



OVERVIEW

The following is a summary of federal legislative and regulatory actions of interest to the pediatric academic and adolescent medicine communities. We hope that this information will assist you in your advocacy during the weeks and months ahead. We encourage you to share this information with your colleagues.

The report includes information on the following issues:

- **FY 2010 Budget/Appropriations**
- **Health Care Reform**
- **Pediatric Research**
- **Pediatric Workforce**
- **FY 2010 Budget/Appropriations**
- **Congressional Calendar**

BUDGET/APPROPRIATIONS

Economic Recovery

On February, 17, 2009 President Obama signed into law the American Recovery and Reinvestment Act (ARRA), a package of over \$787 billion in spending meant to stimulate the economy toward recovery. Health-related provisions in ARRA included the following:

- \$87 billion for state Medicaid programs, increasing the Federal Medical Assistance Percentage (FMAP) by 6.2%;
- \$19 billion to incentive the adoption of electronic health records;
- \$1 billion in funding for wellness and prevention programs, including \$300 million for the section 317 immunization program; \$50 million for state health-associated infections reduction strategies; and \$650 million for evidence-based clinical and community-based prevention and wellness strategies;
- \$1.1 billion for comparative effectiveness research; and
- \$500 million to primary health care provider training and National Health Service Corps.

To date, uneven progress has been made across these various initiatives in the release of guidance and solicitation of proposals. As of August:

- NIH has designated at least \$200 million in FYs 2009 - 2010 for new Challenge Grants in Health and Science Research, to fund 200 or more grants. As of June, NIH had received over 20,000 applications. A detailed breakdown of how NIH plans to spend ARRA funding, by institute and program, is online at http://www.hhs.gov/recovery/reports/plans/scientific_research.pdf.

FY 2010 Appropriations

The Appropriations process is moving along at a surprising pace. All 13 appropriations bills had been passed by the House before its August recess. The LHHS Subcommittee took up H.R. 3293, the FY2010 appropriations bill, on July 10; the full Appropriations Committee approved the bill one week later on July 17. The House of Representatives approved the bill on July 24.

The Senate moved more slowly through its roster of appropriations bills. By the August recess, only four bills had been passed by the Senate, although ten had been completed by the Senate Appropriations Committee. The LHHS bill was taken up by the Senate LHHS Subcommittee on July 28 and by the full Appropriations Committee on July 30. The bill is await scheduling for floor consideration on the chamber's return in September.

Highlights: In general, the House and Senate appropriations bills contained few dramatic increases for programs that serve children. Most accounts were funded level with the previous year or with small increases. Of special note:

- National Institutes of Health funding was increased by 3.1%, to \$31 billion, by both chambers.
- The House funded the National Children's Study was funded at the President's request of \$194.4 million, while the Senate deferred setting a funding level until conference committee.
- Both chambers eliminated the abstinence-only education program, shifted over to a fund of \$114 million for community-based efforts to reduce teen pregnancy and \$4 million evaluation of the range of teen pregnancy prevention programs.
- Children's Hospitals GME was funded at \$315/\$320 million (Senate/House), an increase of \$5/\$10 million over the previous year.
- The Senate established a new Office of Adolescent Health in the Office of the Secretary, funded at \$2 million.
- Both the House and Senate rejected the President's request to earmark funds in the NIH budget for autism and cancer research.
- Emergency Medical Services for Children (EMSC) program was funded at \$21 million by the House and \$22 million by the Senate, up from \$20 million.
- The long-standing ban on needle exchange programs was lifted by the House.
- An amendment to ban family planning funds from going to Planned Parenthood clinics was defeated on the House floor.

Some caution must be exercised when viewing the numbers for many accounts, since a significant number received funding under the economic stimulus bill (see below.) Some programs which are flat-funded or decreased in the FY2010 appropriations bills also received considerable sums under that package.

While the appropriations bills are proceeding at a considerable pace, they are not expected to be complete before the end of the fiscal year on September 30. As a result, a Continuing Resolution will almost certainly be needed for several federal departments.

HEALTH CARE REFORM

Reforming the health care system remains a top priority of the Congress and the Obama administration. Pediatric advocates for the health care needs of children in this context and has developed a series of one-page documents outlining the needs of children in health care reform.

