INTRODUCTION

The practice of scientific medicine is based upon an understanding of the workings of the human body -- the biological processes essential to life, and the effects on these processes of alterations in the molecular, cellular, or psychosocial environment. This understanding is derived from knowledge generated through biomedical research. The federal policy of supporting such research through appropriations to the National Institutes of Health has produced significant yields that have increased our capacity to eliminate certain diseases, and to reduce drastically some of the major causes of morbidity and mortality in the population.

The practice of scientific medicine under circumstances that ensure high quality of care, that is cost effective and accessible to all, is based upon policies derived from an understanding of the workings of health services, the interrelationships among the supply and distribution of physicians in various specialties, the organization of care, and reimbursement policies.

The federal government has acknowledged the importance of health and vital statistics describing the population and research on the workings of health services by creating the National Center for Health Statistics (NCHS) and the National Center for Health Services Research and Health Care Technology Assessment (NCHSR and HCTA). In addition, the Health Care Financing Administration (HCFA) has been charged with promoting research and demonstration/evaluation activities related to its primary concerns -- the operation of the Medicare and Medicaid programs.

Beyond these activities, the Department of Health and Human Services (HHS) also supports health services research through the National Institutes of Health. In addition, the Veterans' Administration and the Institute of Medicine make contributions to the field of health services research. For purposes of the paper, discussion will focus solely on the activities of the National Center for Health Statistics, the National Center for Health Services Research and Health Care Technology Assessment, and the Health Care Financing Administration.

As the largest national medical specialty society representing over 60,000 general internists and allied subspecialists who are professionally committed to serving the medical needs of adults and adolescents, the American College of Physicians strongly supports the efforts of the
National Center for Health Statistics and the National Center for Health Services Research and Health Care Technology Assessment. The College also supports a strengthened effort in the support of peer-reviewed health services research by the Health Care Financing Administration. Other foundations and agencies provide some degree of support for health services research and health policy analysis.

Federal decisions can and have threatened the continued generation of knowledge and health statistics essential for the formulation of policy both at the organizational and national levels. The knowledge necessary for long-term development of health care policy depends upon the continuing efforts of these federal agencies to provide up-to-date health statistics and support of health services research.

**SUMMARY OF POSITIONS**

1. **National Center for Health Statistics.** The National Center for Health Statistics must have the resources to continue its ongoing periodic surveillance of the health of the U.S. population, the publication of vital statistics, and the generation of national survey data in new areas relevant to health policy, such as care of the elderly.

2. **National Center for Health Services Research and Health Care Technology Assessment.** The support of the National Center for Health Services Research and Health Care Technology Assessment must be sufficient to provide for its intramural activities, including health policy analysis on a short-term basis, but most particularly its fundamental role in stimulating and supporting extramural health services research not necessarily targeted toward the immediate operational problems of the federal government. The latter is as essential as basic research in the biological sciences for further understanding and development of insights about the workings of the health service system in the United States.

3. **Health Care Financing Administration.** The Health Care Financing Administration, charged with the responsibility of running the largest health care insurance program in the United States, should have the resources to do more than process claims. It must ensure researchers access to the secondary data derived from its operations, stimulate analyses of these data and encourage rigorous evaluations of all its demonstration programs.

**POSITION**

1. The National Center for Health Statistics must have the resources to continue its ongoing periodic surveillance of the health of the U.S. population, the publication of vital statistics, and the generation of national survey data in new areas relevant to health policy, such as care of the elderly.
RATIONALE

The National Center for Health Statistics was created in 1960. Since its inception, it has planned, executed and published the results of periodic surveys of the health of the U.S. population, of professionals providing health services and the utilization of these services. The Center produces more than a dozen collection procedures, analytical studies, data from the Health Interview survey, data from the Health Examination and the Health and Nutritional Examination surveys, data on institutionalized populations, health resources and their utilization, on mortality, and the National Survey of Family Growth.

