

## Heavy Weather Ahead for Clinical Research

While basic biomedical researchers are anxiously waiting to see what Congress does to their budgets, their colleagues in clinical research are already experiencing serious fiscal pain. Indeed, a panel of 14 experts who met at the National Institutes of Health (NIH) last week was told that academic medicine is "severely threatened" by a sea change now occurring in the way U.S. health care is financed and by the pressure to cut federal grants. And some clinicians also said they perceive an anti-clinician bias in funding agencies like NIH. Yet at the same time, several speakers said, biomedicine is exploding with new discoveries. It is a time of contradictions, said panel chair David Nathan, a pediatrician at Harvard Medical School. And he warned that basic scientists and clinicians must avoid becoming rivals for public support in a way that would be "neither practical nor responsible."

To cope with the conflicts in clinical research, NIH Director Harold Varmus last month created this blue-ribbon advisory panel and asked Nathan to chair it. The group will produce a formal report for Varmus in about a year, Nathan said. But he added that "we will not disband after our report is written. Instead, we are going to

remain as an active committee for the next 2 or 3 years" to see that NIH follows through on its recommendations.

At its first public meeting on 7 July, the panel heard about the size of the problem. William Peck, a panel member and dean of the Washington University Medical School, said that the "managed care" revolution in health insurance could drastically cut revenues from faculty practice, which in turn could threaten an estimated \$800 million a year in research support from this source. He noted that other funding sources—Medicare and government granting agencies—are also cutting support.

Haile DeBas, dean of the medical school of the University of California, San Francisco, warned that the funding crunch is so severe in his state that "I don't think we have 2 years" to debate the topic. He estimated that his own school had lost \$30 million to \$40 million in income when a health maintenance organization (HMO) took over patient finances. DeBas and others were upset that for-profit HMOs appear to be shifting funds from research into corporate profits. This news resonated among the panel members—indeed, some suggested that Congress hold hearings on the trend.

The news from the government was no more encouraging. Philip Lee, assistant secretary for health at the Department of Health and Human Services, told the panel that the "driving force" behind the crisis they are experiencing is a "change in ideology." Medical care, Lee said, once considered a public good, has now become a market good. Even academic centers are being asked to compete on the basis of price, with no allowance for their extra costs of treating uninsured patients, training doctors, and supporting research. In addition, Lee deplored the "anti-government" sentiment that has led to "extraordinary" proposals to cut NIH funding for the first time in decades. Varmus told the committee that if a budget resolution adopted by Congress this year is strictly enforced, the "buying power" of NIH will decline by 40% between now and 2002.

What is to be done? NIH staffers, including NIH Clinical Center Director John Gallin, spoke about efforts to improve clinical research without spending more money, primarily by developing new training courses. But many speakers said that if clinical research is to keep pace with the discoveries coming out of biology labs, it will need entirely new funding mechanisms. In an era of federal budget cutting and cost containment, that may be a forlorn hope.

—Eliot Marshall

## ACADEMIC BENEFITS

### New Faculty May Lose Family Tuition Help

Free tuition for the spouses and children of faculty and staff is a prized benefit at many of the nation's research universities. But a proposal by the Clinton Administration to end federal support for the perquisite has drawn only token objections from university officials, *Science* has learned. Schools are more concerned about a raft of other proposals to restrict what they can charge the government for the cost of conducting federally sponsored research on campus. Their silence could spell the end of the benefit for future academic scientists.

The so-called "indirect costs" of academic research became a political hot potato in 1990 after Congress began to investigate alleged overcharging by Stanford and other prominent universities. Since then, in an effort to prevent future abuses and reduce costs, the government has steadily tightened its rules on allowable expenses. In that climate, say university lobbyists and administrative officers, the tuition benefit has become a political handicap. "It's awfully hard to tell the American people that universities where professors are earning \$90,000 a year should be allowed to charge free tuition to the federal government," explains Peter

Smith, a spokesperson for the 60-member Association of American Universities.

Schools say they will probably continue to pay the benefit for current faculty, but new hires may not be so lucky. Unhappy faculty say the change spells trouble for U.S. science. "It means a lot to our young faculty here that even if they are underpaid relative to industry, they can still afford to educate their children," says Massachusetts Institute of Technology (MIT) physicist Robert Jaffe. Adds Peter Vandervoort, acting dean of the division of physical sciences at the University of Chicago, "This may very well be a disincentive to some of our best young people to pursue academic careers."

At MIT and most other universities, tuition assistance for faculty and staff is paid from a common benefits pool, which is partially funded by a standard benefits "tax" on each research grant. Federal contributions thus aid all employees with the benefit, from physicists to philosophers. According to a General Accounting Office report on the policy released in February, four top research universities (Johns Hopkins, MIT, Stanford, and the University of Chicago) spent \$53 million for tuition assistance during a 3-year

period and charged 32% of that to federal research contracts and grants.

In February the White House Office of Management and Budget (OMB) proposed eliminating support for tuition assistance as part of a larger package of rule changes that would force schools to shoulder a larger share of the cost of conducting research. Since then, says Smith, universities have been fighting to water down or remove such changes as caps on government contributions to the construction of new research space. Although MIT stands to lose the \$4 million in tuition assistance it currently recovers each year from federal grants, James J. Culliton, MIT's vice president for administration, says, "Most of our comments on the OMB notice were directed toward other things."

A final decision on the new rules is months away, but "the whole university community has been assuming OMB is going to go ahead" with prohibiting reimbursement for tuition, Smith says. According to one university official who—reluctant to place his university's name on the record as one considering eliminating the benefit for new faculty—asked to remain anonymous, "to sustain it without federal support would be very difficult."

—Wade Roush