

Good morning, Mr. Chairman. I am Ken Thorpe, a member of the Board of Directors for the Coalition for Health Services Research (Coalition). I am the Executive Director of the Institute for Advanced Policy Solutions and the Robert W. Woodruff Professor and Chair of the Department of Health Policy & Management in the Rollins School of Public Health of Emory University in Atlanta, Georgia. In addition, I am the Executive Director of the Partnership to Fight Chronic Disease.

I am pleased to offer this testimony on behalf of the Coalition 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 130 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.ⁱ 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. According to a 2005 *Research!America* survey, roughly 95 percent of Americans agree that it is important to support research that focuses on how well health care functions and how it can function better, and that health care delivery should be based on the best and most recent research available.ⁱⁱ 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 five 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 has remained constant since 2003 and has not kept 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 trillion in 2005.ⁱⁱⁱ The total federal investment in health services research and data by our estimates approaches \$1.5 billion—representing just 0.075 percent of the \$2 trillion dollars we spend on health care annually.^{iv} Health services research needs federal support—now more than ever—to help us spend our health care dollars more wisely.

We recognize the support the Subcommittee currently provides to federal agencies that fund health services research and now ask that the Subcommittee 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. Yet chronic under-funding combined with an increasingly

targeted budget threatens the agency's ability to achieve this important mission—at a time when health care costs are at an all time high, and Americans' basic health status lags behind that of others around the world.

Before the targeted increase Congress provided last year to study the comparative effectiveness of health care interventions and Methicillin-resistant *Staphylococcus aureus* (MRSA), the agency's budget rose just 6.7 percent since FY 2002. Even with last year's increase, the agency has lost \$19 million in purchasing power since FY 2005 due to inflation and years of flat funding. And under the President's budget, the agency stands to lose an additional \$9 million.

This 'no growth' budget has a significant impact on the field of health services research and its ability to respond to the needs of policymakers. For example, investigator-initiated research, such as that undertaken by Lucian Leape in discovering the prevalence of medical errors (which provided the basis for the IOM's *To Err is Human*), is now practically non-existent. Specifically, there has been a dramatic decline in the number of, and funding for, grants that support researcher innovation and career development; and based on the President's FY 2009 budget, support for these awards will hit new lows. AHRQ needs funding for new and competing grants to rejuvenate the free marketplace of ideas, and for supporting the next generation of researchers to ensure the field's capacity to respond to the growing public and private sector demand for research.

We join the Friends of AHRQ—a coalition of more than 100 health professional, research, consumer, and employer organizations that support the agency—in recommending a FY 2009 funding level of at least \$360 million, an increase of \$26 million over the FY 2008 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 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.

Before the small increase Congress provided last year, NCHS had lost \$13 million in purchasing power since FY 2005 due to years of flat funding and inflation. These shortfalls forced the elimination of data collection and quality control efforts, threatened 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.

Even amid deep cuts to CDC and health programs broadly, the President recognized the value of NCHS and its data to the health infrastructure, providing the agency nearly \$125 million in his FY 2009 budget request. This level of funding is critical for sustaining uninterrupted collection of vital statistics from states. Without sustained support for these critical data systems, we are at risk of becoming the first industrialized nation unable to afford to continuously collect birth,

death, and other vital health information. The Coalition joins the Friends of NCHS—a coalition of more than 100 health professional, research, consumer, industry, and employer organizations that support the agency—in supporting the President’s funding request of \$125 million to ensure uninterrupted collection of vital statistics; restore other important data collection and analysis initiatives; and modernize its systems to increase efficiency, interoperability, and security.

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?

This important Public Health Research program has been flat funded since FY 2005 at a level of \$31 million, and the President’s budget requests this same amount in FY 2009. The Coalition requests at least \$35 million for this program in FY 2009 to restore purchasing power to FY 2005 dollars.

Centers for Medicare and Medicaid Services (CMS)

The President’s budget request for the Office of Research, Development and Information is \$31 million—consistent the FY 2008 level. This level—a decrease of \$26 million since FY 2006—hinders CMS’ ability to meet its statutory requirements and conduct new research into Medicare, Medicaid, and SCHIP, public programs which together provide coverage to nearly 100 million Americans and comprise 45 percent of America’s total health expenditures.^v At a time when these programs pose an ever increasing threat to the nation’s fiscal sustainability, it is critical that we adequately fund research to evaluate the programs’ efficiency and effectiveness, and seek ways to curtail spending growth.

The Coalition supports a FY 2009 funding level of \$45 million in discretionary research and development funding—in addition to funding for programmatic earmarks—as a critical down payment to help CMS recover lost resources and restore research to evaluate these 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 \$921 million on health services research in FY 2007—roughly 3.3 percent of its entire budget—making it the largest federal sponsor of health services research. Nevertheless, this represents a \$17 million decline over the previous fiscal year in the portion of NIH’s total budget allocated to health services research.

For FY 2009, the Coalition recommends a funding level of at least \$1 billion—3.3 percent of the nearly \$31 billion the broader health community is seeking for NIH. We recognize the support various institutes now provide to fund health services research, but this level of funding should be viewed as our minimum request. We encourage NIH to increase the proportion of their overall funding that goes to health services research from 3.3 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. Increased funding for health services research and health data will yield better information and lead to improved quality, accessibility, and affordability. We urge the Subcommittee to accept our FY 2009 funding recommendations for the federal agencies funding health services research and health data.

If you have questions or comments about this testimony, please contact Emily Holubowich, Director of Government Relations at 202.292.6743 or e-mail at emily.holubowich@academyhealth.org.

ⁱ 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>

ⁱⁱ Woolley, M. and S. Propst. "Public Attitudes and Perceptions about Health-Related Research." *Journal of the American Medical Association*, Vol. 294, No. 11, p. 1382 (Sept. 21, 2005).

ⁱⁱⁱ Catlin, A., et. al. "National Health Spending in 2005: The Slowdown Continues," *Health Affairs*, Vol. 26, No. 1, pp. 142-153 (Jan./Feb. 2007).

^{iv} *Federal Funding for Health Services Research*, Coalition for Health Services Research (Feb. 2008). Available on the Web at www.chsr.org

^v Catlin, A, et. al. "National Health Spending in 2005: The Slowdown Continues," *Health Affairs*, Vol. 26, No. 1, pp. 142-153 (Jan./Feb. 2007).