

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'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 3,800 researchers, scientists, and policy experts, as well as 135 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 throughout the health care field 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 evidence and tools they need to make health care:

- **Safe**, by decreasing preventable medical errors and adverse drug events, monitoring public health, and improving health system preparedness.
- **Effective**, by monitoring and evaluating health programs and outcomes and improving implementation of evidence-based innovations as part of routine health care.
- **Efficient**, by decreasing waste and overpayment and monitoring cost effectiveness of care.
- **Equitable**, by eliminating disparities in health and health care according to ethnicity, gender, and geographic location, as well as socio-economic and insurance status.
- **Affordable**, by decreasing cost growth to levels sustainable by individuals and the country.
- **Accessible**, by connecting people with the appropriate health care they need when they need it.
- **Patient-centered**, by increasing patient engagement in their care, as well as their 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 a year die from medical errors in the hospital. Health services research 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 over \$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 and formed the basis for the insurance mandate legislation passed in early 2006. 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 health services research provides the scientific basis needed to make the better decisions when it comes to the care we give and receive:

- The Agency for Healthcare Research and Quality (AHRQ) found that episiotomies—a preemptory incision intended to prevent pregnant women from tearing tissue during labor—has no positive benefit, and probably results in more complications and causes

more pain than if no incision was made during childbirth.<sup>i</sup> The report will save millions of women from having to undergo this painful procedure, not to mention the costs saved by eliminating the routine use of this procedure.

- Another AHRQ study 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>ii</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 lower cost. It is a true public good, providing a basis for improvements in our health care system that 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.<sup>iii</sup> After all, increased spending on new medicines and equipment is wasted if the system cannot safely and effectively deliver the care.

At a time when America is spending over \$2 trillion annually on health care, health services research needs federal support—now more than ever—to help us spend our health care dollars more wisely. Yet for every health care dollar, only one tenth of one cent is currently dedicated to health services research to help us improve a health system beset with problems. And, while the federal government spent nearly \$32 billion on health research broadly, only 5 percent of the federal health research budget—about \$1.5 billion—is apportioned to health services research. This research is critically needed to assure that the investments in basic and clinical research get translated into practice by the health system providers.<sup>iv,v</sup>

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 healthcare quality, reduce costs, advance patient safety, decrease medical errors, and broaden access to essential services. Significant investments have already been made in initiatives to expedite the adoption of health information technology, as well as research and dissemination programs to reduce medical errors, improve patient safety, and eliminate health care disparities.

Yet precarious funding levels threaten the agency's ability to achieve its important mission. Since FY 2002, the agency's budget has risen just 6.7 percent (\$20 million). By comparison,

funding for the National Institutes of Health (NIH) has grown 23.6 percent (\$5.5 billion) and funding for the Centers for Disease Control and Prevention (CDC) has grown 41.5 percent (\$1.8 billion). In addition, the agency has lost nearly \$20 million in purchasing power since FY 2005 due to a combination of flat funding from Congress and inflation.

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. To move the discovery process forward, we need greater investment in a broader array of investigator-initiated research, not unlike how we use this mechanism in biomedical research to spark innovation. In addition, our field has experienced an erosion of funding to develop methods, data, and the next generation of researchers. If left unchecked, these declining investments in the field's infrastructure could threaten its capacity to address public and private sector research needs in the future.

To allow AHRQ to continue and restore its critical health care safety, quality, and efficiency initiatives, we recommend a FY 2008 funding level of at least \$350 million, an increase of \$31 million over the FY 2007 level.

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

The President's budget request for the Office of Research, Development and Information is \$34 million—\$24 million less than provided by Congress in FY 2007. This level hinders CMS's ability to meet its statutory requirements and conduct new research into Medicare, Medicaid, and SCHIP, which together provide coverage to nearly 100 million Americans and comprise 45 percent of America's total health expenditures.<sup>vi</sup> 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 seeks ways to curtail spending growth.

The Coalition supports a funding level of \$45 million in discretionary research and development funding—in addition to funding for programmatic earmarks—to ensure that CMS has the resources it needs to evaluate these programs, analyze pay for performance and other tools to update payment methodologies, and to further refine service delivery methods.

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

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 2008. The Coalition requests at least \$33 million for this program in FY 2008.

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 overcrowded. 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.

Nevertheless, current funding levels for NCHS threaten its ability to collect vital health information. Since FY 2005, NCHS has lost \$13 million in purchasing power due to a combination of flat funding and inflation, and now key NCHS programs are in jeopardy. For example, NCHS lacks resources to collect a full year's worth of vital statistics from states. Without additional funding, we will become the first industrialized nation unable to continuously collect birth, death, and other vital health information.

To address these challenges, the Coalition recommends an FY 2008 budget allocation of at least \$117 million for the agency, an \$8 million increase over the FY 2007 amount. This funding level would enable NCHS 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.

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

The NIH reported that it spent approximately \$938 million on health services research in FY 2006—roughly 3.3 percent of its entire budget—making it the largest federal sponsor of health services research. For FY 2008, 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 mainstream 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 will yield better information and lead to improved quality, accessibility, and affordability. We urge the Subcommittee to accept our FY 2008 funding recommendations for the federal agencies funding health services research.

If you have questions or comments about this testimony, please contact Emily Rowe, Director of Government Relations at 202.292.6743 or e-mail at [emily.rowe@academyhealth.org](mailto:emily.rowe@academyhealth.org).

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<sup>i</sup> Viswanathan, M., et. al. "The Use of Episiotomy in Obstetric Care: A Systemic Review," Agency for Healthcare Research and Quality (May 2004). Available on the Web at [www.ahrq.gov/downloads/pub/evidence/pdf/episiotomy/episob.pdf](http://www.ahrq.gov/downloads/pub/evidence/pdf/episiotomy/episob.pdf)

<sup>ii</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>iii</sup> 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).

<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).

<sup>v</sup> *Federal Funding for Health Services Research*, Coalition for Health Services Research (Dec. 2006). Available on the Web at [www.chsr.org](http://www.chsr.org)

<sup>vi</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).