

Prospects Looking Better for NIH Funding in 2014

By Grant Olan

Congressional action on a budget deal in the final days of 2013 means that things are looking up somewhat heading into 2014. On December 10, 2013, U.S. House and Senate budget negotiators reached a deal that may reverse some federal budget cuts in 2014 and 2015. The deal raises budget caps that were established by Congress as part of its deficit reduction efforts in the Budget Control Act of 2011 (Table 1).

If the deal is approved by Congress—which as of press time looks likely—appropriations for both defense and non-defense discretionary (NDD) appropriations would increase from the caps. NDD appropriations include funding for medical research, public health, and other non-defense-related public services.

While the deal does not replace all of the budget cuts, it is a start. Under the proposal, the NDD cap for 2014 would increase to about \$492 billion (up from \$468 billion in 2013). If passed, the House and Senate Appropriations Committees would have discretion of which NDD programs to allocate these new dollars towards. Under that scenario, chances are favorable that funding for the National Institutes of Health (NIH), the biggest funder of medical research in the world, would be restored to 2012 levels of \$30.8 billion—an increase of \$1.1 billion in funding from 2013 levels. It is also possible NIH could even get a slight increase over 2012.

“This is a good deal for kidney disease patients,” said ASN President Sharon M. Moe, MD, FASN. “ASN is urging Congress to pass this legislation, and I hope lawmakers will move quickly to adopt it and pass a budget that restores funding to NIH.”

Advancing research is one of ASN’s central missions and public policy priorities for 2014. ASN’s research advocacy consists of congressional advocacy to raise awareness of and advocate for appropriations for kidney re-

search, and advocacy within federal research agencies for support for kidney research.

ASN launches strategy for research advocacy

In 2014, ASN will implement an aggressive new research advocacy strategy. In addition to advocating for more NIH funding, ASN will ask Congress to direct the Government Accountability Office to develop a comprehensive report that assesses the adequacy of federal investments in kidney research relative to federal expenditures for kidney care. ASN plans to use the report to help bolster its new request for \$1.5 billion for kidney research (\$150 million over 10 years) above the current funding level.

ASN estimates based on publicly available data indicate that the annual combined total of all federal funding for kidney research is equivalent to less than 1 percent of the annual cost of kidney disease care. NIH is the largest source of federal funding for kidney research. In 2012, the agency awarded \$556 million in grants, contracts, and other funding mechanisms for kidney research, which represents just 0.7 percent of the total cost of kidney care in the Medicare system.

In 2014, ASN will also double down on advocacy for more health disparity research funding. Researchers esti-

mate that racial health disparities cost the United States \$229 billion between 2003 and 2006. For instance, African Americans in the United States are on average up to four times more likely than other Americans to progress to kidney failure. NIH-supported research recently led to the exciting discovery that African Americans have mutations in the *APOL1* gene, which may explain their higher rates of kidney disease. This discovery could lead to better prevention, therapies, and potentially even a cure, but that cannot happen without additional NIH funding for health disparities research.

Moreover, ASN will engage partners in the kidney community to develop a unified advocacy message to promote the public health burden of all kidney diseases and benefits of federal investments in research. During a first-ever meeting with most of the kidney patient and professional organizations at Kidney Week 2013, the participants present agreed on the need and importance of working together and committed to joint collaborations in 2014.

“I believe ASN’s thoughtful research advocacy strategy outlines a forceful approach that should improve funding for kidney research,” said ASN Treasurer-Secretary and Research Advocacy Committee Chair John R. Sedor, MD, FASN. “And while we’re all appreciative of the budget deal, that strategy will be more important than ever in what continues to be a tough budget environment.” ●

Table 1. Caps on discretionary budget authority (billions)

	Defense Discretionary Spending		Non-Defense Discretionary Spending	
	2014	2015	2014	2015
Current Law	\$498	\$512	\$469	\$483
Proposed Cap	\$520	\$521	\$492	\$492

ESCOs: The Way of the Future?

By Mark Lukaszewski

To meet the ever-growing need for cost savings in the Medicare part D system, the Centers for Medicare & Medicaid Services (CMS) developed the first-ever disease-specific Accountable Care Organization (ACO) for dialysis providers. Designed to reduce duplicative services and expenditures, the ACO—which CMS titled the ESRD Seamless Care Organization (ESCO) program—would consolidate all aspects of care for patients with end stage renal disease (ESRD).

According to CMS, the initiative will identify, test, and evaluate new ways to optimize the quality of care for Medicare beneficiaries with ESRD. To do so, CMS will partner with health care providers and suppliers to test the effectiveness of a new payment- and service-delivery model with the goal of providing beneficiaries patient-centered, high-quality care resulting in improved outcomes and overall Medicare savings.

CMS originally expected between 10 to 15 unique ESCOs to participate, with representation from all dialysis provider organizations/facility types and geographic areas. However, after the first and second deadlines came and went it appeared CMS received fewer applications than the agency and the community had anticipated.

On October 25, 2013, CMS announced it would reopen the request for applications program to solicit additional participation but has not yet announced the number of applications received to date. Whether ESCOs will be the wave of the future remains to be seen.

CMS proposed rebasing reimbursements in years 4 and 5, which would effectively penalize the highest performing ESCO and could deter potential ESCO applicants. Another concern is that CMS has not identified the quality metrics the ESCO program will use—nor have they clarified how or under what criteria—to determine if the program is deemed

“successful” or “unsuccessful.” These uncertainties are complicated by the recent 12-percent cut to the ESRD Prospective Payment System base rate scheduled to be implemented over the next 4 years.

These outstanding questions about certain aspects of the model—such as which quality measures will be used to evaluate the program, or the state of uncertainty regarding how financially viable the shared savings model would actually be (especially in light of the proposed rebasing in years 4 and 5) remain a major concern for the success of the ESCO program, slated to be introduced on January 14, 2014.

ASN is working to ensure that if the ESCO program is implemented its focus remains on patient safety and quality of care. As of now, no further information about these updates has yet been made available, but ASN will continue to monitor developments and keep our members up-to-date on any new developments in the ESCO program as it moves forward. ●

Regenerative medicine

By Pascale Lane

Building new urethras and printing kidneys sounds like science fiction, but anyone who caught Anthony Atala’s state-of-the-art session at Kidney Week knows that such things are closer than we think. Though still at the animal stage, building new func-

tional glomeruli and genitourinary tract organs can be done. Someday kidneys for transplantation may be created rather than donated, although perhaps not quite in 2014.

A recent TED talk on kidney printing speaks vol-

umes: http://www.ted.com/talks/anthony_atala_printing_a_human_kidney.html. The strides in this field are truly amazing and bear watching.

Pascale Lane, MD, is editor-in-chief of ASN Kidney News.