

TESTIMONY OF
THE COALITION FOR HEALTH SERVICES RESEARCH

TO THE

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

COMMITTEE ON APPROPRIATIONS

UNITED STATES HOUSE OF REPRESENTATIVES

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Health Services Research

The Coalition for Health Services Research (Coalition) is pleased to offer this testimony for the record regarding the role of health services research in improving our nation's health. The Coalition is the advocacy arm of AcademyHealth. Through AcademyHealth, the Coalition represents almost 4,000 individual researchers, scientists and policy experts as well as 125 organizations that produce and use health services research information including universities, providers, employers, patients and health plans.

We are grateful for the funding support the Subcommittee has provided for health services research over the past several years. Health services research examines the performance of the American health care system and identifies ways to improve access, quality and cost of care. The small investment made by the federal government provides significant returns to policymakers, health administrators, providers, patients, and others to improve care and services. Health services research addresses critical health policy issues facing our country. These include reducing medical errors, making the best use of information technology, translating clinical research into medical practice, comparing the effectiveness of health services, improving the economic efficiency of the health care system, and reducing disparities in health care related to race, ethnicity, and community of residence.

Health services research has changed the face of American health care. From ensuring that providers have the most up-to-date information regarding treatment options to making purchasers aware of the consequences of various payment methodologies, health services research provides the scientific basis needed to make the right decisions. This testimony will share some of the successes brought about by this research because of your support, outline the research that still needs to be done, describe the agencies that will conduct and oversee this research, and identify the levels of support required to assure the information is available when needed.

In our recent Federal Funding Report we estimate that the federal government spends \$1.5 billion on health services research, which accounts for less than 5 percent of all federal health research dollars and 0.10 percent of total health care spending. Yet this research has demonstrated that it saves all purchasers of health services (including the federal government) money while improving quality and health outcomes for their patients.

The Coalition recognizes that when this Subcommittee makes an investment in health services research it expects quantifiable results and clear evidence of what are taxpayers getting for their dollars. Health services 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:

Agency for Healthcare Research and Quality (AHRQ):

- **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 cardiac causes than patients who

did not take drugs at the same time. With safer alternatives available, clinicians were advised that they 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 performance 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. By providing the nation's first healthcare disparities report, AHRQ is helping to galvanize public attention on this critical national issue.
- **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 performance 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.

Centers for Disease Control and Prevention (CDC):

- **CDC study shows limited use of electronic medical records.** The report found that less than a third of the nation's hospital emergency and outpatient departments use electronic medical records, and even fewer doctors' offices do. About 31 percent of hospital emergency departments, 29 percent of outpatient departments, and 17 percent of doctors' offices have electronic medical records to support patient care, as reported in CDC's ambulatory medical care surveys, conducted from 2001 to 2003.

CDC's National Center for Health Statistics (NCHS):

NCHS provides the most current data for tracking health insurance coverage and access to care, critically important to understanding the impact of public policy and the economy on children and families. Through the National Health Interview Survey, NCHS provides tracking data on a quarterly basis, released only six months after each quarter's data collection. This data allows health services researchers to track changes in public and private health insurance coverage for the nation as well as for population subgroups. NCHS presents three key measures of health insurance coverage, using different time frames to measure coverage in order to reflect different policy-relevant perspectives. Every quarter, these NCHS estimates address persons who were uninsured at the time of the interview; uninsured at any time in the past year; and uninsured for more than one year. Estimates of persons with private and public coverage by poverty status are also presented.

Centers for Medicare and Medicaid Services, Office of Research, Development and Information (CMS):

The Office of Research, Development and Information has worked intensively in performing research required by the Medicare Modernization Act, including work necessary for implementation of the Part D drug benefit and related pharmaceutical issues. This work included development of a risk adjustment model for payment of prescription drug plans; completion of a study of geographic variation in drug prices; conduct of a study of the implementation of the Medicare drug discount card; and analysis of state pharmacy assistance programs.