Legislative Status

Senate: In June, Senator Chris Dodd (D-CT), introduced the Senate Health, Education, Labor and Pensions (HELP) Committee’s health reform legislation. Senator Dodd is chairing the Committee at the request of Senator Kennedy. The legislation recognizes the unique needs of children and specifically references the need to promote prevention early in life and includes language that proposes using *Bright Futures* as the pediatric appropriate model for preventive services.

On July 15th, the Senate HELP committee approved their legislation by a vote of 13-10, with all Democrats voting in favor and all Republicans voting against the bill. More than 500 amendments in total were filed, 287 amendments passed the Committee by vote or by being accepted by the Chair, 161 Republican amendments were accepted, and 36 Democratic amendments were accepted.

Prior to the summer recess, Finance Committee Chairman Max Baucus (D-MT) continued to meet with other key Finance Committee members, who assure colleagues that they have made significant progress but that they want to make sure they come out of negotiations with a strong, cost-effective and bipartisan compromise.

House: The three committees in the House of Representatives that produced a tri-committee bill (Ways and Means, Energy and Commerce and Education and Labor), released their compromise legislation on June 19th. The House of Representatives “tri-committee” bill includes many provisions that could help children and pediatricians. Some of the provisions include:

- Increase of payments for Medicaid primary care services to 100% of Medicare within 3 years fully funded by the federal government.
- “First dollar” coverage (i.e. no cost sharing or copays) for preventive services including well baby and well child care.
- Coverage in Exchange plans for oral, vision, and hearing services, equipment, and supplies for children under 21 years of age.
- A “public plan” option to promote choice and competition in the insurance market.
- Access to Medicaid for individuals below 133% of the federal poverty level (FPL) and new subsidies for those from 133-400% FPL to purchase coverage.
- Elimination of pre-existing conditions limitations.
- Medical Home pilot program in Medicaid funded at \$1.235 billion over five years.
- Financial assistance through federal grants and loan forgiveness for the pediatric workforce.

On Monday, July 13th the House Energy and Commerce Committee released the final version of the *America’s Affordable Health Choices Act* (HR 3200). The House Ways and Means Committee approved the legislation on July 17th by a vote of 23-18. As part of the final bill the House Committees included two central elements of Mr. Obama’s plan, voting to create a new public option that would compete with private insurers and to require employers to help finance insurance for their workers. By a vote of 25 to 14, the

Ways and Means committee rejected a Republican effort to strike the public option from the legislation. Combined with other coverage expansions, the Congressional Budget Office projects that the new structure would provide coverage to 97% of Americans.

Additionally the House Education and Labor Committee approved the legislation by a vote of 26-to-21 after considering an estimated 50 amendments. Two moderate Republicans, Michael N. Castle (DE) and Todd R. Platts (PA), joined Democrats to approve an amendment from Robert C. Scott (D-VA), to guarantee children access to early and periodic screening, diagnostic and treatment services (EPSDT) as part of any exchange-participating health plan.

PEDIATRIC RESEARCH

National Institutes of Health

NIH DIRECTOR

The APA joined a letter of support for President Obama's nomination and the Senate's confirmation of Francis S. Collins, M.D., Ph.D., to be the new director of the National Institutes of Health (NIH).

NIH APPROPRIATIONS

Under the FY 2009 omnibus appropriations bill - the NIH is funded at \$30.3 billion, an increase of \$938 million or 3.2% above FY 2008. The proposed FY 2010 funding level recommendation from the NIH advocacy community is at least an increase of 7% increase above current levels.

The President's FY 2010 budget requested \$30.8 billion for NIH. The House approved \$30.96 billion, a 3.1% increase over FY 2009. The Senate Appropriations Committee approved \$30.8 billion for FY 2010.

NIH ECONOMIC STIMULUS

The PPC, working together with the Academy and Ad Hoc Group on Medical Research Funding, an umbrella coalition with over 300 organizations, supported additional funding in the stimulus package for the NIH. Our collective efforts resulted in \$10.4 billion for the NIH to be available until September 30, 2010.

