



December 22, 2005

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### **Congress Gives NIH Lowest Increase Since 1970**

The Senate approved the Fiscal Year 2006 Labor/HHS/Ed appropriations bill before adjourning for the holidays on December 22. It was the final action on the measure following the House of Representatives passing the conference report for the appropriations bill on December 14. After failing to pass the package on November 17, House Republicans were able to garner enough votes to pass the measure 215 – 213. The total discretionary spending in the measure totals \$142.5 billion, which is \$163 million, or 0.1 percent, less than Fiscal Year 2005 and \$785 million more than President's budget request. Overall, the bill would provide \$105 billion more than in Fiscal Year 2005, a 21 percent increase. Most of the increase comes from additional spending for mandatory Medicaid and Medicare programs. Total spending for the bill, both mandatory and discretionary, topped \$602 billion.

To pick up more votes in the House, appropriators increased rural health spending by \$90 million and struck a provision barring Medicare coverage of erectile dysfunction drugs. These changes were acceptable to Congressional leadership because they did not increase the bill's overall cost since the additions were offset by a \$120 million reduction to a Department of Health and Human Services vaccine fund. Appropriators attached about \$4 billion for flu preparedness efforts to the Fiscal Year 2006 Defense spending bill.

No additional money was added to the National Institutes of Health (NIH) in the second version of the bill. Total NIH spending remained at \$28.617 billion, a 0.9 percent increase, or \$253 million, over Fiscal Year 2005. This is the smallest percentage increase for NIH since 1970. NIH's Fiscal Year 2006 program level will increase by \$153 million or 0.5 percent. According to the Ad Hoc Group for Medical Research Funding, NIH's budget has declined by 2.2% in real terms over the past three fiscal years when medical research inflation is taken into account.

Further complicating matters was a 1 percent across-the-board reduction in all discretionary spending programs – excluding only veterans' programs and anything designated as an emergency – attached to the Fiscal Year 2006 Defense appropriations bill. The across-the-board cuts are intended primarily to offset the costs of hurricane relief. Effectively NIH's Fiscal Year 2006 appropriation will be tapped an additional \$286 million to offset the 1 percent across-the-board cut. When it's all said and done, total NIH spending for Fiscal Year 2006 will be lower than the 2005 level.

### **Physician Payment Cuts Likely to be Averted for One Year**

On Wednesday, December 21, the U.S. Senate voted to pass the Fiscal Year (FY) 2006 Deficit Reduction Act by a vote of 50-50. Vice President Dick Cheney cast the tie-breaking vote in favor of the Republican majority's position to support the House-approved reconciliation conference report. A procedural motion sent the measure back to the House, which must vote on this new version before President Bush can sign the bill into law.

The package provides another temporary fix to prevent the scheduled 4.4 percent cut in physician reimbursement for 2006 recommended by the Centers for Medicare and Medicaid Services (CMS). Under the flawed Sustainable Growth Rate (SGR) formula used to determine reimbursement rates, most providers have faced a negative payment update for the past several years, with Congress stepping in at the eleventh hour to enact a short-term fix. The FY 2006 Deficit Reduction Act freezes payments at current 2005 levels, and does not include a pay-for-performance provision for physicians.

The package implements pay-for-performance standards only for hospitals, expanding an existing hospital quality reporting initiative. The American Medical Association and more than 50 medical groups, including The Endocrine Society, called on lawmakers to replace the scheduled 4.4 percent cut with a two-year positive update for providers, and also eliminate any pay-for-performance programs that would penalize providers who are unable to participate in the voluntary programs. Many members of Congress have expressed the need for a long-term solution to the flawed payment system. Meanwhile, Centers for Medicare and Medicaid (CMS) will likely continue to examine the feasibility of removing physician-administered Part B drugs from the SGR formula.

The reconciliation package also provides Medicare reimbursement for diabetes outpatient self-management training services and medical nutrition services provided by federally qualified health centers (FQHCs).

### **NDEP Offers Continuing Education Credit to Users of Website**

To help fulfill its mission to change the way diabetes is treated, the National Diabetes Education Program has collaborated with Indiana University School of Medicine (IUSM) to provide a continuing education (CE) component to their *BetterDiabetesCare* website ([www.BetterDiabetesCare.nih.gov](http://www.BetterDiabetesCare.nih.gov)).