In addition, CMS developed a risk adjustment system for end stage renal disease beneficiaries within Medicare Advantage plans; is completing a study of physician-owned specialty hospitals; and developed several demonstrations and evaluation plans related to coordination of care and quality improvement.

Critical Needs

While health services research has provided many answers to policymakers, practitioners, and other health system administrators, the demand for additional information on the extent of problems and on the effectiveness of possible solutions greatly exceeds current resources. Increases in funding for those agencies that support health services research are needed to:

- **Understand the causes and develop approaches for limiting rising health care costs.** Further research is needed to assess the root causes of rising health care costs and to develop strategies and mechanisms for limiting future cost increases without reducing quality.
- **Improve patient outcomes.** Further development of evidence-based practice and quality improvements start by measuring outcomes and determining if the expected results were achieved.
- **Comparative effectiveness.** Medicare Part D spending will total \$593 billion over the period of 2004 – 2013 according to the Congressional Budget Office. Yet during that time, Congress at the current level of spending will only invest \$120 million in comparative effectiveness research. This research offers significant potential for using evidence based medicine to limit the growth in pharmaceutical costs. Congress should fund this research at the level of \$75 million as suggested in the sense of the Senate resolution would provide public and private sector health plan administrators with the scientific basis for making more informed coverage decisions.
- **Technology.** Technology has the ability to change every aspect of the health care system, from diagnosis to treatment, and from preventing errors to increasing the timeliness of data. Increased research funding is needed to demonstrate the value of specific applications of information technology to improve quality, coordination, and efficiency of care.
- **Reduce access barriers.** Despite recent expansions in coverage for children and working families, we still have 44 million Americans with no health insurance coverage. Further research is needed now to determine the effectiveness of both public and private strategies to expand coverage.
- **Provider payment incentives for quality and efficiency.** As public and private purchasers test new mechanisms to pay physicians and hospitals to improve efficiency and quality,

research is needed to understand the effects of these incentives on over- and under-utilization of care.

- **Improve quality of care for chronic illnesses.** Approximately 125 million Americans live with a chronic illness. Research is needed to determine the most favorable methods for managing these illnesses.
- **Emergency preparedness.** Research is needed to better determine how the public and private health care systems can work effectively together in the event of a natural catastrophe or terrorist attack.
- **Translating research into practice.** This Subcommittee is investing tremendous resources in biomedical and clinical research. A greater investment in health services research and knowledge transfer will ensure that these discoveries actually get to practitioners and patients. More research is also needed on the most effective ways to get research results used by patients, practitioners, and policymakers.

Many federal agencies fund and support health services research. Yet a number of critical research areas are either under funded or not funded at all. For these reasons the Coalition recommends that the members of the Subcommittee provide the following levels of funding:

Agency for Healthcare Research and Quality (AHRQ):

AHRQ's mission is to develop scientific evidence that will help this country spend its health care dollars wisely. AHRQ research does this by identifying what treatments work best, for whom, when, and at what costs. It also evaluates the effectiveness and efficiency of different approaches for financing, organizing, and delivering health care services. With health care costs rising for all sectors, the federal government, states, and the private sector all need and rely on AHRQ research to provide answers to the nation's most pressing health care issues.

Under the President's proposed FY2006 budget AHRQ would remain frozen at the FY 2005 level of \$319 million. This does not take into account \$11.5 million reallocated from AHRQ to the Office of the National Coordinator for Health Information Technology. The President's request does not also take into account the impact inflation has had on the agency. With the exception of the \$15 million increase to begin research on comparative effectiveness research, AHRQ has not had a budget increase over the past three years and the impact of this no growth budget is having a significant impact on the field of health services research. For example, AHRQ has had to limit grant award approvals to \$300,000 per year regardless of the merits or proposed cost of the research. **At least \$2 million is required simply to maintain the agency at the same level the subcommittee supported last year – making a total of \$13.5 million simply to remain at FY 2005 levels.**

The Coalition urges a funding level of at least \$440 million for AHRQ to ensure that adequate funding is available for high priority research needs including: understanding the causes of and solutions to rising health care costs; promoting improvements in health care quality; strengthening efforts to translate research into practice; and increasing appropriate access to medical technology. The \$440 million request also includes funding for the comparative effectiveness research at \$75 million as supported by the Senate.

