



Tomorrow's Doctors, Tomorrow's Cures®

The Research Mission: The View from the AAMC

Learn

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Lead

**2015 Association of
Professors of Dermatology
Annual Meeting**

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Relations
September 26, 2015
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Association of
American Medical Colleges

Presentation Focus:

- **Current environment in Washington**
- **Opportunities and challenges confronting medical research funding**
- **What to expect for the remainder of 2015**

AAMC: Who We Are

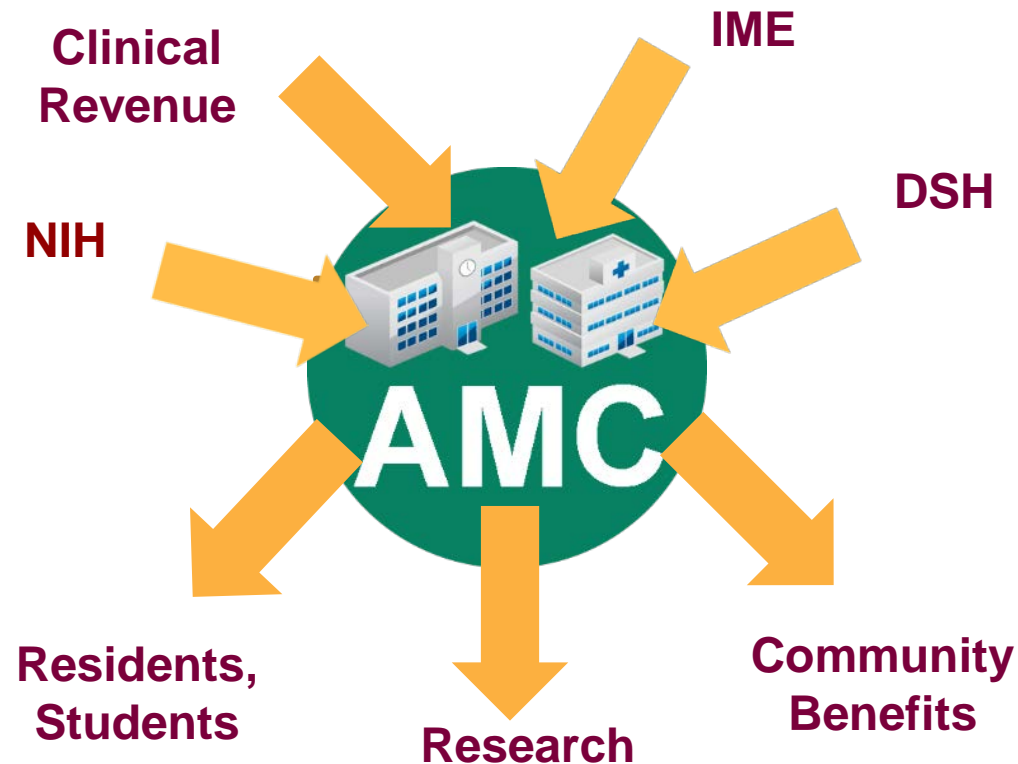
- **Membership:**

- 144 U.S. medical schools (MD programs)
- ~ 400 major teaching hospitals/health systems
 - 4+ approved/active residency programs
 - 51 Veterans Affairs medical centers
- 91 Academic and scientific societies

- **Over 300,000 “voices”:**

- 141,000 faculty members
 - Clinical and basic science (research) faculty
 - Staff of physician practice groups and hospitals
- 83,000 medical students
- 115,000 residents

Academic Medicine's Missions Rely on Multiple Revenue Streams



Current Environment In Washington

"Politics is the art of looking for trouble, finding it everywhere, diagnosing it incorrectly, and applying the wrong remedies."

