

FOVA

Friends of VA Medical Care and Health Research

A coalition of national
organizations committed to quality
care for America's veterans

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STATEMENT OF

THE FRIENDS OF VA MEDICAL CARE AND HEALTH RESEARCH (FOVA)

ON

THE ROLE OF VA RESEARCH IN THE RECRUITMENT AND RETENTION OF PHYSICIANS & FISCAL YEAR 2007 APPROPRIATIONS FOR THE VA MEDICAL AND PROSTHETIC RESEARCH PROGRAM

BEFORE

THE SENATE COMMITTEE ON VETERANS AFFAIRS

April 27, 2006

The Friends of VA Medical Care and Health Research (FOVA) organizations thank both the House and Senate Committees on Veterans Affairs for their views and estimates with regard to FY 2007 funding for the VA Medical and Prosthetic Research program. Their recommended increases, ranging from least \$28 million up to \$51.5 million over the Administration's budget request for the VA research program, affirm their ongoing support for our nation's veterans. We also thank the many Senators that co-signed Chairman Larry Craig's and Ranking Member Daniel Akaka's Dear Colleague letter to Senators Kay Bailey Hutchison and Diane Feinstein, the Chair and Ranking Member of the Military Construction and Veterans Affairs Appropriations Subcommittee, urging an FY 2007 appropriation of \$432 million for the VA Medical and Prosthetic Research program.

FOVA is a diverse coalition of 86 national academic, medical, and scientific societies; voluntary health and patient advocacy groups; and veterans service organizations, all committed to high quality health care for veterans. We appreciate the opportunity to submit a statement today regarding the role of the VA Medical Research and Prosthetics Research program in attracting and retaining physicians, and we urge your support for an FY 2007 appropriation of \$460 million so that this success may continue.

THE ROLE OF VA RESEARCH IN THE RECRUITMENT AND RETENTION OF PHYSICIANS

VA Medical Care

The mission of the Veterans Healthcare System is "to serve the needs of America's veterans by providing primary care, specialized care, and related medical and social support services." The Veterans Health Administration (VHA) operates one of the largest comprehensive, integrated health care delivery systems in the United States. Organized around 21 Veterans Integrated Service Networks (VISNs), VA's health care system includes 154 medical centers and operates more than 1,300 sites of care, including 875 ambulatory care and community-based outpatient clinics, 136 nursing homes, 43 residential rehabilitation treatment programs, 206 Veterans Centers, and 88 comprehensive home-care programs.

More than 5.3 million unique patients received care in VA health care facilities in 2005. That same year, VA inpatient facilities treated 587,000 patients and VA's outpatient clinics registered nearly 57.5 million visits. VHA has experienced unprecedented growth in the medical system workload over the past few years. The number of patients treated increased by 29 percent from 4.1 million in 2001. In FY 2007, VHA estimates it will care for almost 5.5 million veterans.

The VA health care system had 7.7 million veterans enrolled to receive VA health care benefits as of October 2005. To help VA manage health care services within budgetary constraints, enrolled veterans are placed in priority groups or categories. Unfortunately, with limited resources, VA has had to restrict the number of priority 8 veterans – higher-income veterans suffering from conditions not related to their service – who can receive VA care.

Despite limiting access of enrolled veterans, a significant backlog of delayed appointments has resulted from an inadequate supply of clinical physicians. While the VHA has made commendable improvements in quality and efficiency, the *Independent Budget* veterans service organizations cite excessive waiting times and delays as the primary problem in veterans' health

care. Without increases in clinical staff, veterans' demand for health care will continue to outpace the VHA's ability to supply timely health-care services and will erode the world-renowned quality of VA medical care.

Physician Shortage

The Council on Graduate Medical Education (COGME), a national advisory body that makes policy recommendations regarding the adequacy of the supply and distribution of physicians, predicts that if current trends continue, demand for physicians will significantly outweigh supply by 2020. With the VA already struggling to meet the needs of our nation's sick and disabled veterans, the looming physician shortage poses a serious threat to VA's ability to competitively recruit and retain the physicians who will be critical to its future success.

