FOVA

Friends of VA Medical Care and Health Research

A coalition of national organizations committed to quality care for America's veterans

Testimony
Presented Before the
Committee on Veterans Affairs
Subcommittee on Health

Regarding
The Need for a Dedicated Funding Stream for Research Facility Improvements

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Friends of VA Medical Care and Health Research (FOVA)

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- On the West Coast, a VA researcher was funded for a project that requires storing tissue samples in sub-zero freezers. The grant supports the purchase of the freezers and space has been allocated. However, the VA facility is unable to fund the $30,000 cost of the necessary electrical upgrade.
- At several VA facilities, the air vent intakes for the research floors are directly over the hospital loading dock and in certain conditions, they draw exhaust and garbage fumes into the laboratories. No funding is available to relocate the intakes or install air locks.
- At another facility, window air conditioning units are inadequate. During the summer, investigators and their technicians work late at night, the only time the labs are cool enough that the petri dish gels won't melt. Tests frequently have to be repeated due to the high temperatures. No funding is available to install a central air conditioning system.
- The animal laboratory at another West Coast facility is located one floor above patient care areas. Water from cage washing was found to be leaking down into the clinical spaces. As a result, the animal facility can use only one room, a space that is inadequate for the researchers' needs. Funding is needed to build a new animal facility located away from patient care areas.

I have more examples of research facility problems to discuss, but first, thank you, Mr. Chairman and members of this Subcommittee for the opportunity to present testimony. I am Antonio Laracuente, executive director of the Atlanta Research and Education Foundation, and I am here today as chairman of the National Association of Veterans' Research and Education Foundations (NAVREF) on behalf of the Friends of VA Medical Care and Health Research (FOVA).

We applaud this Subcommittee for its leadership in securing House passage of H.R. 811, the *Veterans Hospital Emergency Repair Act*, and for incorporating in that bill an allocation to upgrade and renovate VA's research facilities. I think we both share much regret that the appropriation died in conference. The bill came close to accomplishing what I am here to ask for today – a dedicated funding stream for renovation and repair of VA's existing research facilities. Major construction of new research facilities is an important topic and as far as we can determine, in recent years not a single major construction research project has been proposed by VA — or authorized much less

funded — to replace the inadequate World War II era buildings that house much of the VA research program. However, in my testimony, I will focus on less costly, but equally important, needs.

The VA research program is of consistently high quality and remarkably productive. Despite shortcomings in the research facilities, every week the press reports medical breakthroughs by VA researchers that make a positive impact on the health of every American. VA researchers regularly win national recognition awards and publish their results in the most stringently reviewed medical journals. Conditions in the facilities are difficult, but the safety of VA patients and staff are paramount. However, I believe VA is reaching the point where a significant investment in the research infrastructure is essential.

In our opinion, the current practice of allocating all minor construction funding to one appropriation no longer serves VA facilities well. Congress has mandated that VA provide care and conduct research, yet construction funding for both is provided in one appropriation that is distributed largely on the basis of clinical relevance at both the Central Office and VISN levels. Research cannot — and we feel should not — compete with medical center needs for new elevators, heating systems, or renovations in patient areas. Nor should research needs be met at the expense of clinical needs. In recent years, the minor construction appropriation has been chronically inadequate to meet even high priority clinical needs so little, if anything, is "left over" for research.

Network and medical center directors make an effort to search out funding for research facilities, cutting a little here and there and in some cases, relying on the affiliated universities and research foundations to contribute to the most basic, necessary renovations. In the last year alone, thanks to VISN funding, one facility had a back up electrical system and sprinklers installed at a cost of $600,000. Still awaiting funding are plans for upgrading the elevators and expanding the biosafety laboratories. However, funding for these long overdue renovations is the exception, not the rule. The medical care appropriation is severely strained, the affiliates have their own funding priorities, and few of the research corporations have the resources to fill in the gaps. When money can be scraped together, all too often the amount is inadequate to meet facility-wide needs, such as a new venting and air conditioning system for the animal facility, or project-specific needs such as upgrading a lab to biosafety level three which is essential for the hepatitis C and HIV research projects so relevant to our veteran patients. An investigator gets a grant and then the scramble begins

to find the money to upgrade the plumbing, install a hood or move a wall. In my opinion, the lack of a systematic approach to funding these needs is unacceptable for a world-class research program.

VA's research laboratories are falling into disrepair and are increasingly unable to accommodate modern science. Many appear to be on the brink of jeopardizing patient, staff and even animal safety.

- When an animal facility is too small, investigators bring the animals into their regular laboratories, exposing themselves and staff to occupational illnesses. OSHA inspectors have expressed concerns and in one case, said that if it were up to OSHA, the building would be shut down.
- During an annual inspection, a Fire Marshall recommended that research laboratories no longer be housed in one building because the building lacks fire sensors and a sprinkler system.
- Back up generators are needed to ensure safe temperatures in animal facilities on hot days.
- During a hazardous materials drill last December, a local fire department spread banana oil to mimic a toxic spill. Within 15 minutes, oil applied on the 4th floor of the research building was identified on the 2nd and 4th floors of the adjoining patient care facility.

