

CRS Report for Congress

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AIDS Funding for Federal Government Programs: FY1981-FY1999

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Summary

This report provides a synopsis of the budget activity related to AIDS from the discovery of the disease in 1981 through FY1999. Funding for AIDS research, prevention and treatment programs within the Department of Health and Human Services (HHS) discretionary budget has increased from \$200,000 in FY1981 to an estimated \$3.85 billion in FY1999.

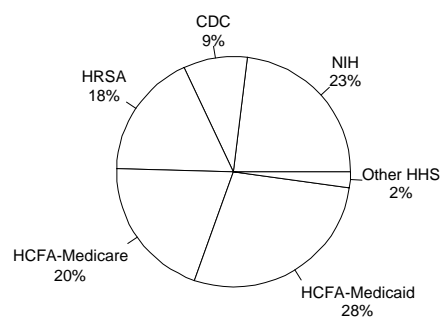
Background

Acquired immune deficiency syndrome (AIDS) impairs the immune system and leaves affected individuals susceptible to certain opportunistic infections and cancer. Since 1981, over 600,000 AIDS cases have been reported to the Centers for Disease Control and Prevention (CDC). The vast majority of federal AIDS research, prevention and treatment programs are administered by four HHS agencies: CDC; the National Institutes of Health (NIH); the Health Resources and Services Administration (HRSA); and the Health Care Financing

Administration (HCFA), which manages Medicaid and Medicare. AIDS programs within HHS account for over 75% of the total amount spent on AIDS by the federal government (see figure 2). Government-wide AIDS spending is estimated at \$9.67 billion in FY1999.

NIH is the principal agency of the federal government charged with the conduct and support of biomedical and behavioral research. NIH conducts research at its own 20

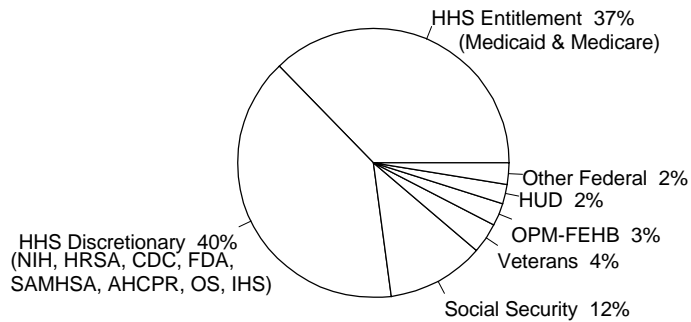
Figure 1: HHS Funding for AIDS, FY1999



Other HHS: FDA, SAMHSA, AHCP, OS, and IHS; see Table 3.

institutes and centers and supports over 50,000 scientists at 1,700 U.S. institutions. For FY1998, NIH is allocating a total of \$1.61 billion for AIDS research, or 12% of the \$13.6 billion total NIH budget. Funding for research on AIDS in FY1998 is second only to the National Cancer Institute (\$2.3 billion non-AIDS funds) and more than that for the next highest funded institute, the National Heart, Lung, and Blood Institute (\$1.5 billion non-AIDS funds).

Figure 2: HIV/AIDS, FY1999
Total Federal Government Spending



OPM-FEHB: Office of Personnel Management-Federal Employees Health Benefits; HUD: Department of Housing and Urban Development. See Tables 4 and 5.

The President's FY1999 request of \$1.73 billion for AIDS research at NIH is an increase of \$124 million or 7.7% over the FY1998 level. The FY1999 includes all NIH AIDS funds in a single account for the Office of AIDS Research (OAR). This is consistent with provisions in the NIH Revitalization Act of 1993 (P.L. 103-43) which gave OAR the overall responsibility to plan, coordinate, evaluate and fund the AIDS research program at NIH. Although for FY1995 NIH AIDS research funds were appropriated to OAR, in subsequent fiscal years the funding mechanism for NIH AIDS research has been contentious. FY1996 AIDS funds bypassed OAR and went directly to each NIH institute as specified in a continuing resolution (P.L. 104-91). The House rejected a separate OAR account in order "to enhance NIH's flexibility to allocate funding based on scientific opportunity." For FY1997, the House again did not provide a separate appropriation for OAR; funding for NIH was provided in an omnibus bill (P.L. 104-208). The conference report (H.Rept. 104-863) stated that AIDS funding was "included within the appropriation for each institute ... as proposed by the House." However, a compromise was reached in that the conference report "directs that the funding for AIDS research as determined by the Directors of NIH and OAR be allocated directly to OAR for distribution to the institutes consistent with the AIDS research plan."