VA Medical and Prosthetic Research Program

To accomplish its aforementioned mission, VHA acknowledges that it needs to provide "excellence in research," and must be an organization characterized as an "employer of choice." The VA Medical and Prosthetic Research program is one of the nation's premier research endeavors and attracts high-caliber clinicians to deliver care and conduct research in VA health care facilities. The VA research program is exclusively intramural; that is, only VA employees holding at least a five-eighths salaried appointment are eligible to receive VA awards. Unlike other federal research agencies, VA does not make grants to colleges and universities, or to any other non-VA entity. As such, the program offers a dedicated funding source to attract and retain high-quality physicians and clinical investigators to the VA health care system. This in turn ensures that our nation's veterans receive state-of-the-art health care.

VA currently supports 5,143 researchers, of which nearly 83 percent are practicing physicians who provide direct patient care to veteran patients. As a result, the VHA has a unique ability to translate progress in medical science directly to improvements in clinical care.

Academic Affiliations

The affiliations between VA medical centers and the nation's medical schools have provided a critical link that brings expert clinicians and researchers to the VA health system. As stated in seminal VA Policy Memorandum No. 2 published in 1946, the affiliations allow VA to provide veterans "a much higher standard of medical care than could be given [them] with a wholly full-time medical service." At present, 130 VA medical centers have such agreements with 107 of the 126 allopathic medical schools. This represents 84 percent of the 154 VA medical centers. These long standing affiliations with the academic health care community are a major factor in ensuring quality care for U.S. veterans and represent a model partnership between the federal government and non federal institutions.

Over six decades, these affiliations have proven to be mutually beneficial by affording each party access to resources that would otherwise be unavailable. It would be difficult for VA to deliver its high quality patient care without the physician faculty and residents that are available through these affiliations. In return, the medical schools gain access to invaluable undergraduate and graduate medical education opportunities through medical student rotations and residency positions at the VA hospitals. Faculty with joint VA appointments are afforded opportunities for research funding that are restricted to individuals designated as VA employees.

These faculty physicians represent the full spectrum of generalists and specialists required to provide high quality medical care to veterans, and, importantly, they include accomplished subspecialists who would be very difficult and expensive, if not impossible, for the VA to obtain regularly and dependably in the absence of the affiliations. According to a 1996 VA OIG report, about 70 percent of VA physicians hold joint medical school faculty positions. These jointly appointed clinician-investigators are typically attracted to the affiliated VA Medical Center both by the challenges of providing care to the veteran population and by the opportunity to conduct disease-related research under VA auspices.

FISCAL YEAR 2007 APPROPRIATIONS FOR THE VA MEDICAL AND PROSTHETIC RESEARCH

FOVA recommends an FY 2007 direct research appropriation of \$460 million for VA medical and prosthetic research and development. Investments in investigator-initiated research projects at VA have led to an explosion of knowledge that is advancing the understanding of disease and unlocking strategies for prevention, treatment, and cures. The complexity of research, combined with biomedical research inflation, has increased the cost of research. Biomedical research inflation alone, estimated at 5.5% for FY 2005 and projected at 4.1% for FY 2006, has reduced the purchasing power of the VA Research appropriation by \$22.7 million and \$16.5 million respectively for a total impact of \$39.2 million over just two years. In the absence of commensurate increases, VA is unable to sustain important research on diabetes, hepatitis C, heart diseases, stroke and substance abuse while also addressing emerging needs for more research on post traumatic stress disorder and long-term treatment and rehabilitation of veterans with polytraumatic blast injuries. Additional funding is needed to take advantage of burgeoning research opportunities within the VA to improve quality of life for our veterans and the nation as a whole.

Administration's Budget Recommendation

The Administration's FY 2007 budget request includes \$399 million for the VA Medical and Prosthetic Research program, a \$13 million (3.2 percent) reduction from the final FY 2006 appropriation of \$412 million. These VA research funds provide direct support for research projects as well as the salaries of non-clinician investigators.

FOVA members are deeply disappointed with the Administration's budget request and note that if enacted, it will have significant adverse consequences for the VA research program. In its budget summary, the VA anticipates that this \$13 million reduction will result in the elimination of 82 investigator-initiated programs, 15 special research initiatives, and 7 multi-site research projects. Furthermore, the department would reduce the number of VA's direct research employees by 286.

