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Senate Budget
Committee

SUMMARY:

AMENDED VERSION OF S. 2466

Senator Kennedy is proposing an amendment in the nature of a substitute to S. 2466, the National Institutes of Health Care Research Act of 1978. The original legislation would have created a seventh public health service agency (consisting of two existing agencies and a third proposed unit). The amended version of S. 2466 would differ significantly from the original version. The major alterations would be:

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1) S. 2466 as amended would abandon the concept of a seventh public health service agency, and would, for the most part, accept existing organizational arrangements within HEW.

2) The amended S. 2466 would have substantially reduced authorization. Authorizations for new monies would total $28.4 million in 1979, compared with $58.8 million in the original bill.

The major provisions of S. 2466 as amended would be as follows:

OTA
Questionnaire

1) A three-year extension of the National Center for Health Services Research with minor substantive amendments. These would include an expanded mandate for undertaking training in health services research and for conducting studies of computer technologies in medical care.

2) A three-year extension of the National Center for Health Statistics, with minor substantive amendments. These would include an expanded mandate for coordinating the gathering of health statistics within the Department of Health, Education and Welfare, an expanded mandate for undertaking epidemiological research, and an expanded mandate for undertaking training of manpower in the area of health statistics and epidemiology.

Fetal monitor
being
evaluate
also
coronary
bypass

3) The creation of the National Center for the Evaluation of Medical Technology located in the Office of the Assistant Secretary for Health. The proposed center would undertake studies of new and existing medical practices and procedures to improve understanding of their efficacy and safety. It would be advised by a National Council for the Evaluation of Medical Technologies which would have a broadly-based membership constructed to bring together the many perspectives relevant to assessing new medical technologies.

The National Center for Health Statistics and the National Center for Health Services Research are currently located in the Office of the Assistant Secretary for Health, and would remain there under the proposed legislation.

The legislation, as stated above, also proposes adding a third research unit to the Office of the Assistant Secretary: the National Center for the Evaluation of Medical Technologies. It is felt that this new office would perform an invaluable function by focusing attention and modest resources on the neglected task of providing information about the cost and effectiveness of medical practices and procedures.

Currently, several HEW subunits conduct some research on medical practices and procedures, but no federal unit is responsible for organizing the results of existing studies, for setting priorities, for undertaking new studies, or for making certain that technologies which need scrutiny are evaluated. The Department has concurred that the creation of such an administrative subunit is desirable, and has proposed the establishment of an Office of Health Technology, very similar to the one proposed in S. 2466. However, though the Department has been studying the technology issue for a full year, the proposed office has still not been administratively created, nor have promised funds been reprogrammed.

The proposed National Center would have no regulatory authority and its findings would have no direct impact on any existing federal programs. Its sole purpose is to generate new knowledge about medical practices and procedures, to organize and inventory existing knowledge,

and to disseminate that information.

The Committee heard supportive testimony on the technology question from the Institute of Medicine, the American Public Health Association, the Association of American Medical Colleges, the Association of Schools of Public Health, the American Nurses Association, and the Health Insurance Association of America. An expanded effort in the evaluation of medical technologies has been recommended by a diverse array of blue ribbon study groups, including the American Medical Association's National Commission on the Cost of Medical Care, the National Academy of Science's Committee on Technology and Health Care, and the Office of Technology Assessment.

From these and other sources the Subcommittee on Health and Scientific Research has heard testimony indicating that as much as 40% of the annual increase in the cost of a hospital day may be attributable to the use of new medical technologies. Americans now spend one billion dollars annually on coronary artery bypass surgery, an operation whose efficacy remains to be fully defined. The use of fetal monitoring has spread widely, without a full exploration of the cost and benefits of this new technique.

The Committee feels an urgent need to increase our level of knowledge about these new techniques. However, it in no way advocates the regulation of these practices and procedures by the federal government.

Legislation similar to this has been reported out of the Interstate and Foreign Commerce Committee of the House and is awaiting House floor action.

Attached find a sheet summarizing authorizations under current law, and as proposed under S. 2466.

AUTHORIZATION LEVELS
(millions of dollars)
S. 2466

		S. 2466	As Amended
NCHSR*			
	1979	40	32.6
	1980	45	35
	1981	50	40
NCHS*	1979	60	43.4
	1980	65	47
	1981	70	50
NCEMT	1979	25	15
	1980	35	25
	1981	50	35

*Current law:

NCHSR - $28.6 million

NCHS - $33.6 million