

**MEDICAL LIBRARY ASSOCIATION/ASSOCIATION OF ACADEMIC HEALTH SCIENCES LIBRARIES**

*WASHINGTON UPDATE—FEBRUARY 2, 2007*

**LEGISLATIVE UPDATE, FY07 CONTINUING RESOLUTION ANALYSIS**  
**MONTHLY REPORT JANUARY - FEBRUARY**

The 110<sup>th</sup> Congress hit the ground running in early January and has kept up a brisk pace during the first several weeks.

The House of Representatives passed each of its 6 for '06 initiatives during the first 100 hours of the 110<sup>th</sup> Congress. Those items include:

- An increase in the minimum wage,
- Pay-As-You-Go (PAYGO) in the budget process and other budget reforms,
- Reducing student loan interest rates,
- A bill promoting stem cell research,
- Repealing oil company tax subsidies and investing in renewable energy, and
- Requiring Medicare to negotiate for lower prescription drug prices.

In the meantime, the Senate has moved at a slower pace, but has adopted some of the ethics and budget reforms as part of a legislative package to be negotiated later with the House. Both the House and the Senate have also been debating resolutions concerning the war in Iraq, a topic which was discussed extensively last week by the President in his State of the Union address.

**FISCAL YEAR 2007 APPROPRIATIONS**

This week, the House of Representatives passed the fiscal year 2007 (FY07) funding resolution (FR) which will set the final funding levels for federal programs for the remainder of the fiscal year, including those for the Departments of Health and Human Services (HHS), Education, Veterans Affairs (VA), State and other agencies. The massive spending bill accounts for 9 of the 11 FY07 appropriations bills that were not enacted by the end of the 109<sup>th</sup> Congress.

In general terms, most agencies and programs funded by the bill will be continued at the same level as FY06. There are some exceptions (in the health and education arena) which are listed below:

- A \$207 million increase for Community Health Centers (CHCs).
- \$184.7 million total for Title VII programs, an increase of \$40 million above the FY06 level. This increase is dedicated to:

- Restoring geriatric training programs to \$31 million.
  - Increasing primary care training by \$9 million to \$48 million. All other Title VII programs (Centers of Excellence (COE), Health Careers Opportunities Program (H-COP), Health Education and Training Centers (HETC), Area Health Education Centers (AHEC), Scholarships for Disadvantaged Students (SDS), Minority Faculty Loan Repayment (MFLR)) are kept at their FY06 level.
- A \$620 million increase for the National Institutes of Health (NIH). Institutes, centers, programs and initiatives are level funded at the FY06 level, with the following exceptions:
  - \$1.253 billion for the National Institute of Child Health and Human Development (NICHD), a cut of \$10 million below FY06.
  - \$1.133 billion for the National Center for Research Resources (NCRR), an increase of \$35 million above FY06.
  - \$199.4 million for the National Center on Minority Health and Health Disparities (NCMHD), an increase of \$4.2 million above FY06.
  - \$1.095 billion for the Office of the NIH Director, an increase of \$568 million over FY06. Much of this increase is dedicated to the newly established NIH Common Fund (\$483 million).
  - \$483 million for the newly established NIH Common Fund, which supports cross cutting initiatives through the NIH Director's office.
  - \$319.9 million for the National Library of Medicine (NLM), \$3 million less than FY06.
- A \$76 million increase in the Ryan White Care State Grant Program.
- A \$100 million increase for the Centers for Disease Control and Prevention (CDC), dedicated to preparation and responding to an outbreak of pandemic influenza and other emerging infectious diseases.
- A \$1.3 billion increase to the President's Emergency Plan for AIDS Relief (PEPFAR). Based on past appropriations, a significant portion of these funds will likely be transferred to CDC. In FY06, CDC received approximately \$607 million in PEPFAR funds (approximately 32% of the total PEPFAR funding).
- Some increases for programs in the Department of Education, primarily for Pell Grants and No Child Left Behind (NCLB).
- An increase of \$3.6 billion for Veterans Health Care. The Veterans Affairs (VA) Medical Research Program is level funded at the FY06 level.
- An increase of \$27 million for the State Department's global fund for Human Immunodeficiency Virus (HIV), Tuberculosis (TB) and Malaria.

The Senate is expected to debate and pass the bill before the February 15<sup>th</sup> expiration of the current continuing resolution (CR). A summary of the funding resolution is attached.

### **FY 2008 BUDGET PROPOSAL**

Concurrently, the President's FY08 budget proposal will be released on February 5<sup>th</sup> and sent to Congress for consideration.

While the details on the budget proposal are still pending, it is expected that the budget will provide a heavy emphasis on funding for the war in Iraq and homeland security, while focusing less on domestic health and education spending.

Some preliminary information about the budget proposal includes:

- Relatively flat funding for the NIH and other public health programs.
- Cuts to Title VII health professions training programs.
- The President's health insurance reform initiative, which offers tax credits for low-income health insurance buyers, and tax penalties for high option plans.
- A dramatic cut in Medicare reimbursement for physician administered drugs.

Next week, we will provide detailed information on the FY08 budget proposal.

### **OTHER ACTION ON HEALTH LEGISLATION**

- Both the House and Senate committees of jurisdiction have held hearings and scheduled mark-ups on the Genetic Non-Discrimination Act (H.R.1227 and S.306). This legislation is likely to pass Congress and be signed by the President.
- Senators Edward Kennedy (D-MA), Barack Obama (D-IL), Hillary Clinton (D-NY), and others are preparing for reintroduction of their health disparities legislation. Congresswoman Donna Christensen (D-VI) is planning to introduce similar legislation in the House.
- Congressman John Conyers (D-MI) has reintroduced the U.S. Physician Shortage Elimination Act of 2007 (H.R.410). The bill calls for an increase in the number of primary care physicians serving health professions shortage areas.
- Congressman Henry Waxman (D-CA) is preparing legislation that would create savings in the Medicare program by creating a pathway for approval of generic biological drugs thus setting the stage for cheaper alternatives to name brand biologics. Currently, there is no approval process at the Food and Drug Administration (FDA) in place for generic biologics, which are made differently from drugs made from chemical compounds.

Congressional interest in this legislation has drawn the attention of the biotech industry, individual makers of biologics, and is certain to be controversial.

We will keep you posted as this and other legislation is considered.

Prepared by:

Dale Dirks and Roxanne Yaghoubi  
507 Capitol Court, N.E., Suite 200  
Washington, D.C. 20002