In FY 2007, VA expects to increase funding for studies of acute and traumatic injury as well as central nervous system injury and related disorders. However, to fund these new studies with a shrinking budget, VA projects cuts to research in aging, cancer, infectious diseases, kidney diseases, diabetes, lung disorders, and heart diseases, among others. In other words, VA is proposing to rob Peter to pay Paul.

As in prior years, the Administration's FY 2007 budget includes projections for VA research spending from the VA medical services appropriation. This "medical care support" is slated for a \$13 million increase, from \$353 million in FY 2006 to \$366 million in FY 2007. While this increase might seem to offset the proposed cut to direct research funding, the medical care support allocation does not directly support research projects. As the budget submission indicates, this allocation funds "facility costs of heat, light, telephone, and other utilities associated with laboratory space; the administrative cost of human resource support, fiscal service, and supply service attributable to research; research's portion of a medical center's hazardous waste disposal and nuclear medicine licenses; and, most importantly, the time clinicians devote to their research activities."

The VA budget also includes non-VA funding sources among the lines of support for VA research. The budget optimistically projects a \$13.24 million increase (from \$662 million in FY 2006 to \$675 million in FY 2007) in other federally funded research conducted at VA, funds that have primarily come from the National Institutes of Health (NIH). However, the Administration's FY 2007 budget for the NIH is flat, making it highly unlikely that VA will enjoy significant growth in NIH-funded research grants.

Though the administration's projected private contributions for VA research have been inflated in previous years, the VA budget anticipates a reasonable \$4 million increase for FY 2007 (from \$204 million in FY 2006 to \$208 million in FY 2007). This funding comes from industry for support clinical trials as well as foundations and other non-profit entities to support a variety of research projects.

Programmatically, the VA research budget includes plans for two special research projects to begin in FY 2007. The first project focuses on the special needs of service personnel returning from Operation Iraqi Freedom and Operation Enduring Freedom. The project envisions wide ranging research efforts, including post-traumatic stress disorder and other mental health issues; amputation and prosthetics research; and returning personnel reentry and reintegration. A second special project would focus on genomic medicine. The thrust of this project is to link veterans' genetic information with the VA electronic health record. According to the budget submission, "The goal is to develop genetic assessments that will potentially enable 'mass customization' of medical treatment." These new projects necessitate additional funding over FY 2006 levels plus an accommodation for biomedical research inflation if VA is to continue pre-existing endeavors as well implementing these new initiatives.

The coalition wholeheartedly supports the vision to expand the VA research program to encompass the needs of service personnel returning from current conflicts, whether they include polytrauma, massive burn injury, or mental conditions. Such expansion of the program requires new resources so VA's other research areas, which are equally important to the care of large numbers of veterans, do not languish in the meantime.

Earmarks and Designation of VA Research Funds

The members of FOVA oppose earmarking the VA research appropriation because they jeopardize the strengths of the VA Research program. VA has well-established and highly refined policies and procedures for peer review and national management of the entire VA research portfolio. Peer review of proposals ensures that VA's limited resources support the most meritorious research. Additionally, centralized VA administration provides coordination of

VA's national research priorities, aids in moving new discoveries into clinical practice, and instills confidence in overall oversight of VA research, including human subject protections, while preventing costly duplication of effort and infrastructure.

VA research encompasses a wide range of types of research. Designated amounts for specific areas of research compromise VA's ability to fund ongoing programs in other areas and force VA to delay or even cancel plans for new initiatives. While Congress certainly should provide direction to assist VA in setting its research priorities, earmarked funding exacerbates resource allocation problems. FOVA urges Congress to preserve the integrity of the VA research program as an intramural program firmly grounded in scientific peer review. These are principles under which it has functioned so successfully and with such positive benefits to veterans and the nation since its inception.

