

HEALTH AND MEDICINE COUNSEL OF WASHINGTON

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MEMORANDUM

TO: MLA/AAHSL LEGISLATIVE TASKFORCE
FR: DALE DIRKS AND DANE CHRISTIANSEN
RE: ECONOMIC STIMULUS PACKAGE UPDATE



On Wednesday, February 11th, House and Senate negotiators reached agreement on a \$787 billion economic stimulus package. This legislation contains additional funding for many federal health and education programs. It is important to note that this is supplemental funding that will temporarily bolster currently available resources for federal agencies, but not increase their annual baseline budgets.

Friday afternoon, the House passed the stimulus measure and the Senate followed suit over the weekend, thus sending the legislation to the president for final approval.

Of interest to the Taskforce, the economic stimulus package includes:

National Institutes of Health (NIH)

- \$10.4 billion total for NIH.
 - \$7.4 billion to be distributed to the NIH's Institutes, Centers, and the Common Fund for research activities in allocations which are proportional to their current budgets.
 - \$800 million to the Office of the NIH Director for trans-NIH initiatives.
 - \$1 billion to the National Center for Research Resources (NCRR) for extramural facilities construction.
 - \$500 million for intramural building and facilities construction.
 - \$400 million as a transfer of funds from the Agency for Healthcare Research and Quality (AHRQ) to the Office of the NIH Director to be distributed to the NIH's Institutes and Centers for Comparative Effectiveness Research.
 - \$300 million to NCRR for shared instrumentation and other capital research equipment.
- ✓ NIH recommendations.

Health Information Technology (HIT)

- \$19 billion to accelerate the adoption of HIT systems by doctors and hospitals.
 - \$2 billion to the Office of the National Coordinator for Health Information Technology.
 - \$300 million to support regional or sub-national efforts towards health information exchange.
 - \$20 million to the Director of the National Institute of Standards and Technology in the Department of Commerce to advance health care information enterprise integration through activities such as technical standards analysis and the establishment of conformance testing infrastructure.
 - \$1.5 billion to the Health Resources and Services Administration for construction, renovation and equipment, and for the acquisition of HIT systems.
 - The remainder of the funding for HIT activities consists of a package of tax incentives for doctors and hospitals to adopt and integrate HIT systems, such as electronic medical records.
- ✓ HIT recommendations.

preventive medicine program, the scholarship and loan repayment programs authorized in Title VII (Health Professions) and Title VIII (Nurse Training) of the PHS Act, and grants to training programs for equipment. Funds may also be used to foster cross-State licensing agreements for healthcare specialists.

The conference agreement provides that up to 0.5 percent of the funds provided in this account may be used for administration. HRSA is required to provide an operating plan to the Committees on Appropriations of the House of Representatives and the Senate within 90 days of enactment of this Act describing activities to be supported and timelines for expenditure, as well as a report every six months on actual obligations and expenditures.

CENTERS FOR DISEASE CONTROL AND PREVENTION

DISEASE CONTROL, RESEARCH, AND TRAINING

The conference agreement does not include funding for building and facilities at the Centers for Disease Control and Prevention (CDC). The House proposed \$462,000,000 and the Senate proposed \$412,000,000 for this activity.

* NATIONAL INSTITUTES OF HEALTH

The conference agreement provides \$10,000,000,000 for the National Institutes of Health (NIH) as proposed by the Senate instead of \$3,500,000,000 as proposed by the House. The components of this total are as follows:

NATIONAL CENTER FOR RESEARCH RESOURCES

NIH The conference agreement includes \$1,300,000,000 for the National Center for Research Resources (NCRR) instead of \$1,500,000,000 as proposed by the House and \$300,000,000 as proposed by the Senate. Bill language identifies \$1,000,000,000 of this total for competitive awards for the construction and renovation of extramural research facilities. The conference agreement also provides \$300,000,000 for the acquisition of shared instrumentation and other capital research equipment. The conference agreement includes bill language proposed by the House for extramural facilities relating to waiver of non-Federal match requirements, primate centers, and limitation on the term of Federal interest. The conference agreement includes language proposed by the House mandating several reporting requirements on the use of the funds. The conferees expect that

NCRR will give priority to those applications that are expected to generate demonstrable energy-saving or beneficial environmental effects.

