

June 3, 2005

The Honorable Arlen Specter
Chairman
Labor, Health and Human Services,
and Education, and Related Agencies
184 Dirksen Senate Office Building
Washington, DC 20510-6031

The Honorable Tom Harkin
Ranking Democrat
Labor, Health and Human Services,
and Education, and Related Agencies
123 Hart Senate Office Building
Washington, DC 20510

Dear Chairman Specter and Senator Harkin:

As you prepare to mark up the FY 2006 Labor, Health and Human Services, Education and Related Agencies appropriation bill, the Friends of AHRQ would like to take this opportunity to underscore the important role the Agency for Healthcare Research and Quality (AHRQ) plays in the American healthcare system. To ensure that AHRQ is able to continue to support and promote evidence-based decision-making, the undersigned members urge you to increase funding for AHRQ to at least \$440 million.

AHRQ is the lead agency charged with supporting research designed to improve the quality of 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 utilization, outcomes, cost, quality, and access. This information helps healthcare decision makers—patients and clinicians, health system leaders, and policymakers—make more informed decisions that, in turn, improve the quality of health services. AHRQ contributes to the evidence base 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.

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 restrict new grant approvals to \$300,000 per year (including indirect costs) and has dramatically curtailed the number of new and competing grants in FY 2005 from a planned 152 to 93. The primary reason AHRQ has been unable to fund new research is that its budget has not even kept pace with inflation over the past three years. This lack of growth has all but eliminated investigator-initiated research at AHRQ, compromising the advancement of innovative health services research, and deterring new investigators from entering the field.

In addition to AHRQ's level funding over a three year period, the administration has reallocated \$11.5 million from AHRQ to the Office of the National Coordinator for Health Information Technology (ONCHIT). This \$11.5 million reallocation will delay the start of a number of non-patient safety

programs that are directly related to AHRQ's other critical missions including the CERTS program¹. In order to maintain the same level of funding the Subcommittee provided for the agency in FY 2005, AHRQ 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 not being met. For this reason, the Friends of AHRQ support a total appropriation for FY2006 of at least \$440 million, which includes \$11.5 million to offset the reallocation to ONCHIT and \$2 million to keep pace with inflation. This represents an increase of \$121 million over the FY 2005 appropriation of \$319 million, an admittedly large increase for the agency, but a small increase when compared with overall federal health research spending of \$35 billion. The Friends recommend that this \$121 million increase be allocated to the following:

- *To Err is Human*, the Institute 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 from 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 restrain pharmaceutical related 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 appropriate health care decisions, including decisions in the policy arena. Greater resources are needed to collect, maintain, and disseminate data to researchers, policymakers, providers, patients, and others. The Friends of AHRQ recommend increasing spending on data by \$7 million.

We believe that the priorities outlined above are needed to develop a robust health services research program in the United States, which will lead to improved health care for all citizens. We would greatly appreciate your support for \$440 million in FY 2006 for AHRQ funding.

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.

Sincerely,

Ambulatory Pediatric Association
American Academy of Family Physicians
American Association of Colleges of Pharmacy
American Academy of Pediatrics

¹ To see the delayed programs, please refer to AHRQ Congressional Justification, page 52.

American Association for Clinical Chemistry
American Dental Association
American Geriatrics Society
American Heart Association
American Medical Association
American Osteopathic Association
American Pediatric Society
American Physical Therapy Association
American Psychological Association
American Society of Nephrology
Association of American Medical Colleges
Association of Departments of Family Medicine
Association of Family Medicine Residency Directors
Association of Medical School Pediatric Department Chairs
Asthma and Allergy Foundation of America
Coalition for American Trauma Care
Coalition for Health Funding
Coalition for Health Services Research
Joint Commission on Accreditation of Healthcare Organizations
Medical Group Management Association
Mount Sinai School of Medicine
National Business Coalition on Health
National Business Group on Health
North American Primary Care Research Group
Research!America
RTI International
Society of General Internal Medicine
Society of Teachers for Family Medicine
Society of Thoracic Surgeons
Society for Adolescent Medicine
Society for Pediatric Research