHRQ's strategic goals are to:

- **Support improvements in health outcomes.** The field of health outcomes research examines the end results of the structure and processes of health care on the health and well-being of patients and populations. A unique characteristic of this research is the incorporation of the patient's perspective in the assessment of effectiveness. Public and private-sector policymakers are also concerned with the end results of their investments in health care, whether at the individual, community, or population level.
- **Promote patient safety and reduce medical errors.** AHRQ develops research and builds partnerships with health care practitioners and health care systems and has established a permanent program of Centers for Education and Research on Therapeutics. These initiatives help address concerns raised in a 1999 report by the Institute of Medicine (IOM) that estimates as many as 98,000 patients die as a result of medical errors in hospitals each year.
- **Advance the use of information technology for coordinating patient care and conducting quality and outcomes research.** The research is to promote the use of information systems to develop and disseminate performance measures; create effective linkages between health information sources to enhance health care delivery and coordination of evidence-based health care services; and promote protection of individually identifiable patient information used in health services research and health care quality improvement.
- **Strengthen quality measurement and improvement.** Achieving this goal requires developing and testing quality measures and investigating the best ways to collect, compare, and communicate these data so they are useful to decisionmakers. AHRQ's

research emphasizes studies of the most effective ways to implement these measures and strategies in order to improve patient safety and health care quality.

- **Improve the quality of health care.** AHRQ coordinates, conducts, and supports research, demonstrations, and evaluations related to the measurement and improvement of health care quality. This includes producing an annual report on national trends in health care quality. AHRQ also disseminates scientific findings about what works best and facilitate public access to information on the quality of, and consumer satisfaction with, health care.
- **Identify strategies that improve access, foster appropriate use, and reduce unnecessary expenditures.** Adequate access and appropriate use of health care services continues to be a challenge for many Americans, particularly the poor, the uninsured, members of minority groups, rural and inner city residents, and other priority populations. The agency supports studies of access, health care utilization, and expenditures to identify whether particular approaches to health care delivery and payment alter behaviors in ways that promote access and/or economize on health care resource use.

AHRQ Research At Work

The Friends of AHRQ recognize the critical role AHRQ plays in improving the nation's health. Our members rely on AHRQ research to inform our own research, make policy decisions, determine treatment options, respond to requests from members of Congress, and use the results to build the knowledge base for action in health.

The Friends of AHRQ also recognize that when the Subcommittee makes an investment in AHRQ research it expects quantifiable and clear evidence of "what are taxpayers getting for their dollars." AHRQ research provides information that is saving thousands of lives every year, improving the overall quality of health care provided in this country, and saving millions of dollars for health plans and public health programs. The following are some of the results of the research Congress has funded:

- **Oral erythromycin combined with some commonly used drugs may increase the risk of sudden cardiac death.** Patients taking this drug with medications that inhibit CYP3A drug enzymes had a five-times greater risk of sudden death from cadiac causes than patients who did not take drugs at the same time.With safer alternatives available, clinicians should avoid prescribing a combination of erythromycin and CYP3A inhibitors.
- **AHRQ finds that children in hospitals frequently experience medical injuries.** Out of 5.7 million hospital discharge records, the study found 51,615 patient safety events involving children during 2000, leading to serious complications. For example, infections resulting from medical care caused a 30-day increase in the average length of stay, and resulted in increased charges an average of over $121,000 per discharge. Combined excess charges for all patient safety events are estimated at having exceeded $1 billion.
- **AHRQ releases National Healthcare Disparities Report.** The report is the first national comprehensive effort to measure differences in access and use of health care services by various populations. The report includes a broad set of perfomance measures that can serve as baseline views of differences in the use of services. The report presents data on differences in the use of services, access to health care, and impressions of quality for seven clinical

conditions, including cancer, diabetes, end-stage renal disease, heart disease, HIV and AIDS, mental health, and respiratory disease as well as data on maternal and child health, nursing home and home health care, and patient safety. It also examines differences in use of services by priority populations

