

The Coalition for Health Services Research is pleased to offer this testimony regarding the role of health services research in improving our nation's health. The Coalition's mission is to support research that leads to accessible, affordable, high-quality health care. As the advocacy arm of AcademyHealth, the Coalition represents the interests of 3,500 researchers, scientists, and policy experts, as well as 150 organizations that produce and use health services research.

Health care in the United States has the potential to improve people's health dramatically, but often falls short and costs too much. Health services research is used to understand how to better finance the costs of care, measure and improve the quality of care, and improve coverage and access to affordable services. It provides patients, providers, payers, and policymakers with the necessary tools to make health care:

- **Affordable**, by decreasing cost growth to sustainable levels.
- **Efficient**, by decreasing waste and overpayment and monitoring cost effectiveness of care.
- **Safe**, by decreasing preventable medical errors, monitoring public health, and improving preparedness.
- **Effective**, by evaluating programs and outcomes and promoting evidence-based innovations.
- **Equitable**, by eliminating disparities in health and health care.
- **Accessible**, by connecting people with the health care they need when they need it.
- **Patient-centered**, by increasing patient engagement in, and satisfaction with, the care they receive.

Indeed, health services research is changing the face of American health care, uncovering critical challenges facing our nation's health care system. For example, the 2000 Institute of Medicine (IOM) report *To Err is Human* found that up to 98,000 Americans die each year from medical errors in the hospital. Health services research also uncovered that disparities and lack of access to care in rural and inner cities result in poorer health outcomes. And, it found that obesity accounts for more than \$92 billion in medical expenditures each year and has worse effects on chronic conditions than smoking or problem drinking.

But health services research does not just lift the veil on problems plaguing American health care; it also seeks ways to address them. Health services research framed the debate over health care reform in Massachusetts—forming the basis for that state's 2006 health reform legislation—and continues to frame the debate on the national stage today. It offers guidance on implementing and making the best use of health information technology, and getting the best care at the best value across a menu of treatment options.

In fact, there are increasing examples that demonstrate how comparative effectiveness research—an emerging science in the broader field of health services research—provides the scientific basis needed to determine what treatments work best, for whom, and in what circumstances.

- The Agency for Healthcare Research and Quality (AHRQ) found that drugs can be as effective as surgery in management of gastroesophageal reflux disease (GERD)—where stomach acid enters the esophagus, causing heartburn and potential esophageal damage. GERD is one of the most common health conditions among older Americans and results in \$10 billion annually in direct health care costs. Knowing that, for the majority of patients, drugs can be as effective as surgery in relieving the symptoms could result in significant health care savings and improved quality of life.
- The National Institute of Mental Health (NIMH) found that, within a class of antipsychotic drugs, the older, less expensive drug (Perphenazine) was just as effective and caused no worse side effects than the three newer, more expensive drugs in treating patients with schizophrenia. One of the newer drugs (Zyprexa) was slightly more effective in controlling systems than the other drugs, but at the cost of serious side effects.<sup>i</sup> This study enables greater flexibility in care and informs patients and providers about costs and quality of care.

As these examples suggest, health services research can contribute greatly to better health care at better value. It is a true public good, providing a basis for improvements in our health care system that will benefit the general public. Americans overwhelmingly agree. A recent opinion survey commissioned by Research!America found that 95 percent of Americans say it is important to support research focused on how well our health care system is functioning. After all, the investment in basic research and the development of new medicines and equipment is wasted if the health system cannot safely and effectively deliver that care.

For the last six years, the Coalition has been collecting data to track the federal government's expenditures for health services research and health data. From information provided to us by these funders—including AHRQ, National Institutes of Health (NIH), and the Centers for Disease Control and Prevention (CDC)—funding for this field remained relatively constant from FY 2003 - 2008 and did not keep pace with inflation. In stark contrast, spending on health care overall has risen faster than the rate of inflation—from \$1.4 trillion in 2000 to nearly \$2.2 trillion in 2007.<sup>ii</sup> The total federal investment in health services research and data by our estimates approaches \$1.7 billion in FY 2008—representing just 0.074 percent of the \$2.2 trillion dollars we spend on health care annually.<sup>iii</sup>

The Coalition for Health Services Research greatly appreciates the Subcommittee's recent efforts to increase the federal investment in health services research and comparative effectiveness research through the FY 2009 Omnibus Appropriations Act and the American Recovery and Reinvestment Act of 2009. This funding provides a new high watermark for the field and represents the largest single funding increase health services research has experienced. With comprehensive health reform on the horizon, we ask that the Subcommittee continue to strengthen the capacity of the health services research field to address the pressing challenges America faces in providing access to high-quality, cost-effective care for all its citizens.