- Groucho Marx

Signs of bipartisanship in 114th Congress:

- **Sustainable Growth Rate (SGR)**
- **House passage of 21st Century Cures Act**
- **NIH funding**





**There are only 408 days left
until the 2016 election!**

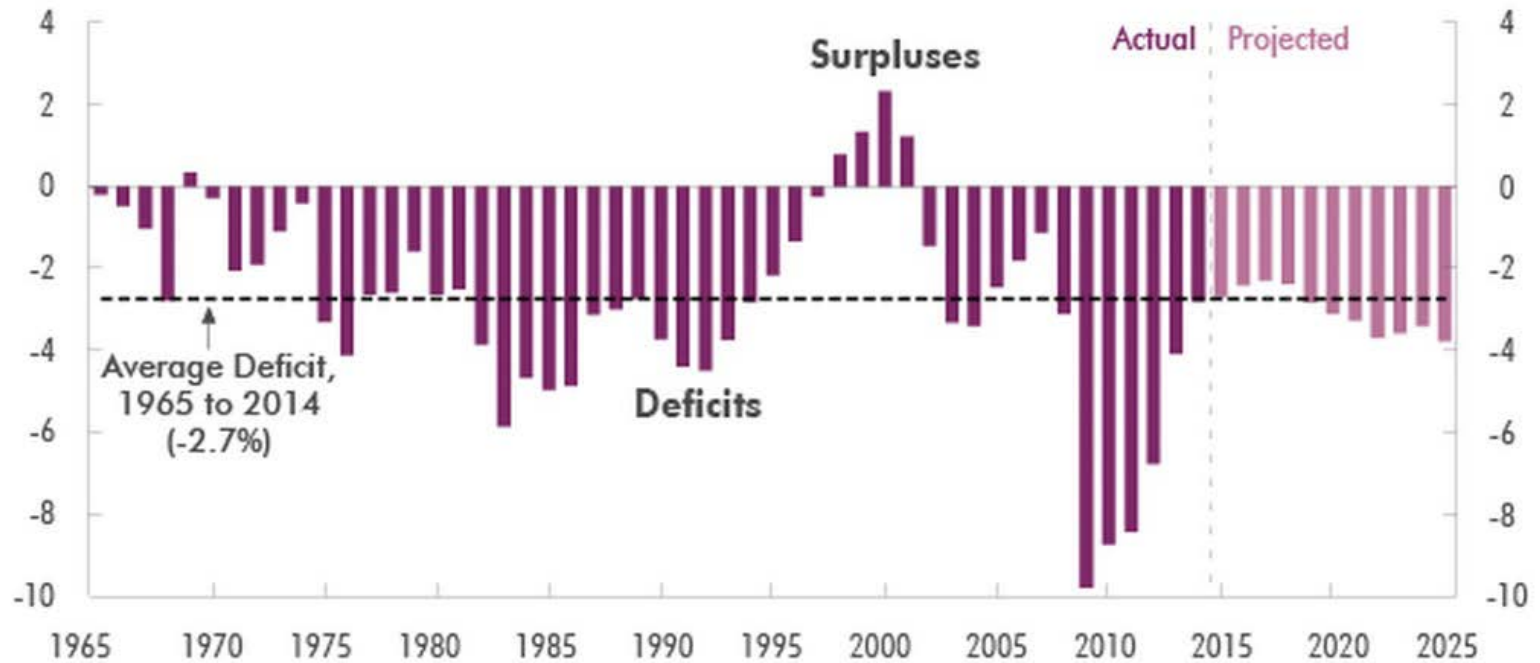


I am not a member of any organized political party. I am a Democrat. – Will Rogers



Total Deficits or Surpluses

Percentage of GDP

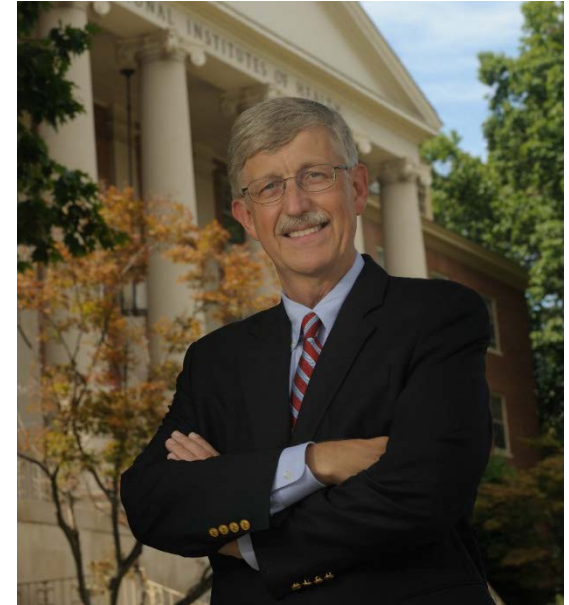


CONGRESSIONAL BUDGET OFFICE

MARCH 2015

“The 21st century is the century of biology. The nation that invests in biomedical research will reap untold rewards in its economy and the health of its people.”

