THE AD HOC GROUP FOR MEDICAL RESEARCH

Questions & Answers

The Ad Hoc Group Fiscal Year 2027 Recommendation

1. **What is the basis for the coalition's recommendation?**

- The medical research community consistently has promoted sustained, predictable growth for the National Institutes of Health (NIH) to ensure that resources keep pace with scientific opportunity to improve health. To meet that goal, over the years, distinguished leaders and experts in medical research have recommended a funding level that exceeds inflation by 4-6%.[I] [II] [III] [IV]
- The Ad Hoc Group recommendation for NIH's base budget takes into account the biomedical research and development price index or BRDPI (which in general terms indicates how much money is needed to purchase the same amount of biomedical research as the year before) and allows for additional growth beyond that level.
- For FY 2027, BRDPI is projected to be 2.7%,[V] so the Ad Hoc Group's FY 2027 recommendation of at least $51.303 billion for NIH's base budget aligns with these longstanding recommendations by allowing NIH's base budget to keep pace with BRDPI and promoting meaningful growth of 6%.

2. **How does this recommendation compare to the community's recommendation in FY 2026?**

- In FY 2026, over 500 organizations representing patients, clinicians, scientists, academic and research institutions, and industry recommended at least $51.3 billion for NIH.
- We are exceptionally grateful that Congress approved an increase of $415 million (0.9%) for NIH in FY 2026, in spite of the challenging fiscal environment.
- At the same time, the funding level represents the third consecutive year that NIH's funding level has lagged behind inflation.
- Congress's longstanding, bipartisan commitment to NIH, particularly over the last decade, has positioned the agency and the scientific community to push the boundaries of discovery further than previously thought possible and make the hope of improved health for patients, families, and communities more of a reality.
- We have strong concerns, however, that underfunding NIH holds the potential to reverse investment prioritized with strong bipartisan support over the last decade and subsequently impact NIH's ability to support new science.
- In recognition of our community's longstanding commitment to promoting sustainable, predictable growth for the agency, we are maintaining the FY 2026 recommendation for FY 2027.

3. **Where does NIH funding go?**

- NIH-supported research takes place in every state and in nearly every congressional district.[VI]
- In 2025 alone, NIH research supported the development of:[VII]
    - New insights into Alzheimer's disease, including evidence that lithium deficiency may contribute to disease development and the identification of blood-based and imaging biomarkers to improve early detection, prognosis, and monitoring.
    - Breakthrough brain–computer interface technologies that translate brain activity into audible speech and restore sensations such as touch, advancing communication and mobility for people with paralysis or spinal cord injuries.
    - Innovative treatments for rare childhood diseases, including personalized gene-editing approaches and therapies that correct CoQ10 deficiency and reverse associated brain damage.
    - Advances in cervical cancer prevention, including findings that a single HPV vaccine dose may be as effective as two and that at-home screening kits significantly increase screening participation.
    - Key discoveries in chronic kidney disease show that different results between common kidney function tests predicts a higher risk of death and serious health complications, supporting improved risk identification through combined testing.

4. **How does increased NIH funding impact national and regional economic activity?**

- NIH funding directly and indirectly supports hundreds of thousands of jobs nationwide, including nearly 408,000 jobs supported in FY 2024.[VIII]
- Increased NIH funding boosts economic output. Every $1 of NIH funding generates $2.56 in economic activity, producing nearly $95 billion in economic output nationwide in FY 2024.
- Increased NIH funding spurs innovation. NIH-supported researchers are driving economic activity, creating patents, and supporting the creation of new diagnostics, treatments, and cures.
- Unfavorable fluctuations in NIH funding could undermine programs such as the Centers of Biomedical Research Excellence (CoBRE), which are a component of the NIH's Institutional Development Awards (IDeA) program and direct resources to states and regions with historically low levels of federal funding. Cuts could disproportionately harm smaller research centers in smaller economies, which may need additional support to establish programs and lack the financial flexibility to absorb funding instability.[IX]

5. **How does increased NIH funding affect U.S. global competitiveness in medical research?**