The heated debate over allocating NIH funds among various diseases received increased scrutiny during the 105th Congress. House and Senate hearings were held in the spring and summer of 1997 on how NIH determines its research priorities. NIH contends that decisions are made based on scientific opportunity. Critics charge that NIH spending often follows current politics and political correctness, responding to media attention focused on diseases such as AIDS and breast cancer (see CRS Report 97-917, *Disease Funding and NIH Priority Setting*).

HRSA administers the Ryan White CARE Act (P.L. 101-381; P.L. 104-146), a four-part federal grant program designed to provide emergency relief and essential health care services to AIDS patients and persons infected with the human immunodeficiency virus (HIV). Funding in FY1998 is \$1.16 billion. The Administration's request for FY1999 is \$1.32 billion, an increase of \$165 million or 14% over FY1998. A total of \$385.5 million is requested for the AIDS Drug Assistance Program (ADAP) in Title II of Ryan White, a \$100 million or 35% increase over FY1998. The increase will ensure that patients have

access to combination drug therapy. For the remaining non-ADAP Ryan White activities, a total of \$930 million was requested for FY1999, a \$65 million increase over FY1998.

	FY1997	FY1998	FY1999
Ryan White			
-Title I	\$449,772	\$464,800	\$489,800
-Title II	416,954	543,000	670,000
-Title III	69,739	76,300	86,300
-Title IV	36,000	41,000	44,000
-Other Ryan White	23,787	25,100	25,100
Subtotal, Ryan White	996,252	1,150,200	1,315,200
Other HRSA	4,996	4,996	4,996
Total, HRSA	\$1,001,248	\$1,155,196	\$1,320,196

Source: HHS Budget Office, March 1998.

CDC works with community, state, national, and international public health agencies to prevent HIV infection and reduce AIDS-associated morbidity and mortality through its information and education programs. CDC also supports research, surveillance, and epidemiology studies on HIV/AIDS. Funding in FY1998 for CDC's AIDS activities is \$634 million. The Administration's request level for FY1999 is \$642 million. The FY1999 total consists of \$631.8 million for CDC's HIV prevention program (a decrease of \$2.5 million below the FY1998 appropriation, reflecting savings from the Office of the Director operations) and a \$10 million increase to expand HIV/STD (sexually transmitted disease) efforts.

**Table 2: HHS Discretionary Funding for HIV/AIDS
(\$ in thousands)**

	Funding	\$ Increase Over Prior Year	% Increase Over Prior Year
FY1981	\$200	---	---
FY1982	5,555	\$5,355	2,678%
FY1983	28,736	23,181	417%
FY1984	61,460	32,724	114%
FY1985	108,618	47,158	77%
FY1986	233,793	125,175	115%
FY1987	502,455	268,662	115%
FY1988	962,018	459,563	94%
FY1989	1,304,012	341,994	36%
FY1990	1,592,756	288,744	22%
FY1991	1,891,232	298,476	19%
FY1992	1,963,414	72,182	4%
FY1993	2,079,591	116,639	6%
FY1994	2,568,682	489,091	24%
FY1995	2,700,498	131,816	5%
FY1996	2,897,923	197,425	7%
FY1997	3,267,220	369,297	13%
FY1998 est.	3,547,838	280,618	9%
FY1999 est.	3,852,354	304,516	9%

Source: HHS budget office, March 1998.

