

May 21, 2020

The Honorable Rosa DeLauro
Chairwoman
Subcommittee on Labor, Health and Human
Services, Education, and Related Agencies
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

The Honorable Tom Cole
Ranking Member
Subcommittee on Labor, Health and Human
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Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

Dear Chairwoman DeLauro and Ranking Member Cole:

On behalf of our nearly 5,000 member hospitals, health systems and other health care organizations, our clinical partners – including more than 270,000 affiliated physicians, 2 million nurses and other caregivers – and the 43,000 health care leaders who belong to our professional membership groups, the American Hospital Association (AHA) writes to you as you consider funding for health care programs for fiscal year (FY) 2021.

We appreciate you considering the potential effect your decisions will have on hospitals' ability to provide care to their patients and communities, as well as meet the many challenges facing them. These challenges include continuing to respond to the COVID-19 pandemic, which includes numerous hospital preparedness efforts and addressing the shortages of personal protective equipment, as well as ongoing challenges related to workforce, behavioral health treatment and many other issues.

While AHA recognizes the fiscal constraints imposed upon the Committee, we ask you to give strong and favorable funding consideration to the following health care programs that have proven successful in improving access to quality health care for patients and communities across America. These programs have improved the health of our citizens, and we ask that you make funding these programs a priority in your FY 2021 appropriations measure.

Children's Hospitals Graduate Medical Education (CHGME). The CHGME program supports graduate medical education programs at children's hospitals that train resident physicians. The program was reauthorized in 2018 for an additional five years. The purpose of the program is to provide 58 independent children's hospitals in more than 30 states with funds to train pediatricians and pediatric specialists. Freestanding children's hospitals typically treat very few Medicare patients and, therefore, do not receive Medicare funding to support medical



training of residents; the CHGME program helps fill this need. In addition to teaching the next generation of physicians, these hospitals care for many vulnerable children. Currently, CHGME hospitals train approximately 50% of the nation's pediatricians and most of the pediatric specialists who care for children living in all 50 states. Unlike Medicare's GME program, CHGME is funded through annual appropriations. The program has enjoyed broad congressional support since its inception and is currently (FY 2020) funded at \$340 million. **The AHA supports funding the CHGME program in FY 2021 at \$465 million.**

Health Professions Education and Workforce Challenges. The AHA supports funding at the maximum level possible within the 302(b) allocation for the following Health Resources and Services Administration (HRSA) discretionary programs that seek to address workforce challenges:

- **Nursing Workforce Development under title VIII of the Public Health Service Act.** As the largest group of health professionals, with more than 4 million licensed practitioners in the country, nurses are integral members of the health care team. Nurses and other health care professionals work together and consistently provide high-quality patient-centered care in all communities, especially in rural and underserved areas.

Title VIII Nursing Workforce Development programs help meet this demand by connecting patients with care across a variety of settings, including in community health centers, hospitals, long-term care facilities, local and state health departments, schools, workplaces and patients' homes. A prime example is through Title VIII's Advanced Nursing Education (ANE) program. In academic year 2018-2019, ANE programs supported 10,537 students, including those in Advanced Education Nursing Traineeships (AENT) and Nurse Anesthetist Traineeships (NAT).

In fact, 80% of AENT recipients received training in primary care settings, and 75% of NAT recipients were trained in medically-underserved areas. Under the Title VIII Nursing Workforce Diversity program, 4,416 students were trained in the 2016-2017 academic year. All of these trainees, were from underrepresented groups and/or from disadvantaged backgrounds.

The AHA supports \$278 million for the Nursing Workforce Development programs and \$182 million for the National Institute of Nursing Research, one of 27 institutes of the National Institutes of Health.

- **Health Professions Programs.** An adequate, diverse and well-distributed supply of health care professionals, including allied health care workers, is indispensable to our nation's health care infrastructure. Health professions programs help address problems associated with maintaining primary care providers in rural areas. These programs also support recruitment of individuals into the allied health professions. Our nation must maintain a vibrant workforce in the educational pipeline. Without decisive intervention, workforce shortages threaten hospitals' ability to care for patients and communities.