National Children's Study (NCS)

APPROPRIATIONS

The PPC, in collaboration with the Academy and March of Dimes, supported the next installment in funding for FY 2010 - \$194.4 million. Over 50 organizations signed onto a letter supporting funding the NCS at that level. The President's budget requested \$194.4 million for the NCS in FY2010. Although the House approved \$194.4 million, the Senate did not specify a funding amount for FY 2010. The Senate language expressed strong concerns about the overall cost of the study and requested additional information in costs in the coming year.

NEW LEADERSHIP

In August, Capt. Steven Hirschfeld, MD, PhD, NICHD's Associate Director for Clinical Research, was appointed Acting Director of the National Children's Study. Dr. Hirschfeld is board certified in general pediatrics and pediatric hematology-oncology. He worked at the National Cancer Institute as a clinical investigator and then at the Food and Drug Administration (FDA) in the Center for Drug Evaluation and Research and the Center for Biologics Evaluation and Research. He also serves as the NIH Co-Coordinator of the Child Health Oversight Committee for the National Center for Research Resources Clinical and Translational Science Awards Consortium. He has extensive training and experience in organizational management and operations.

Pediatric Research Consortia Establishment Act (S.353/ H.R. 758):

Senators Sherrod Brown (D-OH) and Kit Bond (R-MO) reintroduced S.353, to amend Title IV of the Public Health Service Act to establish the National Pediatric Research Consortia. The PPC, as well as the members of the Federation of Pediatric Organizations all provided their collective support to this important legislative effort in the 110th Congress and will continue to do so. In addition to Senators Brown and Bond, the bill is cosponsored by Senators Mark Begich (D-AK), Jeff Sessions (R-AL), and Sheldon Whitehouse (D-RI.) The House companion bill, H.R. 758 was introduced by Rep. Dianna DeGette (D-CO) and has 31 co-sponsors.

The *Pediatric Research Consortia Establishment Act* authorizes up to 20 National Pediatric Research Consortia at institutions throughout the country. The consortia will conduct both basic and translational research. Each consortium will partner with satellite facilities. The peer reviewed awards will be made for five years with each consortium receiving initially no more than \$2.5 million per year and renewable for another five years contingent on evaluations by a peer review panel and Director.

Agency for Healthcare Research and Quality

APPROPRIATIONS

Working with the Friends of AHRQ, the pediatric and adolescent medicine community is requesting a FY 2010 base funding level of \$405 million, an increase of \$32 million over the FY 2009 level. This increase will preserve AHRQ's current initiatives and get the agency on track to a base budget of \$500 million by 2013. The Senate Appropriations Committee and the House of Representatives both approved \$372 million in funding for AHRQ for FY 2010.

Although there was some interest expressed by the Senate Health, Education, Labor and Pensions Committee (HELP) on the reauthorization of AHRQ, no action was taken but we do anticipate some renewed interest in the 111th Congress.

PEDIATRIC WORKFORCE/GRADUATE MEDICAL EDUCATION

GME Financing for Children's Hospitals (CHGME) and Title VII Health Professions Program and Title VIII Nursing Professions Program

APPROPRIATIONS

The Public Policy Council, along with the Academy, continues its collaboration with the National Association of Children's Hospitals (NACH) to urge the House and Senate Appropriations Committees to include funding for the CHGME at the authorized level of \$330 million in FY 2010. The full House approved \$320 million in funding for CHGME in FY2010. The Senate Appropriations committee approved \$315 million for FY 2010 and the full Senate is expected to vote on this bill in the coming months.

The PPC continues to work closely with the Health Professions and Nursing Education Coalition (HPNEC), led by the AAMC, to urge Congress to increase funding for the Title VII and Title VIII programs. In March, on behalf of HPNEC, Tina Cheng, MD, MPH, FAAP, presented testimony before the House Appropriations Subcommittee on Labor, HHS, and Education. The coalition requested \$550 million for both Titles VII and VIII for FY 2010.

The House FY2010 appropriations bill provides \$529.7 million for Titles VII and VIII, a \$136.9 million (34.9 percent) increase over FY 2009. The bill is consistent with the funding increases proposed in the President's budget, but also provides \$1.61 million (4.9 percent) over the President's request. The Senate committee's bill provides \$460.1 million for the health professions programs, including \$243.4 million for Title VII and \$216.7 million for Title VIII.