- Robust and sustained support for medical research is essential for the U.S. to sustain its competitive edge and maintain its position as a global leader in scientific research and medical innovation.
- Reducing federal investment in medical research not only jeopardizes biomedical innovation but also opens the door for countries like China to overtake and surpass us.
    - From 2019 to 2023, China's R&D investment grew at an average annual rate

of 8.9 percent, compared with 4.7 percent in the United States.[X]
    - When adjusted for cost, China's 2023 R&D spending totaled an estimated $1.8 trillion, more than double the U.S. total of $823 billion.[XI]
    - Annual revenue from drugs originating in China is projected to rise to approximately $34 billion by 2030 and $220 billion by 2040. Over the same period, China is expected to account for roughly 35% of U.S. Food and Drug Administration approvals, up from about 5% today.[XII]
- Strong and predictable growth in NIH's base budget allows the U.S. to attract and retain the world's top research talent, bolstering U.S. expertise and thought leadership.
- The National Security Commission on Emerging Biotechnology's 2025 report to Congress outlines strategic recommendations to ensure the United States maintains global leadership in biotechnology innovation and addresses national security challenges posed by emerging biotechnologies, including competition with China.[XIII]

6. Why is increased funding for NIH needed in the current fiscal environment?

- Predictable and sustained growth allows NIH to keep pace with higher research costs, while also ensuring NIH and the nation's medical research enterprise can expand its work in advancing new treatments and cures for patients and communities nationwide.
- Increased investments allow NIH to respond to existing and emerging health challenges like chronic diseases, intractable cancers, Alzheimer's disease, and novel life-threatening viruses.
- Continued congressional support for NIH drives economic growth, benefiting communities across the nation, and secures U.S. leadership in medical research and innovation.
- Federal support for medical research through NIH amounts to roughly $138 a year per American and the return on investment has been substantial with significant declines in deaths from heart disease, cancer, and stroke. Federal investment in medical research saves lives and will help decrease our nation's health care costs and debt.[XIV]

7. Why should the federal government foot the bill for this work instead of industry or states?

- NIH funds foundational, high-risk research – like rare-disease studies or early-stage basic science – that industry avoids due to low profitability.
- Federal support for NIH fosters collaboration among institutions across states – something that may be limited if states or industry alone invested in medical research. The current approach also maximizes the reach of each federal dollar by avoiding unnecessarily duplicative research being administered in different states, ensuring financial stewardship of federal funds and focusing research to achieve maximum impact for patients.
- States – in particular those with large rural populations and few urban centers – lack the budget, resources, and infrastructure to sustain large-scale research. Initiatives like the NIH's Institutional Development Award (IDeA) program are vital in developing research infrastructure in states across the country – often serving as the

foundation of their science and technology enterprise.

- NIH-supported research drives economic activity nationwide – investing in initiatives that bolster small businesses and startups – fueling the nation's engine of innovation.
- NIH investments play a crucial role in funding education and research opportunities for the next-generation medical research workforce that states and industry rely on but are ill-equipped to develop on their own.
- According the to a 2023 Dallas Federal Reserve paper, the return on investment of nondefense government R&D is between 150 to 300 percent, and there is a substantial underinvestment in nondefense R&D. [xv]

8. What impacts do delays, disruptions, and/or decreases in NIH funding have on research and patients nationwide?

- Full-year funding bills allow for predictable and sustained growth for NIH, ensuring continuity for ongoing and new research on treatments and cures to improve the health of patients and communities across the country, and predictability for early career researchers to stay in the field of research.
- Funding uncertainty that results from short-term stop-gap funding measures or continuing resolutions and other disruptions creates inefficiencies in government operations.
- This budget limbo for federal agencies like NIH undermines the nation's world-class research infrastructure and productivity and could mean fewer clinical trials, less fundamental discovery research, and slower progress in delivering life-saving advances to the patients and families that do not have time for any delay. If NIH funding is cut or even delayed indefinitely, high-tech labs that are working on the next cure could be forced to shutter.
- Optimizing this work also requires that the agency be fully staffed in both research positions and other positions that guide federal funding to the many NIH-supported institutions nationwide.
- Avoiding delays to finalize and distribute funding enables our nation's medical research enterprise to be maximally efficient and strategic in addressing myriad health needs, supporting the next generation of scientists, and preventing ceding our competitive advantage to global adversaries.

9. How transparent is NIH about its funding decisions and the types of projects it supports?

- NIH shares detailed publicly available funding data through tools like the NIH RePORTER database which includes information on active and completed research projects for awarded grants. In particular, NIH RePORTER contains information on specific research projects happening in congressional districts across the country.
- NIH funding decisions follow a rigorous and statutorily required peer-review system with publicly available guidelines.
- Through numerous advisory committee and council meetings, NIH holds publicly available sessions providing step-by-step justifications for funding decisions.
- Historically, NIH has released comprehensive budget and project reports – including plans for future spending with the annual release of the agency's congressional budget

request.[XVI]

10. How can we be sure that NIH is maximizing the return on federal taxpayer investment by funding the highest quality research projects?

