



March 5, 2009

President's 2010 Budget Outline Emphasizes Healthcare Reform and Research

President Obama released an overview of his proposed FY 2010 budget on February 26. As is typical for a new President's first budget, Obama has provided very few details on the programs discussed in his budget overview and did not address all government programs in the overview. For instance, there was no discussion of overall funding for the National Institutes of Health in the overview, although the President did state his intention to provide \$6 billion to the NIH for cancer research. Specific details will be provided when his full budget is sent to Congress in April. Given the top-line nature of the budget outline, a few of the President's proposals relevant to Society members are described below.

Physician Payment Cuts

The overview outlines positive changes for the physician reimbursement system. Obama's baseline budget assumes a \$329.6 billion "fix" that is estimated to eliminate the 40 percent Medicare physician payment cuts scheduled to occur by 2017 and assumes a 1 percent physician payment increase per year. Additionally, the budget proposal indicates that the Administration is willing to consider changes to the sustainable growth rate (SGR), the complex formula that determines Medicare physician payment that has for years resulted in annual physician payment cuts, staved off at the last minute by Congress. The Administration states in the budget overview that "as part of health care reform, the Administration would support comprehensive, but fiscally responsible, reforms to the payment formula."

In addition to physician payment changes, the Administration is proposing to establish a reserve fund that would set aside \$633.8 billion over ten years for health care reform. Approximately half of these funds would be offset through program changes in Medicare and Medicaid, including, among other savings:

- \$176.6 billion through a competitive bidding process for Medicare Advantage;
- \$19.6 billion by increasing Medicaid prescription drug rebates, extending such rebates to Medicaid health plans, and applying rebates to new formulations of existing drugs;
- \$9.2 billion by establishing a pathway for FDA approval of generic biologics;
- \$8.1 billion through higher premiums required of higher-income Medicare Part D enrollees;
- \$260 million through the use of radiology benefits managers.

Biomedical Research Funding.

The budget outline also describes a strong commitment to science, though it gives very few actual numbers. In the budget request, President Obama highlighted a few areas of emphasis for research funding, including those listed below.

- \$6 billion to the NIH to support cancer research. This is the first step in the President's plan to double cancer research funding.
- Increased resources to detect, prevent, and treat HIV/AIDS domestically.
- \$211 million in the Health and Human Services budget for research into the causes and treatments for Autism Spectrum Disorder, screening, public awareness, and support services.
- Doubling of funds for basic research over 10 years, beginning with \$3 billion for the National Science Foundation (NSF) in the American recovery and reinvestment Act of 2009 and a 2010 Budget that increases NSF funding by \$950 million over 2008 levels.
- Substantial increases for NSF's Graduate research Fellowship and Faculty Early Career Development programs.

Please watch upcoming issues of *Endocrine Insider* for further information on fiscal year 2010 funding as more details are released by the White House.

FY 2009 Funding Still Under Consideration

Prior to the end of FY 2008, Congress passed a continuing resolution to fund most of the federal agencies through March 6, 2009. The House took up an omnibus spending bill in February that provides funding for these agencies through the remainder of FY 2009. The bill was passed by the House on February 25 by a vote of 245-178, and the Senate is debating the bill. Although the bill funds many agencies at FY 2008 levels, several research-focused agencies stand to receive an increase over FY 2008. Please see below for specific funding levels.

- NIH – \$30.3 billion (\$937 million over FY 2008)
- DOE Office of Science - \$4.77 billion (\$755 million over FY 2008)
- NSF - \$6.49 billion (\$425 million over FY 2008)
- VA Medical and Prosthetics Research - \$510 million (\$30 million over FY 2008)

If the Senate does not pass the omnibus bill by the time the CR expires on March 6, Senate Majority Leader Harry Reid (D-NV) stated that Congress will simply move a continuing resolution (CR) to fund the affected agencies at fiscal 2008 levels through Sept. 30, 2009.

NIH Challenge Grants for Stimulus Funds Due April 27

The National Institutes of Health has released information on the Challenge Grant application process. These Challenge Grants will be funded out of the \$10 billion given to the NIH in the American Recovery and Reinvestment Act of 2009. Of this \$10 billion, at least \$200 million will be used to fund at least 200 Challenge Grants in fiscal years 2009-2010. This new program will support research on Challenge Topics (please see link below for further information on specific topics covered under this program) which address specific scientific and health research challenges in biomedical and behavioral research that will benefit from significant 2-year jumpstart funds. The RFA includes the following deadlines:

Opening Date: March 27, 2009

Application Due Date(s): April 27, 2009

NOTE: On-time submission requires that applications be successfully submitted to Grants.gov no later than 5:00 p.m. local time (of the applicant institution/organization).