### ***Agency for Healthcare Research and Quality***

AHRQ is the lead federal agency charged with supporting unbiased, scientific research to improve health care quality, reduce costs, advance patient safety, decrease medical errors, and broaden access to essential services. Steady, incremental increases for AHRQ's Effective Health Care Program in recent years, as well as the \$300 million provided to AHRQ in the American Recovery and Reinvestment Act as a down payment on health reform will help AHRQ generate more comparative effectiveness research and expand the infrastructure needed to increase capacity to produce this evidence. However, funding for AHRQ's broader health services research portfolio on health disparities, health care financing and organization, and access and coverage has languished as funding for AHRQ's base has remained relatively flat. Future investments should bolster these other important research topics to balance the recent investments in comparative effectiveness research. Comparative effectiveness research alone will not solve our health system challenges; the full spectrum of health services research on health care costs, quality, and access will be needed to support broader health reform efforts.

In FY 2009, Congress provided AHRQ \$13 million to reverse a decline in the number of, and funding for, grants that support researcher innovation and career development. AHRQ is using this funding for investigator initiated research grants to rejuvenate the free marketplace of ideas through the agency's new Innovations Research Portfolio. We request that Congress provide additional funding to sustain and expand investigator initiated grants in FY 2010.

The Coalition remains concerned about AHRQ's limited investment in training grants for young researchers, which hit new lows in FY 2009—just 40 awards totaling \$5 million—down from nearly double that amount just two years ago. The Coalition requests that Congress will provide AHRQ more funding in FY 2010 for training grants to ensure the field's capacity to respond to the growing public and private sector demand for health services research.

While targeted funding increases in recent years have moved AHRQ in the right direction, more core funding is needed to help AHRQ fulfill its mission. We join the Friends of AHRQ—a coalition of more than 250 health professional, research, consumer, and employer organizations that support the agency—in recommending a FY 2009 base funding level of at least \$405 million, an increase of \$32 million over the FY 2009 level. This investment will allow AHRQ to restore its critical health care safety, quality, and efficiency initiatives; strengthen the infrastructure of the research field; and reignite innovation and discovery.

### ***Centers for Disease Control and Prevention***

Housed within CDC, the **National Center for Health Statistics** (NCHS) is the nation's principal health statistics agency, providing critical data on all aspects of our health care system. Thanks to NCHS, we know that too many Americans are overweight and obese, cancer deaths have decreased, average life expectancy has increased, and emergency rooms are over-crowded. We also know how many people are uninsured, how many children are immunized, how many Americans are living with HIV/AIDS, and how many teens give birth.

Despite recent funding increases secured through your leadership, NCHS continues to feel the effects of long-term underinvestment, forcing the agency to eliminate or further postpone the collection of such vital information to the point where key data users now question whether NCHS itself is in good health. Years of flat funding and budget shortfalls forced the elimination

of data collection and quality control efforts, threaten the collection of vital statistics, stymied the adoption of electronic systems, and limited the agency's ability to modernize surveys to reflect changes in demography, geography, and health delivery.

The Coalition joins the Friends of NCHS—a coalition of more than 250 health professional, research, consumer, industry, and employer organizations that support the agency—in recommending a base funding level of \$137.5 million in FY 2010 to ensure uninterrupted collection of vital statistics; restore other important data collection and analysis initiatives; to revise, pretest, and plan data collection activities for future calendar years, and modernize its systems to increase efficiency, interoperability, and security. In addition, we respectfully request that you provide NCHS \$15 million in one-time funding to support the states and territories as they implement the 2003 birth certificates and electronic systems to collect birth data in real-time to facilitate public health monitoring and planning. Future supplemental funding will be required to implement the 2003 death certificates in all states and complete the automation of data collection. The Coalition greatly appreciates that through your leadership early versions of the American Recovery and Reinvestment Act in the House and Senate included \$40 million for this infrastructure development; we were disappointed that it had to be eliminated from the final package.