The National Diabetes Education Program is a federally funded program sponsored by the U.S. Department of Health and Human Services' National Institutes of Health and the Centers for Disease Control and Prevention and includes over 200 partners at the federal, state, and local levels, working together to reduce the morbidity and mortality associated with diabetes. The Endocrine Society is an NDEP partner, and Dr. Robert Vigersky represents the Society on the NDEP Steering Committee.

Combining IUSM's CE reflective learning model with *BetterDiabetesCare* provides a unique opportunity for physicians and other health care professionals to obtain CE credits as they restructure the way they deliver health care.

According to NDEP, reflective learning is a self-directed process and occurs in response to key issues or problems in health care practice. The CE program takes users through a step-by-step process using tools to identify and document:

- A clearly expressed need;
- A plan for learning;
- An opportunity to put learning into action; and
- An assessment of its effectiveness in practice.

It draws from any appropriate source: educational programs, websites, colleagues, literature review, “reading on your own,” or practice assessments such as reviewing patient medical records. The NDEP’s *BetterDiabetesCare* website is a comprehensive resource to use with the reflective learning model. The website is designed to help health care providers, educators, policy makers, planners, and purchasers make changes in the delivery of care for people with diabetes and achieve effective results, whether they are experienced in quality improvement or new to the challenge.

The site provides state-of-the-art materials and tools, models for systems change, examples of best practices, and links to many resources and references. Physicians can use the site to document evidence-based guidelines for their practices and to help implement an efficient and reliable information system. Physicians and diabetes educators will find tools and information to help develop patient-centered care and team care in their facilities as well as ways to meet the needs of diverse populations. Office managers can find resources to involve a practice in community partnerships and suggestions as to how to align payment with quality care.

“As a chronic disease, it is clear that diabetes needs to be managed with continuous, proactive, planned care rather than episodic, illness-focused care,” said Dr. Kevin Peterson, representative of the American Academy of Family Physicians and NDEP Health Care Provider Work Group chair. “Changing the way we deliver health care can help us develop the infrastructure needed to provide the quality care that we are striving to give. Receiving CE credit provides another incentive to take the time to meet this challenge and address these important changes.”

Any number of reflective learning projects can be undertaken and CE credits of up to 10 hours per year will be awarded upon completion of a project’s requirements.

### **IOM Releases Childhood Nutrition and Food Marketing Practices Report**

The Institute of Medicine (IOM) has released a new report urging Congress to address the marketing practices of food and beverage companies. According to the report, these companies spend billions of dollars each year to convince children 12 and younger to consume high-calorie, low-nutrient products.

The key findings of the report found that there is strong evidence that marketing foods and beverages to children influences their preferences, requests, purchases, and diets. The report also found that the dominant focus of marketing to children and youth is on foods and beverages high in calories and low in nutrients, and is sharply out of balance with healthful diets. Marketing approaches have become multi-faceted and sophisticated, moving far

beyond television advertising to include the Internet, advertising games, strategic product placement across media, and much more according to the IOM's findings.

The report makes a host of recommendations to government agencies, food and beverage industries, and schools. The IOM has made the following recommendations to Congress and Federal agencies:

- Government at all levels should marshal the full range of public policy approaches (e.g., subsidies, taxes, legislation, regulation, federal nutrition programs) to foster the development and promotion of healthful diets for children and youth.
- If voluntary efforts related to advertising during children's television programming are unsuccessful in shifting the emphasis away from high-calorie and low-nutrient foods and beverages to the advertising of healthful foods and beverages, Congress should enact legislation mandating the shift on both broadcast and cable television.
- The nation's formidable research capacity should be better directed to sustained, multidisciplinary work on how marketing influences the food and beverage choices of children and youth.
- The Secretary of the U.S. Department of Health and Human Services should designate a responsible agency, with adequate and appropriate resources, to formally monitor and report regularly on the progress of the various entities and activities related to the recommendations included in this report.

The report also makes pointed recommendations at the food, beverage, and restaurant industry and calls on them to use their considerable resources to promote more healthful diets for children and youth. The recommendations for schools call for development and implementation of nutrition standards for all competitive food and beverages sold or served in schools. In addition, schools should promote the marketing of nutritional foods and beverages to support a health diet.

A Congressional inquiry prompted the creation of this IOM report entitled, *Food Marketing to Children and Youth: Threat or Opportunity?* It was designed to explore what is known about current food and beverage marketing practices, the influence of these practices on the diets and health of children and youth, and public and private strategies that can be used to promote healthful food and beverage choices in children and youth. More detailed information on the report can be found at the IOM's Web site at <http://www.iom.edu/report.asp?id=31330>.

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