- All NIH studies undergo a rigorous, multi-step review process, which requires independent medical experts to meticulously evaluate every application.
- NIH grant funding is a merit-based system awarded on the ability to support nationwide health priorities and the potential to drive biomedical innovation that advances science and benefits patients and the public.
- This highly competitive process identifies projects with the greatest potential impact, yet most recent reports show the NIH funds about 1 in every 5 research proposals it receives. This means countless promising studies that could lead to life-saving breakthroughs go unfunded each year.[XVII]
- Even research that seems odd or obscure can lead to life-saving breakthroughs. For instance, research into venom from the 'Gila monster' lizard at a Department of Veterans Affairs Medical Center built on foundational research supported by the NIH and paved the way for the development of Ozempic, a weight-loss drug that saves thousands of lives annually, reduces the chances of developing diabetes, and opens up a previously unthought of avenue to treat addiction.[XVIII]
- Through the annual appropriations process, NIH funding amounts and priorities are carefully scrutinized and approved by Congress.

11. How would expanded use of forward funding or multi-year funding affect NIH?

- Substantially increasing use of forward funding has the potential to increase the number of unfunded research proposals each year, reduce support for early-career and other researchers, and decrease chances for scientists to secure an NIH grant.
- Most projects that NIH funds span across multiple years, often between three and five years. NIH approves a total dollar amount for the entire project period when it approves the award, but for the vast majority of projects, NIH allocates the funding incrementally each year, subject to availability of annual appropriations.
- The incremental approach to funding allows the agency to maximize the number of new awards it makes any given year.
- On occasion, NIH will “forward fund” projects by providing the full amount of funding for the entire project period in the first year.
- Dramatically expanding the number of awards that are forward funded would require NIH to obligate a much bigger proportion of its budget to a much smaller number of proposals each year. As a result, fewer new ideas and fewer scientists will be funded each year.
- There is also an argument to be made that fully funding an award upfront weakens accountability and oversight of federal investments.
- In an era of unprecedented scientific opportunity and increasing health challenges, we should be maximizing our capacity to explore promising new ideas, not shrinking them.

12. What role does NIH’s support for facilities and administrative (F&A) expenses or “indirect costs” play in advancing medical research?

- NIH and other federal agencies reimburse research institutions for essential infrastructure expenses that they incur when conducting research – expenses associated with maintaining cutting-edge facilities, utilities, security, compliance with federal regulations, and other research operation costs.
- Cuts to support for F&A would reduce the ability of institutions to support research nationwide, shrinking their capacity for research and ultimately slowing progress on new cures, therapies, diagnostics, and preventive interventions. Lights in labs across the country would literally go out.
- In 2025, the Joint Associations Group on Indirect Costs (JAG) proposed an alternative model to be even more transparent about research costs and to be responsive to questions from Congress.[XIX] Lawmakers have preserved the current system for supporting F&A through at least FY 2026 and included report language expressing interest in continuing to explore the model proposed by the JAG moving forward.

13. What is the Ad Hoc Group's recommendation on structural and/or policy changes at NIH?

- The Ad Hoc Group recommendations exclusively focus on top-line agency-wide funding for NIH, so commenting on specific proposals to make major structural or policy changes to the agency are beyond the coalition's scope.
- However, many of the organizations that participate in the Ad Hoc Group actively engage in discussions around such proposals. To the extent lawmakers or the administration wish to explore changes in NIH's structure or policies, the Ad Hoc Group urges them to seek robust stakeholder input before implementing any major reforms to understand the impacts, minimize disruptions, and ensure that scientific expertise informs any changes.
- Additionally, the Ad Hoc Group emphasizes that, regardless of the structure, optimizing the investment in NIH requires that the agency be sufficiently staffed to carry out appropriated funding efficiently, strategically, and in a timely manner.

14. What is the Ad Hoc Group's funding recommendation for ARPA-H?

- As ARPA-H continues to make progress in targeted "high potential, high impact" research areas and on accelerating the development of commercial products, our broad-based, national community of diverse stakeholders is unanimous in emphasizing that for ARPA-H to be maximally successful, any funding for ARPA-H should supplement, rather than supplant, the essential foundational investment in the NIH.

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