While significant funding has been provided to improve the public health system's capacity to respond to a terrorist attack or a public health crisis such as pandemic flu, insufficient funding has been provided to support research that evaluates the effectiveness of our preparedness interventions and seeks to improve the delivery of public health services. For example, how cost effective are public health and prevention programs? How can the medical care and public health delivery systems be better linked?

CDC's important **Public Health Research** program and **Prevention Research Centers**—a network of academic health centers that conduct public health research—have been flat funded since FY 2006 at levels of \$31 million and \$29 million, respectively. The Coalition requests at least \$35 million for Public Health Research and at least \$33 million for Prevention Research Centers in FY 2010. The programs seek ways to development, translate, and disseminate research to address obesity, diabetes, and heart disease, healthy aging and youth development, cancer risk, and health disparities.

#### ***Centers for Medicare and Medicaid Services (CMS)***

Steady funding decreases for the Office of Research, Development and Information, together with an increasingly earmarked budget, has hindered CMS' ability to meet its statutory requirements and conduct new research to strengthen our public insurance programs—including Medicare, Medicaid, and SCHIP—which together provide coverage to nearly 100 million Americans and comprise 45 percent of America's total health expenditures.<sup>iv</sup> At a time when these programs pose significant budget challenges for both the federal and state governments, it is critical that we adequately fund research to evaluate these programs' efficiency and effectiveness, and seek ways to manage their projected spending growth.

The Coalition supports increasing CMS's discretionary research and development budget from \$31 in FY 2009 to a base FY 2010 funding level of \$45 million—in addition to funding for programmatic earmarks—as a critical down payment to help CMS recover lost resources and

restore research to evaluate their programs, analyze pay for performance and other tools to update payment methodologies, and to further refine service delivery methods.

### ***National Institutes of Health (NIH)***

The NIH reported that it spent \$743 million on health services research in FY 2008—roughly 2.9 percent of its entire budget—making it the largest federal sponsor of health services research.<sup>1</sup> For FY 2010, the Coalition recommends a health services research base funding level of at least \$940 million—2.9 percent of the \$32 billion the broader health community is seeking for NIH. We encourage NIH to increase the proportion of their overall funding that goes to health services research from 2.9 to 5 percent to assure that discoveries from clinical trials are effectively translated into health services. We also encourage NIH to foster greater coordination of its health services research investment across its institutes.

In conclusion, the accomplishments of health services research would not be possible without the leadership and support of this Subcommittee. As you know, the best health care decisions are based on relevant data and scientific evidence. At a time when you, your congressional colleagues, and members of the new administration are considering major health reform including ways to get more value for current expenditures, health services research and health data are needed more than ever to yield better information and lead to improved quality, accessibility, and affordability. We urge the Subcommittee to accept our FY 2010 funding recommendations for the federal agencies funding health services research and health data.

If you have questions or comments about this testimony, please contact our Washington representative, Emily Holubowich, at 202.484.1100 or [eholubowich@dc-crd.com](mailto:eholubowich@dc-crd.com).

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<sup>i</sup> Lieberman, J.A., et. al. “Effectiveness of Antipsychotic Drugs in Patients with Chronic Schizophrenia,” *New England Journal of Medicine*, Vol. 353, No. 12, pp.1209-1223 (Sept. 22, 2005). Available on the Web at <http://content.nejm.org/cgi.content/abstract/353/12/1209>

<sup>ii</sup> Hartman, M., et. al. “National Health Spending in 2007: Slower Drug Spending Contributes to Lowest Rate of Overall Growth Since 1998,” *Health Affairs*, Vol. 28, No. 1, pp. 246-261 (Jan./Feb. 2009).

<sup>iii</sup> *Federal Funding for Health Services Research*, Coalition for Health Services Research (Feb. 2009). Available on the Web at [www.chsr.org](http://www.chsr.org)

<sup>iv</sup> Catlin, A, et. al. “National Health Spending in 2005: The Slowdown Continues,” *Health Affairs*, Vol. 26, No. 1, pp. 142-153 (Jan./Feb. 2007).

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<sup>1</sup> Health services research dollars as reported by the NIH Research Portfolio Online Reporting Tool (RePORT). NIH launched its RePORT site early in 2009. Data presented are compiled under a new process, at the request of Congress, with the goal of providing better consistency and transparency in the reporting of its funded research. Due to methodology changes, NIH now believes the annual total for health services research is more accurately estimated at \$743 million in FY 2008 rather than the \$1,022 it had previously reported.