The NCHS has launched new surveys needed to provide data required for health policy analysis and formulation. For example, in the mid-1970s amid growing concerns over access to primary care, the first National Ambulatory Medical Care Survey was conducted. This survey covers reasons for encounter with a physician, physician diagnoses, and to a limited extent, drugs prescribed, counseling, and referrals. NCHS has also conducted national surveys of patients in nursing homes covering the characteristics of nursing homes, including financial data, and characteristics of the residents of nursing homes, including the numbers, functional status, and so forth.

Budgetary support of the National Center for Health Statistics over the past decade has grown, reflecting both planned new surveys and price increases (inflation). However, over the past two years, funding support in real dollars, has decreased. As a result, a scheduled survey of nursing home patients in 1984 was deferred one year. The scheduled Cycle III of the Health and Nutritional Examination Survey and the next cycle of the Survey of Family Growth will have to be deferred until 1987-1988.

The budget of the National Center for Health Statistics has fluctuated, FY 1982 - 1985, between $38.2 and $42.8 million; the budget for FY 1986 is $44.2 million. (The President's proposed budget for FY 1986 was $48.7 million.) It is important to recognize that the annual budget of the National Center for Health Statistics is projected, based upon surveys due to be performed in a specific year. Budgeting must take into account the scheduling of these surveys which, to serve their purpose in program planning and policy decision-making, should be conducted according to a schedule planned over the long term.

It is clear that continued provision of these vital statistics is essential to a variety of organizations and groups. The American College of Physicians believes the importance of these data will not be appreciated by some until they are no longer available. The College believes this National Center must have stability of funding in carrying out its purpose and the support necessary to accomplish its scheduled activities in a timely fashion.
2. The support of the National Center for Health Services Research and Health Care Technology Assessment must be sufficient to provide for its intramural activities, including health policy analysis on a short-term basis, but most particularly its fundamental role in stimulating and supporting extramural health services research not necessarily targeted toward the immediate operational problems of the federal government. The latter is as essential as basic research in the biological sciences for further understanding and development of insights about the workings of the health service system in the United States.

The National Center for Health Services Research was created by Secretarial order in 1968. Its original mandate was to support research and training, and to produce tangible results on a national scale. Since its inception, it has been the target of considerable criticism, based upon a limited understanding of the nature and functions of health services research.

As suggested by a report from the Institute of Medicine of the National Academy of Sciences in 1979, health services research is a field, not a discipline. Within this field, some investigators are concerned with basic research into the origins of illness behavior, development of measures for quality of care or the determinants of factors affecting physicians' prescribing behaviors. Others are involved in studies on the development and evaluation of the impact of new types of health manpower, insurance programs with varying degrees of coverage and co-payment, or second-opinion programs. Still others confine their studies to topics such as the application of organizational theory to health care institutions, or secondary data analysis designed to assess the relations among numbers of specialists, population variables, and numbers of special procedures performed.

In the 1970s, health services research was advocated to those involved in the appropriations process as a means of providing easy solutions to complex problems in the health care system. Clearly, all health services research can do (at best) is provide data for those who must create policy through a political process that involves compromise with the vested interests of a variety of groups. It is important to differentiate between short-term projects designed to improve the operation of existing programs (fine-tuning) and those whose aims, like most peer-reviewed investigator-directed biomedical research, are to provide the new knowledge or insight necessary to solve challenging problems.

Answers provided by health services research may not be politically appealing. The more they threaten the interests of groups, the more they are challenged on scientific grounds. Of course, the same is true for certain types of biomedical research, i.e., cancer of the lung and smoking.
The outcomes of research may be unknown; however, it is important to preserve the process, even though the results present decision-makers with difficult choices. This applies to heart transplantation and research on the artificial heart as well.

