

May 20-21, 2015

Funding for Vital Federal Healthcare Programs

Congress should ensure necessary funding in fiscal year 2016 for vital federal programs/initiatives designed to support primary care and ensure an adequate physician workforce, including:

Title VII Health Professions grants, National Health Service Corps (NHSC), and the National Health Care Workforce Commission, at the levels indicated below. Arbitrary sequestration caps should be replaced with targeted and prioritized funding to support programs that have a proven track record of effectiveness in supporting workforce and other national healthcare priorities.

What's it all about?

Access to primary care services is an essential part of everyone's health care. Studies have shown that seeing a primary care physician regularly and having access to preventive services leads to better health outcomes and savings to the system. Independent studies show that the U.S. is facing a shortage of tens of thousands of primary care physicians, and millions of patients in many parts of the country already have poor access to primary care.

There are several key federal health programs that are critical to helping to support a sufficient supply of primary care physicians and physician specialties facing shortages. The Title VII Health Professions program is the only source of federal training dollars available for general internal medicine, general pediatrics, and family medicine; the National Health Service Corps (NHSC) provides scholarships and loan forgiveness to primary care physicians and certain other clinicians in exchange for service in an underserved area; the National Workforce Commission was authorized by Congress to review current and projected health care workforce supply and demand and make recommendations to Congress and the Administration regarding national health care workforce priorities, goals, and policies.

These programs are largely dependent on federal funding through the annual congressional appropriations process. It is therefore important for members of Congress to understand the merits of each program/initiative, which are noted below. It is vital that sufficient federal funds continue to flow to these programs in fiscal year 2016.

- [Read](#) more about the annual appropriations process.

What's the current status?

The federal budget and appropriations process is now underway for FY2016, and it is up to Congress to decide on funding for all federal programs, including those in health care, as noted above. This coming fiscal year could prove to be even more challenging for primary care and physician workforce programs if tight overall spending caps (sequestration) for nondefense funding that Congress must approve (a.k.a. discretionary funding) are allowed to remain in place.

The combination of sequestration's across the board cuts in 2013, and only partial relief from sequestration budget caps in FY2014 and FY2015, has resulted in insufficient funding for these and other programs (such as funding for the National Institutes of Health and Agency for Healthcare Research and Quality). These programs have a proven track record of success in supporting workforce, medical and health services research, and other national priorities. The sequestration caps should be replaced with targeted and prioritized funding based on an assessment of effectiveness and importance of each program.

As for the status of the key federal programs noted above:

The Title VII Health Professions Training in Primary Care and Training Enhancement (PCTE) received \$38.92 million in FY2015, \$2 million more than the previous year. While any increase is encouraging, this funding level

only brought the program up to just under its FY2011 and FY2012 levels. For FY2016, flat funding is proposed, meaning the program could be receiving fewer resources than it was six years ago as need has increased. Congress should fund PCTE at \$71 million for FY2016.

The National Health Service Corps received \$310 million in dedicated funding (a.k.a. mandatory funding not requiring congressional approval) in FY2015. However, this funding level, as well as its funding for the last four fiscal years, has fallen far short of the levels anticipated after passage of the Affordable Care Act. For FY2016, the NHSC's mandatory funding was set to expire. Fortunately, Congress passed and the President signed into law the *Medicare Access and CHIP Reauthorization Act, H.R. 2*, which extends the NHSC's mandatory funding for two more fiscal years (FY2016, FY2017) at the FY2015 level. Congress should fund the NHSC at \$810 million for FY2016.

The National Health Care Workforce Commission was created in 2010 to develop a national workforce strategy to help determine the supply and demand needs of an adequate physician workforce. While experts have been appointed to the 15-person panel, Congress has never funded the Commission and therefore it has never been operational. Congress should fund the Commission at \$3 million for FY2016.

- Click [here](#) to learn more about the impact of sequestration on non-defense discretionary programs.

Why should the 114th Congress address it?

For FY2016, there is considerable uncertainty about how much funding will be available for federal programs dedicated to supporting primary care and ensuring an adequate physician workforce.

The PCTE Program distributes educational grants for primary care physician students, residents, and faculty to enhance primary care provider recruitment. In the 2013-2014 academic year alone, the PCTE program trained more than 30,000 students, residents and faculty, with over one-million primary-care patient interactions. Without adequate funding, the PCTE's capacity to complete its mission of improving the education of primary care providers would suffer.

The NHSC provides scholarships and loan forgiveness to enable primary care physicians to be trained to serve underserved communities. The NHSC has a field-strength of over 9,000 clinicians and serves almost 10 million patients in underserved communities at more than 15,000 sites. While encouraging that the NHSC has secure funding through FY2017, it is flat-funded and will not be able to significantly expand its reach.

The National Health Care Workforce Commission, as authorized by Congress in 2010, was intended to provide Congress with the advice of an independent, expert advisory committee, charged with assessing the nation's workforce needs including the barriers to primary care. Although appointees were announced, the Commission has not been able to function because Congress has never funded it. Consequently, the federal government and the nation continue to lack an overall and cohesive strategy to addressing the current and future needs of the nation's health care workforce and to ensure that federal workforce and graduate medical education (GME) dollars are spent effectively and efficiently.

What's ACP's view?

It is essential that Congress acts to pass legislation to ensure that these programs not only are adequately funded, but do not have any interruptions in their funding.

- [Read](#) ACP's written testimony about FY2016 health-care program funding to the House and Senate Appropriations Subcommittees.

Who can I contact to learn more?

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