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6-Year Funding Plan for Research Commitments and Expenditures

Joe Selby, Executive Director
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Atlanta, GA
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Patient-Centered Outcomes Research Institute

Strategic Question

PCORI currently faces uncertainty imposed by its authorizing legislation:

a. Funding to the PCORI Trust Fund and PCORI access to that funding may end on 9/30/19, or it may continue.
b. Given these two possibilities, how should PCORI optimize the allocation of funding commitments between now and 2019?

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Background

- PCORI’s revenue is currently authorized through 2019 and approximate amounts are known. The PCORTF allows for carry-forward of unexpended funds from year to year. Thus, PCORI can be strategic in allocating research funding commitments, including commitment of future year revenues.
- If we could assume that PCORI’s funding was guaranteed to continue beyond 2019 at approximately the same amount, we would aim to commit about the same amount we took in each year – but we can’t.
- Given the uncertainty, we wish to plan PCORI’s research funding through 2019 to maximize useful results during this time frame and to ensure good stewardship of the funds entrusted to us.

Background, con't

Many approaches could be considered. Below are two extreme options, which we believe are problematic, and a third which appears to be the most prudent and most likely to produce high-value research.

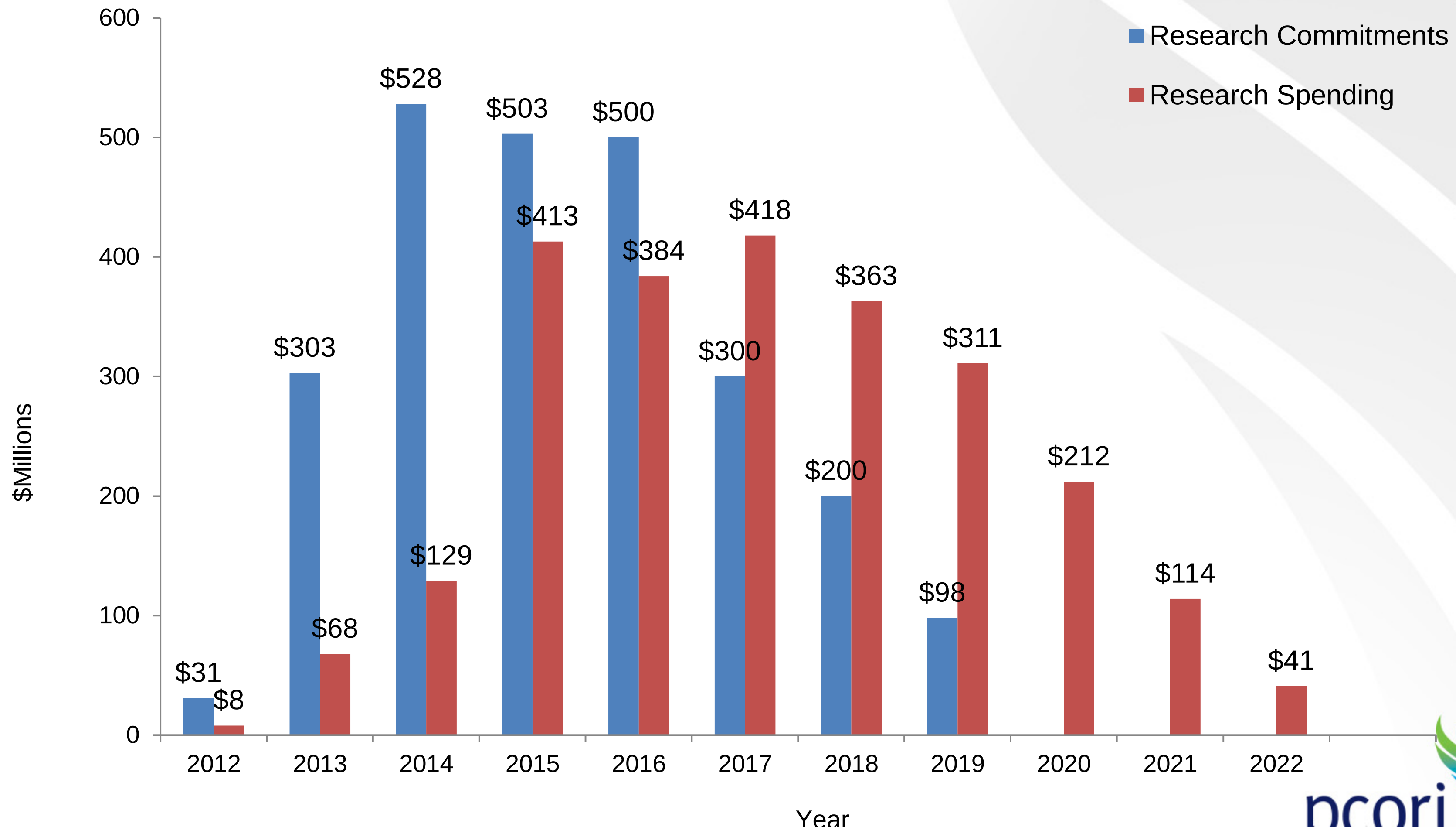
(*In no case are total commitments any greater than expected revenue through 2019, and in no case would a new commitment occur after Sept 30, 2019*).

Option 1: Aim to expend all available funding by September 30th, 2019

Option 2: Set annual research funding commitment level equivalent to annual revenue (approximately $350M) through 2019

Option 3: Commit funding at higher levels in 2014-16 then gradually reduce through 2019. (middle path)

Fund research at somewhat higher levels in 2014-16 then reduce through 2019



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Higher level of research funding in 2014 – 16 then gradually reduce through 2019: Pros and Cons

Pros

- Funds more research early on and show results more quickly
- Allows investment in more longer studies when appropriate
- Allows detection of research gaps, trends earlier with more evolution of agenda toward promising research
- Maintains pre-award infrastructure until plans for after 2019 are clarified – gives greater stability for staffing, hiring, community expectations

Cons

- Leaves some funding committed, but not expended on Sept 30, 2019

Recommendation

2014 Research Funding Plan

- We recommend that the BOG approve the commitment of $528M in research funding for 2014.
- Leave flexible the plan for beyond 2014 until we are able to fully explore our options in the event that the PCOR Trust Fund is closed in 2019.
- We will work with the GAO and the Treasury on resolving this question.

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Board Vote: 2014 Research Commitment

Call for a Motion to:

- **Approve** a commitment of $528M in research funding for 2014

Call for the Motion to Be Seconded:

- **Second** the Motion
  - If further discussion, may propose an **Amendment** to the Motion or an **Alternative** Motion

Vote:

- Vote to **Approve** the **Final** Motion
  - Ask for votes in favor
  - Ask for votes opposed
  - Ask for abstentions