To upgrade the technology assessment function of the Department of Health and Human Services by elevating its status and stabilizing its funding, the National Center for Health Services Research was renamed in 1984, to include Health Care Technology Assessment. The National Center holds responsibility for assessing the safety, efficacy, and effectiveness of health care technologies. It reviews health care technologies for HCFA, in consultation with federal agencies, i.e., and non-federal institutions, (i.e., medical specialty societies), giving consideration to safety, efficacy, and effectiveness, as well as cost-effectiveness and appropriate uses of the technology. In addition, it supports extramural research such as technology diffusion, methods to assess health care technology, and specific health care technologies. As part of this function, the National Advisory Council on Health Care Technology Assessment assists in developing criteria and methods to be used in making health care technology coverage recommendations.

The history of funding of the National Center for Health Services Research, now the National Center for Health Services Research and Health Care Technology Assessment, reflects conflicting views with reference to the value of health services research and the relative feasibility of obtaining short-term solutions vs. the long-term value of basic, investigator-directed research.

Funding for the National Center has decreased from a high of $65.4 million in 1972 to $16.5 million in 1982. Between 1983 and 1985 its funding has been relatively stable ($16.4 million in 1983, $17.6 million in 1984, and $16.5 million in 1985). In 1985, $.3 million was earmarked for the National Medical Expenditure Survey, and $3 million for technology assessment. The President's Budget for 1986 includes $16.4 million for the National Center of Health Services Research, of which $2.5 million is to be set aside for the National Medical Expenditure Survey, and $3.5 million for technology assessment. Under P.L. 99-178 the FY 1986 appropriation for the National Center is $16.4 million.

In terms of new grants and continuing renewals, the National Center was able to fund 74 new starts and eight competing renewals in FY 1976, and only 50 new starts and five competing renewals in FY 1980. Due to significant budget reductions, only one new grant was funded in FY 1982; in FY 1984, 27; in FY 1985, only 17 new grants were funded, along with two competing renewals.

More internists than ever before have become prepared to study the workings of health services and the assessment of technologies, as a result of fellowship training opportunities, such as The Robert Wood Johnson Foundation Clinical Scholars Program. The significant problems created by increased competition and cost containment efforts represent opportunities for investigation that will provide essential knowledge for
policymakers. Funds to support these investigators and their research as well as technology assessment must continue to be available, more so now than at any time in the past.

POSITION

3. The Health Care Financing Administration, charged with the responsibility of running the largest health care insurance program in the United States, should have the resources to do more than process claims. It must ensure researchers access to the secondary data derived from its operations, stimulate analyses of these data and encourage rigorous evaluations of all its demonstration programs.

RATIONALE

The Health Care Financing Administration (HCFA) was organized in 1977, bringing together the Medicare program from Social Security Administration, the Medicaid program from the Social and Rehabilitation Services Administration, and the Quality Assurance program from the Public Health Service.

Beginning in October 1983, HCFA research has been concerned principally with the implementation of the Prospective Payment System. HCFA's studies and research projects conducted thus far have related, for the most part, to the operational aspects and evaluation of the payment system. However, HCFA's present research and demonstration agenda includes studies related to health services delivery, i.e., evaluation of the impact of the Prospective Payment System on health care delivery and financing; study of specific features of hospital environments; a series of state and locality-developed projects related to long term care and alternative arrangements including home care; assessment of the quality of health care; and study of beneficiary awareness and preventive health care.

The 1985 appropriation for HCFA's research and demonstration program was $34 million; the Administration bill for FY 1986 will reduce this program's appropriation to $22 million.

REAFFIRMATION OF POSITION

The American College of Physicians recognizes this to be a time of budgetary conservatism in the United States. This is reflected in efforts to reduce the support for biomedical research through the National Institutes of Health. However, as has been documented by the biomedical research community, the long-term costs of reducing grant support for research may, in the long run, greatly exceed the short-run savings.

The American College of Physicians strongly believes that investigator-directed, peer-reviewed health services research, technology assessment and the activities of the National Center for Health Statistics merit continued support. Further, the research conducted by the Health Care Financing Administration will prove invaluable to internists and other physicians in better understanding the nature of the populations served by Medicare and Medicaid populations, and the kinds and amounts of services that are needed.