**Francis Collins, M.D., Ph.D.,
JAMA, 1/13/2015**



“It’s irresponsible and shortsighted, not prudent, to let financing for basic research dwindle.... Doubling the institutes’ budget once again would be a change on the right scale....”

Former House Speaker Newt Gingrich (R-Ga.), April 21, 2015, New York Times op-ed



“If we want to improve the quality of life for Americans and reduce federal health care spending, we need to double down on NIH spending.”

**Senator Elizabeth Warren (D-Mass.),
April 28, 2015**



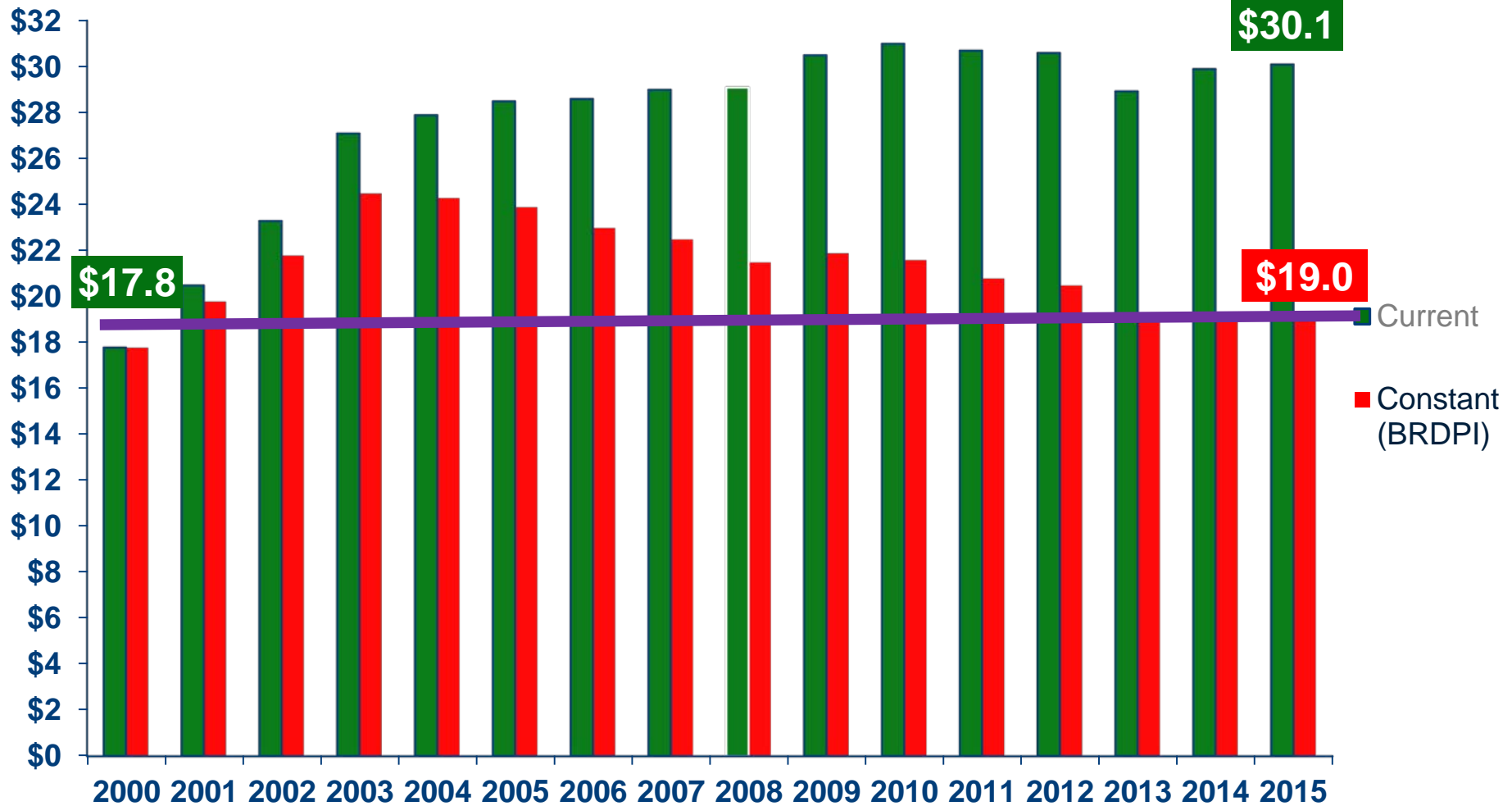
NIH Funding Chronology

FY 2012	\$30.6 billion (+0.7%)
FY 2013 post-seq.	\$29.1 billion (-5.6%)
FY 2014	\$30.0 billion (+3.1%)
FY 2015	\$30.1 billion (+0.9%)
FY 2016 President	\$31.1 billion (+3.3%)
FY 2016 House	\$31.2 billion (+3.7%)
FY 2016 Senate	\$32.1 billion (+6.6%)

FY 2016 BRDPI (projected) = 2.4%

NIH Funding FYs 2000-2015

[\$ in billions]



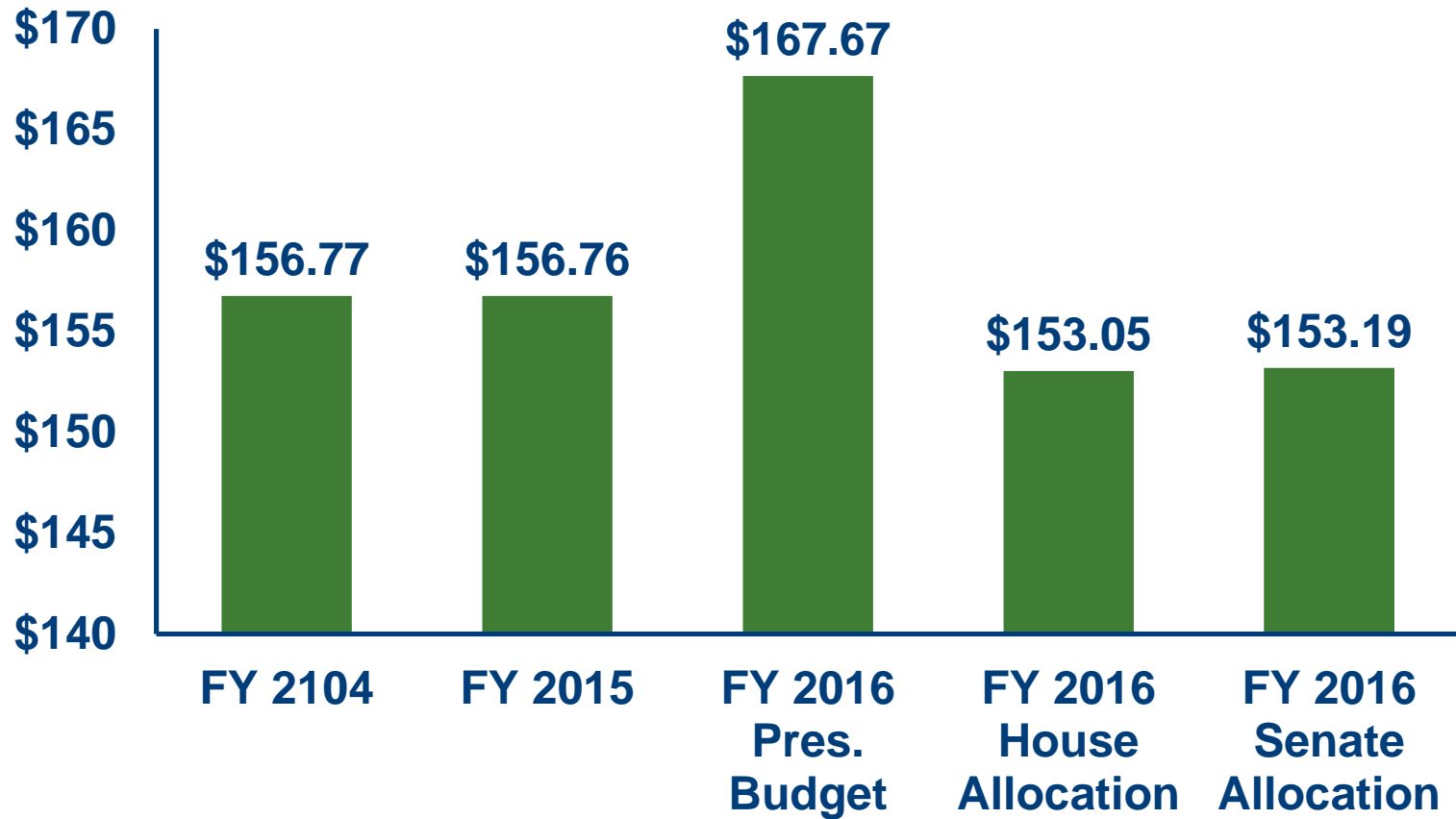
Sources: NIH Budget Office; House and Senate Appropriations Committees