- **AHRQ releases National Healthcare Quality Report.** The report is the first national comprehensive effort to measure the quality of health care in America. The report includes a broad set of perfomance measures that can serve as baseline views of the quality of health care. The report presents data on the quality of services for seven clinical conditions, including cancer, diabetes, end-stage renal disease, heart disease, HIV and AIDS, mental health, and respiratory disease. It also includes data on maternal and child health, nursing home and home health care, and patient safety.
- **AHRQ developed an emergency information center model**. The model offers guidance to organizations on the requirements, specificiations, and resources needed to develop a public health emergency contact center that is higly integrated with public health agencies. By using this approach, hospitals and health systems can reduce the likelihood that they would be overwhelmed with calls and requests for information. A goal of the model is to develop the capacity to handle 1,000 calls per hour from health care providers or members of public in addition to delivering regular services.
- **AHRQ developed guide to help communities prepare for vaccine and drug dispensing in the event of a bioterrorism or other public health emergency**. The planning guide is designed to enure all Americans have needed drugs and vaccines in the event of a natural epidemic or bioterrorist attack.
- **AHRQ studies finds some pregnant women are perscribed drugs which may be considered unsafe during pregnancy**. Nearly half of pregnant women who received some form of medication other than vitamins may have been given drugs that the FDA classifies as having no evidence of safety for use during pregnancy or shows can harm a developing fetus. Routine medication audits and physician education as well as new technologies have the potential to reduce inappropriate prescribing for pregnant women.
- **AHRQ task force recommends screening for male smokers between 65 and 75 for abdominal aortic aneurysm.** Men ages 65 and older who currently are or have been regular smokers are at the highest risk for abdominal aortic aneurysm. Few studies have been conducted on women; women are at low risk for aneurysms. Each year abdominal aortic aneurysms cause approximately 9,000 deaths in the United States. Surgery is effective to reduce the number of deaths. Screening should help reduce the number of deaths by this cause.
- **Surgery for extremely obese patients who suffer life-threatening illnesses more effective.** An AHRQ report finds that surgery for extremely obese patients who have tried and failed to lose weight with exercise and diet may be more effective for weight reduction. Extremely obese persons often suffer from severe health problems such as heart disease, musculoskeletal disorders, and sleep apnea. Roughly nine million Americans can be categorized as extremely obese. While prescription medicines promote moderate weight loss, surgery leads to even greater loss.

Comparative Effectiveness
Section 1013 of the Medicare Modernization Act of 2003 charged AHRQ with the task of conducting comparative effectiveness research. The research is to be conducted in the following areas:

- The outcomes, comparative clinical effectiveness, and appropriateness of health care items and services (including prescription drugs); and
- Strategies for improving the efficiency and effectiveness of such programs, including the ways in which such items and services are organized, managed, and delivered under such programs.

AHRQ has already completed the first step by developing the list of priority conditions for comparative effectiveness research. The list of priority conditions was developed with input from the public and other stakeholders which are:

- Ischemic heart disease.
- Cancer.
- Chronic obstructive pulmonary disease/asthma.
- Stroke, including control of high blood pressure.
- Arthritis and non-traumatic joint disorders.
- Diabetes mellitus.
- Dementia, including Alzheimer's disease.
- Pneumonia.
- Peptic ulcer/dyspepsia.
- Depression and other mood disorders.

The Medicare Modernization Act authorized an initial $50 million for these studies. Unfortunately, the Subcommittee was only able to appropriate $15 million in FY 2005. The Friends of AHRQ encourage the Subcommittee to devote greater resources in this area as in-depth comparative effectiveness studies on any one item alone on this list would exceed $15 million. Comparative effectiveness research presents us with the opportunity of lowering health care costs while improving quality of care. Congress currently devotes over $28 billion in clinical and biomedical research to develop new vaccines, treatments, and cures while spending only $15 million to determine how efficacious these treatments are in comparison to other approaches.

AHRQ Budget
The President's budget request for AHRQ in FY 2006 is $319 million, the same as for FY 2005. While we appreciate the support the Administration has shown for the agency in the past, this amount is clearly inadequate for an agency that is forced to restict new grant approvals to $300,000 per year including in-direct costs and has dramatically curtailed the number of new and competing grants in FY 2005 from a planned 152 to 93. The main reason for AHRQ inability to fund new research is that its budget has not even kept pace with inflation over the past three years.