VA Research Infrastructure

State-of-the-art research requires state-of-the-art technology, equipment, and facilities. Such an environment promotes excellence in teaching and patient care as well as research. It also helps VA recruit and retain the best and brightest clinician scientists. In recent years, funding for the VA medical and prosthetics research program has failed to provide the resources needed to maintain, upgrade, and replace aging research facilities. Many VA facilities have run out of adequate research space, and ventilation, electrical supply, and plumbing appear frequently on lists of needed upgrades along with space reconfiguration. Under the current system, research must compete with other facility needs for basic infrastructure and physical plant improvements which are funded through the minor construction appropriation.

FOVA appreciates the attention the Appropriations Committee gave to this problem in the House Report accompanying the FY 2006 appropriations bill (P.L. 109-114), which expresses concern that equipment and facilities to support the research program may be lacking and that some mechanism is necessary to ensure the Department's research facilities remain competitive. It noted that more resources may be required to ensure that research facilities are properly maintained to support the Department's research mission.

To ensure that funding is adequate to meet both immediate and long term needs, FOVA recommends an annual appropriation of \$45 million in the minor construction budget dedicated to renovating existing research facilities and additional major construction funding sufficient to replace at least one outdated facility per year until the backlog is addressed.

Again, FOVA appreciates the opportunity to present our views to the Committee. While research challenges facing our nation's veterans are significant, if given the resources, we are confident the expertise and commitment of the physician-scientists working in the VA system will meet the challenge.

Administrators of Internal Medicine
Alliance for Academic Internal Medicine
Alliance for Aging Research
American Academy of Child and Adolescent
Psychiatry
American Academy of Neurology
American Academy of Orthopaedic Surgeons
American Association for the Study of Liver
Diseases
American Association of Anatomists
American Association of Colleges of Nursing
American Association of Colleges of Osteopathic
Medicine
American Association of Colleges of Pharmacy
American Association of Spinal Cord Injury Nurses
American Association of Spinal Cord Injury
Psychologists and Social Workers
American College of Chest Physicians
American College of Clinical Pharmacology
American College of Physicians
American College of Rheumatology
American Dental Education Association
American Federation for Medical Research
American Gastroenterological Association
American Geriatrics Society
American Heart Association
American Hospital Association
American Lung Association
American Military Retirees Association
American Occupational Therapy Association
American Optometric Association
American Osteopathic Association
American Paraplegia Society
American Physiological Society
American Podiatric Medical Association
American Psychiatric Association
American Psychological Association
American Society for Bone and Mineral Research
American Society for Pharmacology and
Experimental Therapeutics
American Society of Hematology
American Society of Nephrology
American Thoracic Society
Association for Assessment and Accreditation of
Laboratory Animal Care International
Association for Research in Vision and
Ophthalmology
Association of Academic Health Centers
Association of American Medical Colleges
Association of Professors of Medicine

Association of Program Directors in Internal
Medicine
Association of Schools and Colleges of Optometry
Association of Specialty Professors
Association of VA Chiefs of Medicine
Association of VA Nurse Anesthetists
Blinded Veterans Association
Blue Star Mothers of America
Clerkship Directors in Internal Medicine
Coalition for Health Services Research
Digestive Disease National Coalition
Federation of American Societies for Experimental
Biology
Gerontological Society of America
Gold Star Wives
Hepatitis Foundation International
International Foundation for Functional
Gastroenterological Disorders
Juvenile Diabetes Research Foundation
International
Legion of Valor of the USA, Inc.
Medical Device Manufacturers Association
Medicine-Pediatrics Program Directors Association
Military Officers Association of America
National Alliance on Mental Illness
National Association for the Advancement of
Orthotics and Prosthetics
National Association for Uniformed Services
National Association of VA Dermatologists
National Association of VA Physicians and Dentists
National Association of Veterans' Research and
Education Foundations
National Mental Health Association
Nurses Organization of Veterans Affairs
Osteogenesis Imperfecta Foundation
Paralyzed Veterans of America
Paralyzed Veterans of America Spinal Cord
Research Foundation
Partnership Foundation for Optometric Education
Society for Investigative Dermatology
Society for Neuroscience
Society for Women's Health Research
Society of General Internal Medicine
Spinal Cord Research Foundation
The Endocrine Society
United Spinal Association
Veterans Affairs Physician Assistant Association
Veterans of the Vietnam War and the Veterans
Coalition
Vietnam Veterans of America