Discretionary Spending Caps [in billions]

(\$ in billions)	FY 13	FY 14 seq.	FY 14 revised ¹	FY 15 revised ¹	FY 16	FY 16 Pres.	FY 16 Cong.
Defense	\$518	\$498	\$520	\$521	\$523	\$561	\$523
NDD	\$468	\$469	\$492	\$492	\$493	\$526	\$493
Total	\$986	\$967	\$1,012	\$1,014	\$1,016	\$1,087	\$1,016

¹ Caps for FYs 2014-15 adjusted by Bipartisan Budget Act of 2013.

Labor-HHS Funding [in billions]



“Sequestration funding levels would also put our national security at unnecessary risk.... That is why the President has been clear that he is not willing to lock in sequestration going forward, nor will he accept fixes to defense without also fixing non-defense.”

***OMB Director Shaun Donovan
Letter to House Appropriations Chair
Hal Rogers (R-Ky.), April 21, 2015***



“I want to put the Chairman on notice. The President will veto bills at this allocation, and Democrats will vote against motions to proceed to these bills on the Senate floor....”



“We need a sequel to Murray-Ryan and we need it sooner rather than later, so we can write realistic bills that keep America safe and invest in our future.”

**Senator Barbara Mikulski (D-Md.), Ranking Member,
Senate Appropriations Committee, May 21, 2015**

NIH Issues

- **Research priority setting**
 - **Five-year scientific strategic plan**
 - **Possible restrictions on certain areas of science**
- **Reproducibility of research results**
- **Future of young investigators**
- **Salary cap**
- **Fetal tissue**



21st Century Cures Act (HR 6)

- **Establishes research as a national priority**
- **Sets goals for increased funding**
- **Raises expectations and creates a target for advocacy**
- **Establishes new programs and directions**
 - **Some are helpful**
 - **Others may be duplicative, unnecessary, overly prescriptive**

Risk of accepting new restrictions without receiving actual funding

Major NIH Provisions in HR 6

- **Three-year authorization at +\$1.5 B for three years**
- **NIH Innovation Fund provides \$1.75 B/year for five years**
- **Proposes to offset cost of Innovation Fund**
- **NIH Strategic Plan**
- **Increased accountability**
- **Reduced regulatory burden**



21st Century Cures Act – Status

- **E&C Health Subcommittee passed by voice vote on May 14**
- **Energy & Commerce Committee passed unanimously (51-0) on May 21**
- **Full House passed (344-77) on July 11**

Senate HELP Committee: Medical Innovation Initiative

- Led by HELP Chair Lamar Alexander (R-TN), and Senators Richard Burr (R-NC) and Patty Murray (D-WA)
- Alexander plans to release bill later this year
- Goals:
 - Examine current time/cost related to the drug and medical device discovery & development process
 - Determine how to improve public policies to support medical innovation
- ***Will Senate adopt 21st CC funding approach for NIH?***

*“It’s déjà vu
all over again.”*

***Attributed to
Yogi Berra***



- **Number of days until FY 2016 = 5**
- **Number of FY 2016 spending bills enacted = 0/12**
- **Proposed length of CR = 72 days (thru Dec. 11)**
- **Proposed across-the-board cut to pay for anomalies = 0.21%**





“We're not going to shut the government down.”

Senate Majority Leader Mitch McConnell (R-Ky.), 9/16/15

“Yes.”

Reply from Senator Ted Cruz (R-Texas) when asked if he would oppose a clean CR.



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