Title VII programs play an essential role in improving the diversity of the health care workforce and connecting students to health careers by supporting recruitment, education, training and mentorship opportunities. Inclusive and diverse education and training experiences expose providers to backgrounds and perspectives other than their own and heightens cultural awareness in health care, resulting in benefits for all patients. **The AHA supports \$517 million for Title VII Health Professions Programs.**

- **National Health Service Corps (NHSC).** The NHSC awards scholarships to health professions students and assists graduates of health professions programs with loan repayment in return for an obligation to provide health care services in underserved rural and urban areas. **The AHA supports maintaining investments in the NHSC.**

Centers of Excellence and the Health Careers Opportunity Programs. These programs focus on recruiting and retaining minorities into the health professions to build a more diverse health care workforce. The Centers of Excellence grants strengthen the national capacity to train students from minority groups that are under-represented in allopathic and osteopathic medicine, dentistry and pharmacy, and behavioral or mental health. The Health Careers Opportunity program provides support for increasing the number of individuals from disadvantaged backgrounds in the health and allied health professions, and **the AHA supports these programs.**

Rural Health Programs. Rural health programs – such as the Medicare Rural Hospital Flexibility Grant Program, Rural Health Outreach and Network Development, State Offices of Rural Health, Rural Telehealth, Rural Policy Development and other health care programs – are vital to ensuring that needed services remain available in America’s rural communities. The president’s FY 2021 budget proposes a cut of \$71 million to rural programs. **The AHA urges the Committee to reject efforts to cut funding below the current level of \$318 million for these programs.**

340B Drug Pricing Program. In an era of skyrocketing drug prices, the 340B Drug Pricing Program continues to help hospitals expand access to comprehensive health services, including lifesaving prescription drugs to vulnerable patients and communities across the nation. Despite the 340B program’s critical support helping hospitals’ efforts to build healthy communities, the budget contains several harmful proposals that would diminish the value of this program.

The AHA opposes the administration’s request to impose user fees for this program and urge you to reject such an approach. Imposing a user fee on 340B entities would lessen the benefit these safety-net providers receive from the program, redirecting scarce resources at the expense of vulnerable patients who benefit from services and programs funded in part through 340B savings. **The AHA also opposes the budget’s request for covered entities to report on their use of program savings.** The AHA is leading the field on efforts to expand transparency through our 340B Good Stewardship Principles. More than half of all eligible 340B hospitals have already voluntarily committed to annually sharing the value

of their 340B participation. Any additional requirements would be duplicative and burdensome to 340B hospitals.

Finally, the AHA opposes the budget request to provide HRSA with additional regulatory authority over the 340B program. Congress already provided HRSA with clear authority and resources to implement important safeguards for the 340B program, and the AHA believes additional congressionally-mandated directives of this nature would not ensure better oversight or program management.

Disaster/Emergency Preparedness. The Hospital Preparedness Program (HPP), the primary federal funding program for hospital emergency preparedness, has since 2002 provided important resources to improve health care surge capacity and prepare hospitals for a wide range of emergencies. The HPP has supported enhanced planning and response, facilitated the integration of public and private-sector medical planning to increase the preparedness, response and surge capacity of hospitals, and has led to improvements in state and local infrastructures that help hospitals and health systems prepare for public health emergencies. These investments have contributed to saving lives during many events, such as the Boston Marathon bombing and the Ebola crisis. However, the Pandemic and All-Hazards Preparedness and Advancing Innovation Act of 2019 only increased authorized funding levels for the HPP from \$378 million per year to \$385 million per year. In FY 2020, Congress appropriated only \$276 million for HPP – far less than the authorized amount. And the President’s FY 2021 budget proposes only \$258 million, a reduction from last year’s appropriated level.

The HPP has gone from \$515 million in 2003 and 2004 to \$276 million today, a 47% reduction. Factoring in inflation and the rapidly rising cost of health care, the cut is deeper still.