In additional good news from the economic stimulus package Titles VII and VIII will receive an increase in funding to be used in the next two years of \$200 million. According to the conference agreement the funds are “allocated for all the disciplines trained through the primary care medicine and dentistry program, the public health and preventive medicine program, the scholarship and loan repayment programs authorized in Title VII (Health Professions) and Title VIII (Nurse Training) of the PHS Act, and grants to training programs for equipment. Funds may also be used to foster cross-State licensing agreements for healthcare specialists.” An additional \$300 million is also provided for the National Health Service Corps.

Pediatric Work Force in Health Care Reform

As a part of the overall health care reform effort, the AAP Washington Office has been aggressively engaged in advancing pediatric primary care and subspecialty workforce issues in the debate.

As a result of a concerted PPC and AAP lobbying campaign with relevant committees and offices, the Senate Committee on Health, Education, Labor and Pensions (HELP) included in its draft health care reform legislation a significant section dedicated specifically to pediatric subspecialty workforce improvements. Section 423 of the HELP draft allocates \$30 million per year for loan repayment to individuals who commit to pursuing full-time employment in pediatric medical subspecialty, pediatric surgical specialty, or child and adolescent mental and behavioral health care fields. Participants in this new program would be eligible for up to \$35,000.00 per year in loan repayment funds for 3 years. This initiative represents a major victory in educating Congress about the dire workforce shortages facing many pediatric subspecialties.

On the House side, we have more work to do, but are well-positioned as the debate progresses. On July 20, Representative Jim Matheson (D-UT) offered and then withdrew a bipartisan amendment to insert identical pediatric subspecialty loan provisions in H.R. 3200, the House “tricommittee” health care reform bill, during the Energy and Commerce Committee mark-up of that legislation. Representative Anna Eshoo (D-CA) also spoke out strongly on behalf of the amendment and made comments specific to shortages of pediatric subspecialists as did Republican cosponsor Rep. Mike Rogers (R-MI). Committee Chairman Henry Waxman (D-CA) made comments to the effect that this was a laudable provision and that he would work with Reps. Matheson, Eshoo, and Rogers in the future to address the problem of pediatric subspecialty shortages.

Since a strong provision has already been incorporated into the Senate HELP bill, efforts will now focus on a conference strategy. When the House and Senate meet to reconcile their respective pieces of legislation later this year (assuming health reform continues to progress), the pediatric community will press the House to accept the Senate language. Based on the action in the House Energy and Commerce Committee, we are well-positioned to include the Senate HELP Committee’s subspecialty work force language in the final health reform package. The pediatric community has already sent a letter requesting this be the Chairman’s stance in conference in conjunction with AMSPDC.

The PPC, along with the Academy, will continue its ongoing efforts to educate Capitol Hill about pediatric subspecialty workforce issues in the coming weeks and months, working closely with many allied groups and seeking to ensure that we pursue a coordinated, consistent strategy.

Pediatric Medical Subspecialists and Pediatric Surgical Specialists GAO Report

The *Children's Health Insurance Program Reauthorization Act of 2009* (CHIPRA) passed by Congress and signed by the President on February 4, 2009, contains direction (see Title IV, Section 402) for a study to be conducted by the General Accountability Office (GAO) on children's access to primary and specialty services under Medicaid and CHIP. A report must be made to Congress in two years.

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2009 CONGRESSIONAL CALENDAR (111th Congress –First Session)

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| January 19 | Martin Luther King, Jr. Holiday |
| January 20 | Inauguration Day |
| February 16-20 | President's Day State Work Period (Senate and House) |
| April 6-17 | Spring State Work Period (Senate and House) |
| May 25-May 29 | Memorial Day State Work Period (Senate and House) |
| June 29-July 3 | Independence Day State Work Period (Senate and House) |
| August 3-Sept. 4 | Summer District Work Period (House) |

August 3- Sept. 7 Summer State Work Period (Senate)
October 30 Target Adjournment (House)