Peer Review Date(s): June/July 2009

Council Review Date(s): August 2009

Earliest Anticipated Start Date(s): September 30, 2009
Expiration Date: April 28, 2009

Further information on the Challenge Grant program may be found at http://grants.nih.gov/grants/funding/challenge_award/.

If you have questions about the American Recovery and Reinvestment Act or biomedical research funding, please contact Stephanie Kutler, Director of Government Affairs at The Endocrine Society at skutler@endo-society.org.

In Washington Post, Society Urges Caution in Considering Bariatric Surgery for Adolescents

On March 3, *The Washington Post* published The Endocrine Society's Letter to the Editor in response to a February 24 article titled, "A Boy's Obesity Led His Mother to Send Him For Stomach Surgery." The article discusses the factors that lead children to seek weight-loss surgery and the medical implications that must be considered by physicians and families in deciding to follow through with the surgery.

The Society's [response](#) stressed the need for more long-term research in adolescents who have undergone bariatric surgery. In the letter, Society President Robert M. Carey, MD, states, "To date, not enough outcome data are available to know whether teenagers are affected in the same way as adults." Using recommendations from the Society's clinical practice guideline [Prevention and Treatment of Pediatric Obesity](#) as a resource, the letter also addresses the importance of making lifestyle modifications before and after surgery. The guideline emphasizes the importance of decreased calorie intake and increased physical activity in order to prevent and treat pediatric obesity. It also identifies bariatric surgery as a last resort in teenagers and underscores the need for a patient to commit to a long-term lifestyle adjustment for the surgery's success.

Because of the increasing prevalence of bariatric surgery among obese individuals of all ages, the Society is developing a clinical practice guideline specifically on the subject. The guideline will be published later this year and will be presented at the Society's annual meeting in June.

Society's Journalism Award Nomination Deadline Fast Approaching

The Endocrine Society will soon close its call for nominations for the second annual *Award for Excellence in Science and Medical Journalism*. The award will honor one journalist for outstanding reporting that enhances public understanding of medical and science issues pertaining to the field of endocrinology.

The award is open to all credentialed journalists in print (both "hard" and electronic) or broadcast. Candidates can self-nominate or be nominated by someone else. Only one nomination is permitted for each nominee. Submissions can include any work first published between March 1, 2008 and February 28, 2009.

A nominee must be the author of the submitted article. In the case of collaborative efforts, those involved must determine which author(s) will be nominated. The author must be either a freelance journalist or an employee of a print or electronic publication, or a broadcast or cable station or network. A nominee may submit only one entry. A series may be judged as one entry if each segment was identified at the time of publication as being part of the series.

Nominations can be submitted via media@endo-society.org and must be received by March 9, 2009 (original deadline March 6). The award notification will be made on March 31, 2009. The winner will be honored at ENDO 09.

Society Member Expected to Become University of Michigan's Executive Vice President for Medical Affairs

Ora Hirsch Pescovitz, MD, is expected to be named the University of Michigan's executive vice president for medical affairs and CEO of the U-M Health System, pending the approval of its Board of Regents at its March 19 meeting.

In this new role, which begins May 11, Dr. Pescovitz will oversee the U-M Health System which includes the U-M Hospitals and Health Centers, the U-M Medical School, and the School of Nursing. All are ranked among the best in the nation.

Dr. Pescovitz has made many contributions to The Endocrine Society, serving on the Board of the Hormone Foundation, as well as on the Annual Steering Meeting and Executive Committees.

Dr. Pescovitz is currently executive associate dean for research affairs at Indiana University School of Medicine, where she leads basic and clinical research initiatives. She is also president and CEO of Riley Hospital for Children.

For questions regarding articles listed in *Endocrine Insider* or information on advocacy and policy activities within The Endocrine Society, contact the Government & Public Affairs department:

Janet B. Kreizman, Senior Director
301-941-0252
jkreizman@endo-society.org

Arlyn Riskind, Director, Media Relations
301-941-0240
Ariskind@endo-society.org

Stephanie Kutler, Director
301-941-0254
Skutler@endo-society.org

Loretta L. Doan, PhD, Assoc. Dir., Science Policy
301-941-0258
Ldoan@endo-society.org

Holly Whelan, Assoc. Dir, Health Policy
301-951-2613
Hwhelan@endo-society.org

Lisa Marlow, Manager
240-482-1392
Lmarlow@endo-society.org

Aaron Lohr, Manager, Media Relations
240-482-1380
Alohr@endo-society.org

Dewey Sampson, Administrative Assistant
240-482-1389
dsampson@endo-society.org