VA research personnel are extremely creative problem solvers, but we are using band-aid solutions. I believe VA is reaching a crisis point at many facilities across the country.

As Dr. Wilson will discuss in a moment, the state of VA's research facilities makes VA a less attractive research partner for NIH and the affiliated universities, reducing investigators' ability to leverage VA funding with other federal and private sector grants. Less than state-of-the-art research facilities also impact medical centers' ability to attract investigators to VA, particularly clinician investigators, those who have the most direct impact on the quality of care provided to veterans. In Atlanta, candidates are generally satisfied with the salaries VA offers if laboratories that meet their needs can be provided. Too often, we cannot provide that guaranty. Sometimes we try to find suitable space at the University, but if we are successful, the researchers have to spend time traveling back and forth, are separated from their VA colleagues and are less accessible to their veteran patients.

Thanks in large part to this Subcommittee, the VA research appropriation has grown and we hope it will continue to do so in FY 2003 and beyond. Concurrently, VA investigators are remarkably successful in competing for NIH and other federal awards as well as private sector grants. However, expansion of VA's research facilities has not kept pace with the increase in the number of projects conducted by VA investigators. This has created an urgent need for new research space. In some cases, a new building is warranted. In others, conversion of former wards into research laboratories is a better solution, but funding is unavailable.

I suspect that every research office across the nation maintains a list of urgently needed repairs, improvements and expansion needs. Unfortunately, at most facilities, the lists get longer each year, not shorter. To address this tremendous backlog and establish reliable resources in the future, Friends of VA urges this Subcommittee to establish a funding stream specifically for research facility improvements. This would recognize that both research and medical care have essential, but often distinct and differing, construction needs. We recommend central management of the funds by the Office of Research and Development (ORD) so the most pressing needs can be prioritized among large and small upgrades as well as facility-wide and project-specific needs. It is important to recognize that ORD is conducting ongoing site visits to review and inventory the specific research facility infrastructure at every VA medical center. As a result, ORD has the data necessary to prioritize the need for improvements nationwide.

As well as a list showing research facilities in need of major construction funding, the VA has a list of 15 priority sites in need of significant renovation with price tags ranging from $1 million to nearly $4 million. Some involve replacing inadequate buildings while others provide for renovation of existing space. These add up to $42 million, close to the Friends of VA recommendation of $45 million. FOVA would like to see the additional $3 million reserved for smaller, project-specific needs.

Taking off my Friends of VA hat for a moment, I would like to briefly mention that a partial solution to the problem of funding for VA's research facilities exists in what we call the "15% VA- add on." As you may be aware, when a VA researcher's NIH grant is administered by the affiliated university, but the work is conducted in a VA laboratory, NIH provides the university with administration funds only. NIH provides nothing to support the VA's cost of providing facilities in which to conduct the work. NAVREF has long maintained that NIH should pay its fair share of VA's costs by adding

15% to the university's administrative overhead rate, or to the rate of any other VA-affiliated institution that administers NIH grants for VA investigators working in VA facilities. This amount should then be passed through to VA medical centers to support their facilities costs. Last year, VA investigators received NIH grants totaling about $350 million. VA has calculated that typically 44% of NIH awards to VA investigators are conducted in university facilities and presumably qualify for the university's on-campus facilities and administration (F&A) rate. If applied to the 56% conducted in VA facilities, the 15% VA-add on rate would have generated a cash flow of nearly $30 million last year.

It is our understanding that only a Department of Health and Human Services policy change is needed to implement the VA-add on, but for six years, VA and NIH have failed to reach an agreement on this issue. I respectfully ask you to work with your colleagues on the Energy and Commerce Committee to advance this matter to a favorable solution. The R&D appropriation supports about half of the VA research portfolio and we feel VA's research partners — universities, NIH, the research corporations and others — should share the facilities costs to ensure that VA laboratories meet the highest standards of safety and are capable of supporting cutting edge research.

But the 15% VA-add on is far from the full solution. We urge this Subcommittee to authorize a centrally administered, dedicated funding stream specifically for improvements in VA's research facilities. We sincerely appreciate that research is incorporated in the *Veterans Major Medical Facilities Construction Act of 2002*, but we are concerned that research needs may be relegated to the bottom of the priority list and will remain unfunded. In our view, research facilities should be on a **separate** priority list with explicitly designated funding.

Finally, on April 16, your Senate counterparts introduced S. 2132, the *Medical Research Enhancement Act of 2002* which follows the lead of this Subcommittee on establishing VA medical emergency preparedness and research centers. We strongly support both bills, but wish to note that the Senate has included a few provisions that would allow the nonprofit research and education corporations to better serve their medical centers. I ask for your support of these provisions in conference.

Thank you for your consideration. I would be pleased to answer your questions.