HPP funding is critical for building the infrastructure and coordination needed for hospitals, health systems and other providers in each community to be ready for all types of emergencies and disasters. **To help hospitals and health systems develop, update and sustain their emergency preparedness and to ensure their ability to respond appropriately in a time of need, the AHA urges the Committee to increase FY 2021 funding for HPP to at least \$515 million. This amount represents a more appropriate level of investment in emergency preparedness, especially in light of the COVID-19 pandemic that has ravaged our hospitals, health systems and communities, as well as the growing threats from natural disasters and man-made emergencies.**

The AHA further urges the Committee to ensure that the majority of the HPP funding is awarded to hospitals and health systems in order to enhance their preparedness and surge capacity. In recent years, hospitals have received only a fraction of the HPP funds. The states, territories and directly-funded cities that are allocated HPP funds keep a significant percentage of the total amount they receive for their own indirect costs. Of the remaining amount, little, if any, has been awarded to the hospitals and health systems that provide care

to victims of public health emergencies and other disasters; rather, the majority is currently directed to regional health care coalitions and to other types of providers.

Centers for Disease Control and Prevention (CDC). The CDC is a vital partner to hospitals, patients, and other health care providers in the prevention and monitoring of disease, and in emergency preparedness. Much of the research from CDC demonstrates the value of prevention activities in averting health care crises, resulting in savings to Medicare, Medicaid and other health care programs. **The AHA urges the Committee to increase funding for vital CDC activities.**

Public Health and Other Health Care Programs. The AHA urges increased funding over current levels for the following programs:

- **Maternal and Child Health Block Grant (MCHBG).** The Title V MCHBG is a cost-effective, accountable and flexible funding source used to address the most critical, pressing, and unique needs of maternal and child health populations in each state, territory and jurisdiction of the United States. According to data gathered by HRSA, 91% of all pregnant women, 99% of infants, and 54% of children nationwide benefitted from a Title V-supported services in FY 2018.

Maternal health is a major priority for the AHA. **The AHA supports \$715 million for the Title V MCHBG in FY 2021.**

- **Healthy Start Program.** The Healthy Start program provides services for high-risk pregnant women, infants and mothers in communities with exceptionally high rates of infant mortality.
- **Emergency Medical Services for Children.** This valuable program is designed to provide specialized emergency care for children through improved availability of child-appropriate equipment in ambulances and emergency departments. In addition, the program supports training programs to prevent injuries to children and to educate emergency medical technicians, paramedics and other emergency medical care providers.
- **Substance Abuse and Mental Health Services Administration (SAMHSA).** Providing adequate substance abuse and mental health services are essential to increasing productivity and economic well-being for individuals, families and communities. Within SAMHSA, the President's budget proposes a cut of \$142 million, or 3%. Last year, Congress increased the budget by \$149 million, to \$5.88 billion. **The AHA supports a minimum of \$5.88 billion for FY 2021 for SAMHSA.**
- **Office of Minority Health.** The AHA supports a funding level of at least \$59 million for FY 2021 for the Office of Minority Health within the Department of Health and Human Services.

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- **The National Institute on Minority Health and Health Disparities.** Eliminating health disparities is essential to improving the overall health status of Americans. The National Institute on Minority Health and Health Disparities, which leads scientific research to improve minority health and eliminate health disparities, was funded at \$336 million in FY 2020. The Administration has proposed a \$30 million cut for FY 2021. **Given the role of the Institute in coordinating research of the other institutes and centers, and the outsized impact of COVID-19 on minority populations, the AHA supports a 10% increase over last year's appropriated amount, to \$370 million for FY 2021.** We urge the Committee to invest in efforts to close gaps in health and health care by increasing funding for health disparities research and activities at NIH and supporting the training of a diverse research workforce.

The AHA appreciates and is grateful for the support you have provided to vital health care programs, and we hope the Committee will continue to support these funding priorities in FY 2021. We look forward to working with you.

Sincerely,

/s/

Thomas P. Nickels
Executive Vice President