OFFICE OF THE DIRECTOR

(INCLUDING TRANSFER OF FUNDS)

NIH The conference agreement provides \$8,200,000,000 for the Office of the Director instead of \$1,500,000,000 as proposed by the House and \$9,200,000,000 as proposed by the Senate. Of this amount, \$7,400,000,000 is designated for transfer to Institutes and Centers and to the Common Fund instead of \$7,850,000,000 as proposed by the Senate. The conference agreement adopts the Senate guidance that, to the extent possible, the \$800,000,000 retained in the Office of the Director shall be used for purposes that can be completed within two years; priority shall be placed on short-term grants that focus on specific scientific challenges, new research that expands the scope of ongoing projects, and research on public and international health priorities. Bill language is included to permit the Director of NIH to use \$400,000,000 of the funds provided in this account for the flexible research authority authorized in section 215 of Division G of P.L. 110-161.

The funds available to NIH can be used to enhance central research support activities, such as equipment for the clinical center or intramural activities, centralized information support systems, and other related activities as determined by the Director. The conferees intend that NIH take advantage of scientific opportunities using any funding mechanisms and authorities at the agency's disposal that maximize scientific and health benefit. The conferees include bill language indicating that the funds provided in this Act to NIH are not subject to Small Business Innovation Research and Small Business Technology Transfer set-aside requirements.

BUILDINGS AND FACILITIES

The conference agreement provides \$500,000,000 for Buildings and Facilities as proposed by the House and the Senate. Bill language permits funding to be used for construction as well as renovation, as proposed by the Senate. The House language permitted only renovation. These funds are to be used to construct, improve, and repair NIH buildings and facilities, including projects identified in the Master Plan for Building 10.

AGENCY FOR HEALTHCARE RESEARCH AND QUALITY

institutions that are likely to create jobs or provide significant public benefits. Of the amounts provided, \$350,000,000 shall establish the State Broadband Data and Development Grant program, as authorized by Public Law 110-385 and for the development and maintenance of a national broadband inventory map as authorized by division B of this Act. In addition, \$200,000,000 shall be for competitive grants for expanding public computer center capacity; \$250,000,000 shall be for competitive grants for innovative programs to encourage sustainable broadband adoption; and \$10,000,000 is to be transferred to the Department of Commerce Inspector General for audits and oversight of funds provided under this heading, to be available until September 30, 2013.

expend

DIGITAL-TO-ANALOG CONVERTER BOX COUPONS

PROGRAM

The conference agreement includes \$650,000,000 for additional implementation and administration of the digital-to-analog converter box coupon program, including additional coupons to meet new projected demands and consumer support, outreach and administration. Of the amounts provided, up to \$90,000,000 may be used for education and outreach to vulnerable populations, including one-on-one assistance for computer box installation.

SC

converter

NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY

SCIENTIFIC AND TECHNICAL RESEARCH AND SERVICES

The conference agreement includes \$220,000,000 for research, competitive grants, additional research fellowships and advanced research and measurement equipment and supplies. In addition, \$20,000,000 is provided by transfer from the Health Information Technology (HIT) initiative within this Act. For HIT activities, NIST is directed to create and test standards related to health security and interoperability in conjunction with partners at the Department of Health and Human Services.

Health
IT

CONSTRUCTION OF RESEARCH FACILITIES

The conference agreement includes \$360,000,000 to address NIST's backlog of maintenance and renovation and for construction of new facilities and laboratories. Of the amounts provided, \$180,000,000 shall be for the competitive construction grant program for research science buildings, including fiscal year 2008 and 2009 competitions.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH RESOURCES AND SERVICES ADMINISTRATION

HEALTH RESOURCES AND SERVICES

The conference agreement includes \$2,500,000,000 for health resources and services instead of \$2,188,000,000 as proposed by the House and \$1,958,000,000 as proposed by the Senate.

The conference agreement includes \$500,000,000 for services provided at community health centers as proposed by the House. The Senate did not provide similar funding. These funds are to be used to support new sites and service areas, to increase services at existing sites, and to provide supplemental payments for spikes in uninsured populations. Grants for new sites and service areas are to be two years in length as startup is phased in. The conferees encourage the Health Resources and Services Administration (HRSA) to consider supporting currently unfunded but approved community health center applications.

Health
IT

The agreement also includes \$1,500,000,000 for construction, renovation and equipment, and for the acquisition of health information technology systems, for community health centers, including health center controlled networks receiving operating grants under section 330 of the Public Health Service ("PHS") Act, notwithstanding the limitation in section 330(e)(3). The House proposed \$1,000,000,000 for this activity, while the Senate proposed \$1,870,000,000.

