



The Association of American Cancer Institutes Statement on Indirect Cost Rates

The Association of American Cancer Institutes (AACI) represents more than 100 academic cancer centers that form the backbone of cancer research and care in the United States. AACI strongly opposes the decision to cut and cap reimbursement of facilities and administrative (F&A) costs—or “indirect costs”—at 15 percent for research funded by the National Institutes of Health (NIH).

A cut to F&A reimbursement would be devastating for the patients our cancer centers serve and would stifle progress against cancer. F&A costs support all levels of the cancer research ecosystem, including utilities, maintenance, cutting-edge technology, and stringent safety measures. More than merely “overhead,” F&A costs provide a solid foundation for groundbreaking research. Cancer deaths have decreased by 33 percent over the past 30 years, in large part due to major advances like the identification of BRCA gene mutations in breast, ovarian, prostate, and pancreatic cancers, and the development of cancer immunotherapies. Indirect costs are what “keep the lights on” at many of our nation’s premier research facilities, where discoveries like these are made every day.

The proposed cap strikes at the heart of the cancer research enterprise. The abrupt change in F&A policy will require cancer centers to shift their focus from their critical, lifesaving mission to funding day-to-day operations. This will ultimately impact the lives of millions of Americans and have a devastating effect on the U.S. economy.

Our country’s ability to outpace foreign competitors in innovation and discovery is also at risk. Short-sighted cuts to indirect cost reimbursements could greatly diminish our position as a global leader in medical research.

We urge the administration to rescind this decision to protect our economy, our global reputation, and the health of Americans. Our nation’s cancer research enterprise, and the patients who reap its benefits, depend on it.