



February 27, 2025

Matthew J. Memoli, MD, MS
Acting Director
National Institutes of Health
9000 Rockville Pike
Bethesda, Maryland 20892

Dear Dr. Memoli:

The Association for Diagnostics & Laboratory Medicine (ADLM) urges the National Institutes of Health (NIH) to withdraw its February 7, 2025, *Supplemental Guidance to the 2024 NIH Grants Policy Statement: Indirect Costs Rates*, which caps the “facilities and administrative” (F&A) costs at 15 percent for all grantee institutions. This decision, which was made without public engagement, may force many academic medical centers to scale back or discontinue research vital to advancing science and improving the health of all Americans.

F&A costs, also known as indirect costs, are used by academic institutions to pay for overall infrastructure costs, often associated with highly specialized research, which cannot easily be allocated to a single project (e.g., maintenance, utilities, security, biohazard containment, regulatory compliance, etc.). These functions are vital to the successful execution of these studies. As the guidance states, the amount that each institution receives is negotiated with NIH and is often based on the complexity and scope of the research being performed. Further, it’s important to note that the costs allocated to this account are regularly audited and the rate reassessed.

In recent years, NIH public-private partnerships have played a critical role in advancing the science involving life-altering or potentially fatal conditions, such as Alzheimer’s, Diabetes, Coronary Heart Disease, HIV, COVID, and many others. Research on these, and other diseases, could be significantly impacted by the recent guidance.

The February 7th document focuses on the indirect cost limits stipulated by foundations. What NIH does not address is the underlying rationale for the variations in F&A costs. NIH sponsored research tends to be more scientifically complex, requires more resources, is often long-term, and has a broader application. Foundation grants often pertain to a specific medical condition and region and do not generally require the infrastructure investments of NIH funded research.

ADLM does not oppose a review of the indirect cost funding mechanism. Changes to this process, however, should be evidence-based and in consultation with affected stakeholders, including Congress, academic research centers, scientific societies, as well as patients and their

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advocates. We urge NIH to withdraw this guidance and initiate a dialogue compliant with existing law and established procedures.

We look forward to working with you on this important issue. If you have any questions, please email Vince Stine, PhD, ADLM's Senior Director of Government and Global Affairs, at vstine@myadlm.org, or Evan Fortman, MPA, ADLM's Manager of Government Affairs at efortman@myadlm.org.

Sincerely,

A handwritten signature in blue ink, appearing to read "Anthony A. Killeen".

Anthony A. Killeen, MD, MSc, PhD
President, ADLM