NLWJC - Kagan

DPC - Box 030 - Folder 012

Health - Research Trust Fund

Tobacco - budget
(and)
Health - ~~NIH~~ research trust fund

December 9, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: BRUCE REED
GENE SPERLING

SUBJECT: 21st Century Trust Fund

There is growing bipartisan support for a substantial new investment in biomedical research. This support is driven by the great potentials for biological breakthroughs in biomedical research and by increasing concerns that the rising costs of caring for the baby boomers will overwhelm the Medicare Trust Fund. New investments in research which could prevent or delay the onset of costly chronic diseases, such as cancer, Alzheimer's, and osteoporosis and improve treatment methods have the potential to deliver enormous social and economic benefits. We are developing proposals to substantially increase the NIH budget through the creation of a new 21st century biomedical research trust fund. We are considering options ranging from $10 billion to $15 billion. However, to double the NIH budget over the ten years would cost about $15 billion. We are recommending that this substantial investment be funded primarily, if not solely, from new resources from tobacco.

Background

Recent progress in biomedical research has ensured that many of the diseases Americans faced a generation ago can now be prevented or treated. Smallpox has been eradicated from the entire world and polio is gone from the Western Hemisphere. Surgical interventions, such as organ transplantation or cardiac pacemakers, can restore normal lives for those who once had few treatment options. Because of a combination of new therapies, AIDS patients can plan for a future they would have otherwise been denied a few years ago. These successes, and many others, would not have occurred without our Nation's strong sustained support of biomedical research.

We are now posed to make even more advances that, with sufficient investment, could dramatically alter and improve the way we treat diseases. There are several new technologies in medical research that show great promise: important strides in imaging technologies make it possible to visualize living cells and entire organs giving new insights into the structure of disease; computer-based intervention systems give scientists an entire range of new tools to rapidly analyze vast amounts of new data; and we are on the cusp of a host of breakthroughs in

genetics which will enable scientists to map the entire human genome and revolutionize how we understand, treat, and prevent some of our most devastating diseases.

With new knowledge about both genetics and the structure of tumors, scientists will be able to pinpoint more effective treatments for prostate, breast, and ovarian cancer and identify individuals at increased risk for diseases like, heart disease and stroke, Alzheimer, and severe depression. A more precise understanding of an individual's genetic risks will enable researchers to develop more targeted and effective medications. Also, new promising laboratory and clinical research will improve medical treatments. For example, methods for accurately measuring blood glucose levels and improving metabolic control will enable doctors to prevent the debilitating and devastating nerve, kidney, and eye complications of diabetes. Finally, there is great potential for effective vaccines for global threats, such as AIDS, malaria, and tuberculoses, and new knowledge about the biological basis of craving and addiction will result in medications targeted specifically to receptors in the brain that play a role in substance abuse.

The concept of significant increases in NIH has great support in the Congress. In the last couple years, NIH has received nearly a $1 billion a year increase. In fact, in recent years, Congress has appropriated more funding in NIH than we have proposed. Earlier this year,
64 Senators signed a letter stating their support for doubling the NIH budget over the next five years ($40-$50 billion), and Senator Kennedy explicitly called for this investment in his recently introduced tobacco bill. However, CBO is unlikely to raise revenue anywhere near the level that Senator Kennedy's legislation assumes. As a result, he and other Members of Congress interested in such investments, will likely have to scale back their proposals.

Financing a Historic Increase in the Biomedical Research Budget

Doubling the NIH budget over the next ten years would cost approximately $15 billion. A $10 billion increase over the next five years would also represent a significant investment, even assuming the recent large increases in the NIH budget. Your advisors do not believe that either of these options could be feasible within the context of the current discretionary caps. In fact, any large investment in biomedical research, if funded within these tight budget caps, would drown out other priorities. Instead, we believe that this initiative should be paid for in the context of any agreement we reach on tobacco. Any revenue raised from such an agreement would be dedicated to a 21st century research trust fund which would supplement the base spending in the discretionary budget for NIH. This proposal assumes that the discretionary budget would have either no increase or a current

service level (inflation adjustment).

Your advisors believe that even funding biomedical research at $10 billion over the next five years would be significant and would be one of the most substantial items in your budget. It is not altogether clear that funding more than $10 billion would be a better use of funds than other priority investments. Having said this, there is a large and growing constituency for doubling the budget and expectations from the research and patient advocacy community are high. As a consequence, anything below the $15 billion -- while major by any measure -- may not be validated by all as a visionary development on the future. Moreover, the investment may well be outdone by Republicans and Democrats on the Hill.