No funding is provided for a competitive lease procurement to renovate or replace the headquarters building for the Public Health Service. The House and Senate proposed \$88,000,000 for this purpose.

The conference agreement provides \$500,000,000 for health professions training programs instead of \$600,000,000 as proposed by ~~both the House and the Senate~~. Within this total, \$300,000,000 is allocated for National Health Service Corps (NHSC) recruitment and field activities, with \$75,000,000 available through September 30, 2011 for extending service contracts and the recapture and reallocation of funds in the event that a participant fails to fulfill his or her term of service. Twenty percent of the NHSC funding shall be used for field operations.

The remaining \$200,000,000 is allocated for all the disciplines trained through the primary care medicine and dentistry program, the public health and

proposed by the House, instead of \$200,000,000 as proposed by the Senate. The conference agreement adopts the Senate language to make the entire amount available upon enactment, instead of the House language to divide the amount by fiscal year. The agreement includes bill language requiring States to reserve 1 percent of their allocation for benefit coordination services and to distribute the remaining funds directly to local eligible entities. It also permits States to increase the income eligibility ceiling from 125 percent to 200 percent of the Federal poverty level for services furnished under the CSBG Act during fiscal years 2009 and 2010, as proposed by the House. The Senate did not propose similar language.

Within the total provided for Children and Families Services Programs, \$50,000,000 is provided under section 1110 of the Social Security Act to establish a new initiative to award capacity-building grants directly to nonprofit organizations, instead of \$100,000,000 for the Compassion Capital Fund as proposed by the House. The Senate did not propose funds for this purpose in this account. The conferees intend that this program will expand the delivery of social services to individuals and communities affected by the economic downturn. The conferees expect that grantees have clear and measurable goals, and must be able to evaluate the success of their program.

ADMINISTRATION ON AGING

AGING SERVICES PROGRAMS

The conference agreement includes \$100,000,000 for senior meals programs as proposed by the Senate, instead of \$200,000,000 as proposed by the House. Within this amount, \$65,000,000 is provided for Congregate Nutrition Services and \$32,000,000 is provided for Home-Delivered Nutrition Services under Title III of the Older Americans Act of 1965, and \$3,000,000 is provided for Native American nutrition services under Title VI of such Act. The conference agreement adopts the Senate proposal that makes all of these funds available upon enactment.

OFFICE OF THE SECRETARY

OFFICE OF THE NATIONAL COORDINATOR FOR HEALTH INFORMATION TECHNOLOGY

(INCLUDING TRANSFER OF FUNDS)

The conference agreement includes \$2,000,000,000 for this activity, as proposed by the House. The Senate provided \$3,000,000,000. The conferees

Health
IT

include bill language creating a 0.25 percent set-aside of the funds provided for the Office of the National Coordinator for Health Information Technology for management and oversight activities. The House proposed similar language. Within the funds provided, the conferees appropriate \$300,000,000 to support regional or sub-national efforts toward health information exchange. The conferees include bill language proposed by the House regarding certain operating plan requirements for the Office of the National Coordinator.

OFFICE OF INSPECTOR GENERAL

The conference agreement includes \$17,000,000 for the Office of Inspector General instead of \$19,000,000 as proposed by both the House and Senate. These funds are available until September 30, 2012 as proposed by the Senate instead of September 30, 2013 as proposed by the House.

PUBLIC HEALTH AND SOCIAL SERVICES EMERGENCY FUND

The conference agreement includes \$50,000,000 for the Public Health and Social Services Emergency Fund (PHSSEF), instead of \$900,000,000 as proposed by the House. The Senate did not propose funding for PHSSEF. Funding is provided to improve information technology security at the Department of Health and Human Services as proposed by the House – the Senate did not propose funding for this activity. As proposed by the Senate, the conference agreement does not include funding for pandemic influenza preparedness and biomedical advanced research and development. The House proposed \$420,000,000 for pandemic influenza and \$430,000,000 for biomedical advanced research and development.

* PREVENTION AND WELLNESS FUND

(INCLUDING TRANSFER OF FUNDS)

Prevention
&
Wellness

The conference agreement includes \$1,000,000,000 for the Prevention and Wellness Fund, instead of \$3,000,000,000 as proposed by the House. The Senate did not propose funding for a Prevention and Wellness Fund. As proposed by the House, up to 0.5 percent of the funds provided may be used for management and oversight expenses. Additionally, the conference agreement includes language proposed by the House that funding may be transferred to other appropriation accounts of the Department of Health and Human Services (HHS), as determined by the Secretary of HHS to be appropriate.