Table 3: HHS Discretionary Funding for HIV/AIDS, by Agency (\$ in thousands)

Agency	FY1991	FY1992	FY1993	FY1994	FY1995	FY1996	FY1997	FY1998*	FY1999*
NIH	\$807,465	\$1,047,456	\$1,071,457	\$1,296,471	\$1,333,875	\$1,410,926	\$1,501,073	\$1,607,053	\$1,730,796
CDC	496,960	479,620	498,253	543,253	589,831	584,080	616,790	634,266	641,779
ADAMHA	236,504	---	---	---	---	---	---	---	---
SAMHSA	---	26,025	25,655	27,320	24,095	54,201	63,857	70,125	77,826
FDA	63,395	72,302	72,628	72,399	72,745	72,745	72,745	72,745	72,745
HRSA	265,915	316,912	390,341	607,796	661,185	762,398	1,001,248	1,155,196	1,320,196
AHCPR	10,252	10,135	9,624	10,624	9,084	6,343	4,192	1,100	1,500
OASH	5,938	4,794	5,330	5,263	4,071	---	---	---	---
OS	3,000	3,000	3,000	2,000	1,975	3,754	3,811	3,813	3,972
IHS	1,803	3,170	3,303	3,556	3,637	3,476	3,503	3,540	3,540
TOTAL	\$1,891,232	\$1,963,414	\$2,079,591	\$2,568,682	\$2,700,498	\$2,897,923	\$3,267,220	\$3,547,838	\$3,852,354

Source: HHS budget office, March 1998.

*FY1998 and FY1999 are estimates.

NIH: National Institutes of Health

CDC: Centers for Disease Control and Prevention

ADAMHA: Alcohol, Drug Abuse, and Mental Health Administration (abolished in FY1992; activities divided between NIH and SAMHSA.)

SAMHSA: Substance Abuse and Mental Health Services Administration (established in FY1992, activities formerly part of ADAMHA.)

FDA: Food and Drug Administration

HRSA: Health Resources and Services Administration

AHCPR: Agency for Health Care Policy and Research (established in 1990, formerly in OASH)

OASH: Office of the Assistant Secretary for Health (abolished in FY1996; activities now under OS)

OS: Office of the Secretary (AIDS programs in Office for Civil Rights, Office of Minority Health, and National AIDS Program Office)

IHS: Indian Health Service

Table 4: Total Federal Government Spending on HIV/AIDS by Function (\$ in millions)

Agency/Department	FY1997					FY1998					FY1999				
	Research	Prevent	Treatmt	Income Support	Total	Research	Prevent	Treatmt	Income Support	Total	Research	Prevent	Treatmt	Income Support	Total
HHS Discretionary	\$1,702	\$522	\$1,044	\$0	\$3,267	\$1,806	\$541	\$1,200	\$0	\$3,548	\$1,929	\$544	\$1,374	\$0	\$3,847
-HCFA/Medicaid	--	--	1,800	--	1,800	--	--	1,900	--	1,900	--	--	2,100	--	2,100
-HCFA/Medicare	--	--	1,300	--	1,300	--	--	1,400	--	1,400	--	--	1,500	--	1,500
Subtotal, HHS	\$1,702	\$522	\$4,144	\$0	\$6,367	\$1,806	\$541	\$4,500	\$0	\$6,848	\$1,929	\$544	\$4,974	\$0	\$7,447
Other:															
Social Security - DI	--	--	--	\$691	\$691	--	--	--	\$726	\$726	--	--	--	\$776	\$776
Social Security - SSI	--	--	--	310	310	--	--	--	335	335	--	--	--	360	360
Veterans Affairs	6	31	295	--	332	6	31	306	--	343	6	31	321	--	358
Defense Dept.	22	12	66	--	100	24	13	68	--	105	25	13	69	--	107
Agency for Int. Dev.	--	117	--	--	117	--	121	--	--	121	--	121	--	--	121
Justice Dept. -Bureau of Prisons	--	1	6	--	7	--	1	7	--	8	--	1	8	--	9
State Department	--	--	--	--	--	--	--	--	--	0	--	--	--	--	--
Labor Department	--	2	--	--	2	--	1	--	--	1	--	1	--	--	1
Education Dept.	--	--	--	--	--	--	--	--	--	0	--	--	--	--	--
Housing & Urban Dev.	--	--	--	196	196	--	--	--	204	204	--	--	--	225	225
OPM-FEHB	--	--	241	--	241	--	--	253	--	253	--	--	266	--	266
Subtotal, Other	\$28	\$163	\$608	\$1,197	\$1,996	\$30	\$167	\$634	\$1,265	\$2,096	\$31	\$167	\$664	\$1,361	\$2,223
TOTAL	\$1,730	\$685	\$4,752	\$1,197	\$8,363	\$1,836	\$708	\$5,134	\$1,265	\$8,944	\$1,960	\$711	\$5,638	\$1,361	\$9,670
Chg from Previous Yr	\$77	\$50	\$665	\$86	\$876	\$106	\$24	\$382	\$68	\$581	\$124	\$3	\$504	\$96	\$727
% Chg from Prev Yr	5%	8%	16%	8%	12%	6%	3%	8%	6%	7%	7%	0%	10%	8%	8%