Another possibility that has been raised is to place special emphasis on the National Cancer Institute (NCI) Budget. Some have proposed doubling the NCI budget ($1.5 billion and $4 billion over five years). This would make a significant contribution to cancer treatment, which will become the leading killer of Americans in the next century, and there are certainly well-documented links between tobacco and cancer. However, we believe that this would have to be done in the context of large increases in the NIH budget. Linking tobacco only to cancer research belies the fact that smoking is associated with a number of other diseases, such as heart disease and diabetes. As a stand alone policy, it would be at risk of being overshadowed by a more broad-based commitment that will likely come from the Hill. However, we could place a special emphasis on cancer and double the NCI budget on top of a $10 billion overall increase in NIH.

Discussion

All of your advisors support a large increase in biomedical research. HHS explicitly wants to double the budget whereas most of your other advisors believe that calling for 21st century trust fund and increasing research by at least $10 billion is strongly defensible. A substantial investment in NIH will also no doubt receive strong support from public health groups, such as the National Breast Cancer Coalition, the American Heart Association and the American Diabetes Association. Opponents note that other areas of research at NASA and the National Science Foundation which look at areas such as information communications and the environment should not be overlooked. They also argue that in the context of an extremely limited budget vast increase in biomedical research are excessive. They assume that Republicans will still find ways to outspend us in this area. Understanding their concerns, the DPC/NEC believe that if you take the lead in substantially increasing the NIH budget and are the first to propose a credible means to pay for it, that your commitment will be appropriately recognized.

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PRESIDENT CLINTON:
EXPANDING OUR COMMITMENT TO SCIENCE AND TECHNOLOGY

February 13, 1998

"Today, at the dawn of the new millennium, we must expand our commitment to science and technology more than ever before. Science and technology are vital to almost every single one of our national goals -- from helping us seize the opportunities of our increasingly global economy to helping us head off the challenge of climate change to helping us expand learning throughout a lifetime. So even as we shrink the size of our government, we must greatly expand our commitment to science and technology. Even as we balance the budget, the balance of human history demands that we make science and technology a priority of the first degree."

President Bill Clinton

February 13, 1998

Today, President Clinton participates in two events that highlight the Administration's support of science, engineering and technology as key elements of our economic progress, environmental and health protection, and global leadership in the 21st century. In the morning, he attends the swearing-in ceremony of Dr. David Satcher as Surgeon General, who will guide our nation on the most important public health issues of our time, from increasing public awareness of how to prevent devastating diseases, to helping free our children from the deadly grip of tobacco. Later in the day, the President meets with members of the American Association for the Advancement of Sciences to set forth his science and technology vision for the 21st century.

THE LARGEST INVESTMENT IN CIVILIAN RESEARCH & DEVELOPMENT IN HISTORY. Because the President is committed to America's continued leadership in science and technology, his balanced budget provides a total of $78.2 billion for research and development (R&D) investments. The centerpiece of his plan is the proposed 21st Century Research Fund. Among other things, the President's plan supports:

- **National Institutes of Health (NIH).** The budget provides $14.8 billion to help the NIH support greater research on diabetes, brain disorders, drug demand reduction, genetic medicine, disease prevention strategies, and the development of an AIDS vaccine. Also included is a 10 percent increase in cancer research at NIH, highlighting renewed efforts to prevent, detect, and, ultimately, cure cancer.

- **National Science Foundation (NSF).** The budget increases the NSF's funding by 10%, helping it to promote science and engineering research and education across all fields and disciplines. The $344 million increase is NSF's largest ever.

- **Climate Change Technology Initiative.** The budget includes a five-year R&D program to reduce the nation's emissions of greenhouse gases.

- **US Global Change Research Program.** The budget helps support research that increases our understanding of climate change and variability, atmospheric chemistry, and ecosystems.

- **Education Research Initiative.** The budget provides $50 million per year for five years for a partnership between the Education Department and the National Science Foundation to support

research focused on the best approaches to raising student achievement through, for example, learning technologies, and innovative approaches to reading and mathematics instruction that take advantage of the latest research findings in cognitive research, and research on brain development in young children.