

## Health Plan Skips Research Fund...

When two Senators launched a radical proposal earlier this year to use a tax on health insurance policies to create a \$6 billion trust fund for biomedical research, cynics declared it dead on arrival. But now comes President Bill Clinton's new health care plan, and there in the draft leaked last week is something that looks mighty close to the same plan: a \$6 billion pool, funded by taxes on insurance premiums and earmarked for academic health centers to pay for research. Time to break out the champagne in the labs?

Not quite. Despite the apparent similarities, research lobbyists say, the pool in the Clinton plan is different in one important way: It isn't new money. The Senate proposal, introduced by Tom Harkin (D-IA) and Mark Hatfield (R-OR), would use insurance taxes to increase National Institutes of Health funding. Clinton's pool, on the other hand, would just compensate medical schools for the money they're going to lose when they are forced to cut fees to the level of other health centers that don't have the added costs of research, teaching, and treating more difficult illnesses.

But that isn't the end of the Harkin-Hatfield proposal. For what it's worth, the trust fund exists in all its glory in the Republicans' competing health reform package. Harkin, meanwhile, is urging Clinton either to broaden his pool to include additional money for new research, or establish a second, stand-alone research pool.

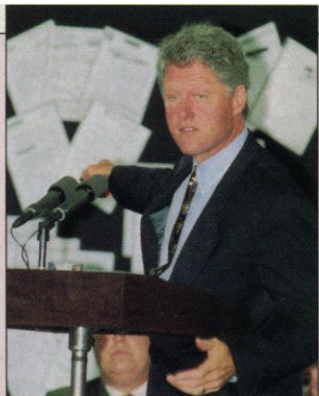
## ...But Hints Of Drug Price Controls

Since March, the biotechnology industry has writhed in uncertainty over whether President Clinton's health care reform proposal would mandate price controls on new drugs. Now a draft is on the street and industry has its answer: yes and no. The plan contains no explicit price controls, but biotech companies nonetheless claim it carries provisions that could have the same effect.

Part of Clinton's plan is a proposed National Health Board to oversee reform. One of the board's subcommittees would be a "breakthrough drug" panel to "make public declarations regarding the reasonableness of launch prices" of drugs representing a "breakthrough or significant advance" over existing therapies.

The panel would have no direct authority to set prices, but firms with drug prices deemed unreasonable might have to pay the government rebates if their drug is offered through Medicare or Medicaid. "This is drug price control by another name," complains the Biotechnology Industry Organization's Chuck Ludlum.

Although most biotech companies don't have drugs on the market yet and wouldn't be immediately affected, the notion of price interference still raises their hackles. Over the last 2 years, for example, congressional discussion of beefing up a pricing clause in the Cooperative Research and Development Agreements (CRADAs) of the National Institutes of Health (NIH) has caused companies to flee the technology transfer process in droves. NIH signed just 47 CRADAs last year, down from 114 in 1990, and a fear of new regulations may be behind the trend.



R<sub>x</sub> for research? Not in Clinton's health care reforms.

AP/WIDEWORLD PHOTOS

## Opposition Mounts To 60% Solution

The big guns are being rolled out to blast the Senate Appropriations Committee for directing the National Science Foundation (NSF) to devote 60% of its funds to strategic research (*Science*, 17 September, p. 1512). But with the offending legislation on a fast track, the heavy artillery may end up missing the target.

Among the notables who have already lambasted the Senate language are John Gibbons, the president's science adviser. To Gibbons, the legislation is "penny-wise and pound foolish" and the 60% figure "a very worrisome number" for an agency whose mission is to support academic research. He was joined by Representative George Brown (D-CA), chairman of the House science committee, who not only thinks that the Senate is making a mistake in ordering NSF to do more applied research, but also argues that such issues should be handled by authorizing committees like his own, rather than by committees that dole out the money. "It's inappropriate to try to change NSF's mission in a funding bill," says one science committee aide. "And even if it weren't, they're headed in the wrong direction."

But the protests may be too little and too late. The next step in the battle is an upcoming conference to work out differences between the House and Senate versions of the bill passed earlier this week that determines NSF's budget for the fiscal year, which starts next week. Scientists plan to take their case to the House appropriations members likely to sit on the conference panel. But it's not clear they will be receptive to the scientists' pleas. NSF receives only 3.4% of the \$88 billion contained in the bill, and a few sentences of nonbinding language are of little interest to most members of Congress. In fact, some NSF officials say they would prefer that scientists concentrate on the substance of what the Senate appropriators actually

did, such as allocating \$105 million less for research than the House version, and let them negotiate with the Senate committee on its wish to have NSF support more applied research.

## Just Say No, Brown Tells Agencies

Pork-busting congressman George Brown (D-CA), chairman of the House Science, Space, and Technology Committee, has come up with another longshot tonic for the problem of federal agencies being forced by Congress to finance university research facilities that they haven't requested. Brown's cure: Just say no.

Brown wants President Bill Clinton to issue an executive order that would allow an agency to reject any appropriation for an academic research facility that has not been requested by the agency and authorized by Congress. So far, reaction from the Administration and outside observers has been lukewarm at best. "Brown's swimming upstream on this one, but it's good street theater," says David Moore of the Association of American Medical Colleges.

But Brown, who has fought the current before on this issue, isn't giving up easily. At a hearing last week he pilloried four university officials for seeking special consideration from House and Senate appropriations committees. The practice of earmarking federal funds for academia is growing rapidly, Brown says, having reached a sum this year of \$760 million and a cumulative total of \$2.7 billion since 1980. Brown doesn't argue that the projects are unworthy—only that end-runs around authorizing committees such as his distort research priorities and steal from programs already approved by Congress.

In February, Clinton said he opposed the practice and planned "to work closely with Congress" in seeking solutions. But White House officials say they haven't yet discussed acting on Brown's proposal.