While the Friends of AHRQ understand that the subcommittee must base its funding decisions based upon its allocations, AHRQ will need to receive $2,035,000 in FY 2006 simply to keep up

with inflation[1]. Given that the agency has not had such an increase in three years, it is becoming increasingly difficult for AHRQ to undertake its critical missions. In addition, when it released its FY 2006 budget request, the administration announced that it was reallocating $11.5 million from AHRQ in FY 2005 to the Office of the National Coordinator for Health Information Technology (ONCHIT). This $11.5 million will delay the start of a number of non-patient safety program that are directly related to AHRQ's other critical missions including the CERTS program[2]. Thus, in order to maintain the same effective level the Subcommittee wished for, the agency in FY 2005 would need an increase of $13,535,000 or a total appropriation of $332,230,000 in FY 2006. In addition, the Friends of AHRQ see other priority research areas that are going un or under filled.

Friends of AHRQ Funding Request

The Friends of AHRQ support a total approparition for FY2006 of $440 million, an increase of $121 million over the FY 2005 appropriation of $319 million. Included in this request is $11.5 million to off-set the reallocation to ONCHIT, and $2 million to keep pace with inflation. The Friends also recommends funding increases in the following areas:

- *To Err is Human*, the Intitute of Medicine's report on medical errors and patient safety, recommended an overall spending level of $100 million for patient safety an increase of $16 million over its current appropriation of $84 million.
- While AHRQ is currently provided with $50 million in health information technology money, all of this comes out of the patient safety budget. The Friends recommend adding $10 million in new funds devoted strictly to HIT.
- Medicare Part D spending will total $593 billion over 2004 – 2013 according to the Congressional Budget Office. Yet during that time, we project Congress will only invest $120 million in comparative effectiveness research, which has the greatest potential for using the marketplace to hold down pharamecutical costs. The Friends of AHRQ support the Senate Budget Resolution proposal of $75 million in FY 2006 for comparative effectiveness research – an increase of $60 million.
- Health care costs continue to rise at rapid rates, yet only a small amount of research is focused on optimal ways of controlling costs. The Friends of AHRQ recommends increasing funding for cost research by $20 million.
- Data are a critical part of making proper health care decisions, including in the policy arena. Greater resources need to be provided for collecting, maintaining, and disemminating data to reserachers, policymakers, providers, patients, and others. The Friends of AHRQ recommend increasing spending on data by $7 million.

The Friends of AHRQ support a funding level of $440 million for this agency for FY 2006. We believe that the priorities outlined above and others are needed to develop a robust health services research program in the United States, which will lead to improved health care for all citizens. However, we do understand that the Subcommittee has to work within the allocations provided to it. Therefore, we urge you to appropriate at least the $13,535,000 needed to maintain the same level as the Subcommittee provided in FY 2005. The $13.5 million increase would allow the agency to recoup the reallocation to ONCHIT and stay even with inflation, a necessity

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[1] See Exhibit G, AHRQ Congressional Justification found at www.ahrq.gov/about/cj2006/cj06exbg.htm

[2] To see the delayed programs, please refer to AHRQ Congressional Justification, page 52.

given the lack of funding increases in recent fiscal years. In addition, we encourage the Subcommittee to find the resources necessary to fund the program enhancements outlined above.

Contact Information

If you have any questions regarding this testimony, please contact Jon Lawniczak, Director of Government Relations for the Coalition for Health Services Research at either (202) 292-6742 or jonathan.lawniczak@academyhealth.org. Mr. Lawniczak coordinates the activities of the Friends of the AHRQ

Members of the Friends of AHRQ Endorsing This Testimony:

American Academy of Family Physicians
American Association for Clinical Chemistry
American Association for Dental Research
American College of Preventive Medicine
American College of Rheumatology
American Geriatrics Society
American Heart Association
American Osteopathic Association
Americans for Better Care of the Dying
Association of American Medical Colleges
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