Centers for Medicare and Medicaid Services, Office of Research, Development and Information (CMS):

The Office of Research, Development and Information guides the development and implementation of new health care financing policies and evaluates their impact on Medicare and Medicaid beneficiaries, participating providers, and the states. With recent significant changes made in the Medicare and Medicaid programs, health services research is needed to continually monitor the programs to determine if any refinements are necessary.

CMS has a very limited research capacity with an FY 2005 budget (of non-earmarked funds) of \$28 million. After paying for the Medicare Current Beneficiary Survey, and other statutory requirements, and Congressionally earmarked studies, CMS does not have sufficient funds to initiate research on priority subjects.

The Coalition supports a funding level of \$88 million of non-earmarked funds to ensure that CMS can both meet its current statutory obligations and expand research into areas such as quality care for those with chronic illnesses; plan and beneficiary participation in managed care; approaches to educating beneficiaries through use of the Internet (e-health); and the impact of technological changes on Medicare and Medicaid.

Centers for Disease Control and Prevention (CDC):

A continuing concern is the issue of inadequate research on the infrastructure for public health: public health systems research. While much attention has been focused on research about the sickness care system, and on improving the public health system's ability to respond to a terrorist attack, insufficient research has been funded on improving the delivery of public health services. Specific concerns include:

- How can the public health infrastructure be improved and made more effective?
- How do we target critical public health activities to reach individuals and communities that typically encounter barriers in accessing the health system?
- How cost-effective are public health and prevention programs?
- How will new advances in understanding disease be applied in public health?

The President's budget proposes \$31 million in Public Health Research. We support this program and urge the Subcommittee to provide it with full funding.

The **National Center for Health Statistics (NCHS)** plays a crucial role in health services research by collecting the data needed in many important research areas including the status of the nation's health. This data is also used to measure the impact and effectiveness of health policies and programs. The Subcommittee recognized its importance in FY 2005 by providing a much needed increase of \$19 million to stabilize the agency and we thank the Subcommittee for this most needed increase in funding. However, for FY 2006, NCHS requires \$8.75 million to meet its mandatory contract increases and other costs increased by inflation. The Coalition also supports providing the agency with an additional \$47.25 million increase – for a total FY 2006 increase of \$56 million – to enable NCHS to provide greater data in the following areas:

- Data on prescription drug usage;
- Improve the availability of detailed health data at the State level to help State-level program decision-making and to enable us to learn what health policies work in different States;

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- Improve data on race and ethnicity to allow us to better understand health disparities and help identify interventions to reduce them;
- Expand data collection on the health care system to include dental care, community health centers, assisted living, nursing home, and hospice care;
- Update NCHS' hospital survey so that the sample of hospitals is representative of current industry patterns;
- Accelerate technology change to improve overall timeliness and access to data; and
- Implement improved mechanisms to allow greater research access to health statistics while preserving the confidentiality of the health information on individuals.

Conclusion

The successes of health services research would not be possible without the leadership and support of this Subcommittee. Scientifically-based evidence is crucial in providing guidance to you and your colleagues as you make difficult decisions that will affect the health and health care services of all Americans.

While the Coalition understands the difficult position the Subcommittee is in given constraints on discretionary spending, we would emphasize that the increases we are seeking are relatively modest, especially given the huge payoff this investment will return to the health care system. Overall, we are seeking an increase of \$237 million over current year funding – or a 0.7 percent increase in all federal health research spending. This increase in the current investment in health services research will make it possible for policymakers to have the scientific evidence needed to make the difficult choices that will shape the future of our health care system.

We urge the Subcommittee to continue the progress made during the past several years and accept our funding recommendations for the federal agencies funding health services research in FY2006.

If you have any questions or comments about this testimony, please contact Jon Lawniczak, Director, Government Relations at (202) 292-6742 or email at jonathan.lawniczak@academyhealth.org.