Source: HHS budget office, Mar. 30, 1998. FY1998 and FY1999 are estimates. HHS: Department of Health and Human Services; HCFA: Health Care Financing Administration; DI: Disability Insurance; SSI: Supplemental Security Income; OPM-FEHB: Office of Personnel Management-Federal Employees Health Benefits.

Table 5: Government-wide Spending on HIV/AIDS (\$ in millions)

Dept./Agency	FY83	FY84	FY85	FY86	FY87	FY88	FY89	FY90	FY91	FY92	FY93	FY94	FY95	FY96	FY97	FY98	FY99
HHS																	
-Discretionary	\$29	\$60	\$109	\$234	\$502	\$962	\$1,304	\$1,593	\$1,891	\$1,963	\$2,080	\$2,569	\$2,701	\$2,898	\$3,267	\$3,548	\$3,847
-HCFA																	
--Medicaid	10	30	70	130	200	330	490	670	870	1,080	1,290	1,490	1,640	1,600	1,800	1,900	2,100
--Medicare	0	0	5	5	15	30	55	110	180	280	385	500	600	1,100	1,300	1,400	1,500
SS																	
-DI	0	5	10	30	55	95	150	215	305	415	515	585	640	696	691	726	776
-SSI	0	1	3	5	15	20	35	55	95	150	200	240	300	280	310	335	360
VA	5	7	8	20	51	78	136	220	258	279	299	312	317	331	332	343	358
Defense	0	0	0	79	74	53	86	125	127	129	159	129	112	98	100	105	107
AID	0	0	0	0	0	30	40	71	78	94	117	115	120	115	117	121	121
DoJ-Prisons	0	0	0	0	1	1	2	5	5	5	5	6	6	6	7	8	9
State	0	0	0	0	0	0	1	1	1	1	1	1	1	0	0	0	0
Labor	0	0	0	0	1	1	1	1	1	1	1	1	1	1	2	1	1
HUD	0	0	0	0	0	1	0	0	0	48	100	156	171	171	196	204	225
OPM-FEHB	0	0	0	5	8	13	22	37	61	103	175	193	212	226	241	253	266
Education	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0
TOTAL	\$44	\$103	\$205	\$508	\$922	\$1,615	\$2,322	\$3,103	\$3,872	\$4,548	\$5,327	\$6,297	\$6,821	\$7,522	\$8,363	\$8,944	\$9,670

Source: HHS budget office, Mar. 1998. FY98 and FY99 are estimates. May not add due to rounding. In FY82, AIDS spending was \$8 million: \$6 million HHS discretionary and \$2 million VA.

HHS: Department of Health and Human Services; Discretionary AIDS budget
 HCFA: Health Care Financing Administration
 SS: Social Security
 DI: Disability Insurance
 SSI: Supplemental Security Income
 VA: Veterans Affairs
 AID: Agency for International Development
 DoJ-Prisons: Department of Justice, Bureau of Prisons
 HUD: Department of Housing and Urban Development
 OPM-FEHB: Office of Personnel Management-Federal Employees Health Benefits