



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 10, 2000

### **S. 2311**

### **Ryan White CARE Act Amendments of 2000**

*As ordered reported by the Senate Committee on Health, Education, Labor, and Pensions  
on April 12, 2000*

#### **SUMMARY**

S. 2311 would extend expiring provisions and authorizations for appropriations in title XXVI of the Public Health Services Act, which was created by the Ryan White CARE Act (Public Law 101-381). It would amend the provisions under that title to increase access to care and require that care to be consistent with the guidelines of the Public Health Service. It also would create two new grant programs to pay for health care services for individuals with HIV or AIDS.

The Ryan White CARE Act is almost all administered through the Health Resources and Services Administration (HRSA); small portions are implemented through the Centers for Disease Control and Prevention (CDC) and the National Institutes of Health (NIH). Assuming appropriations of the necessary amounts, CBO estimates that implementing S. 2311 would cost \$326 million in 2001 and a total of \$6.4 billion from 2001 through 2005, without adjusting for inflation, and \$332 million in 2001 and a total of \$6.6 billion from 2001 through 2005 if adjustments for inflation are included. The legislation would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply.

S. 2311 contains no private-sector or intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA). It would authorize funding for local and state governments as well as for other public entities that either fund or provide services to individuals with HIV or AIDS.

#### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of S. 2311 is shown in Table 1. The costs of this legislation fall within budget function 550 (health).

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**TABLE 1. BUDGETARY IMPACT OF S. 2311**

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	By Fiscal Year, in Millions of Dollars					
	2000	2001	2002	2003	2004	2005
<b>SPENDING SUBJECT TO APPROPRIATION</b>						
Spending Under Current Law						
Budget Authority <sup>a</sup>	1,605	0	0	0	0	0
Estimated Outlays	1,376	1,209	248	64	b	0
Without Adjustments for Inflation						
Proposed Changes						
Estimated Authorization Level	0	1,620	1,620	1,620	1,620	1,620
Estimated Outlays	0	326	1,329	1,523	1,588	1,588
Spending Under S. 2311						
Estimated Authorization Level <sup>a</sup>	1,605	1,620	1,620	1,620	1,620	1,620
Estimated Outlays	1,376	1,534	1,577	1,588	1,588	1,588
With Adjustments for Inflation						
Proposed Changes						
Estimated Authorization Level	0	1,649	1,675	1,706	1,736	1,767
Estimated Outlays	0	332	1,357	1,578	1,672	1,702
Spending Under S. 2311						
Estimated Authorization Level <sup>a</sup>	1,605	1,649	1,675	1,706	1,736	1,767
Estimated Outlays	1,376	1,540	1,606	1,642	1,672	1,702

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a. The 2000 level is the amount appropriated for that year for title XXVI programs.

b. Less than \$500,000.

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## **BASIS OF ESTIMATE**

For purposes of this estimate, CBO assumes that the bill will be enacted by the end of fiscal year 2000 and that outlays would follow historical spending rates for the authorized activities. Where specified, CBO assumes the authorized and estimated amounts would be appropriated. Where appropriations of such sums as necessary are authorized, CBO based its estimates on the amount spent in the past for the activity. Table 1 shows two alternative spending paths: one assuming no increase to account for anticipated inflation, and one with annual inflation adjustments.

The authorizations for appropriations for most of the programs under the Ryan White CARE Act expire after fiscal year 2000. S. 2311 reauthorizes those programs for fiscal years 2001 through 2005. For those provisions, Table 2 shows the amount appropriated in fiscal year 2000, and the estimated appropriation authorized in the bill for fiscal years 2001 through 2005, with adjustments for inflation.

In addition to reauthorizing current programs, the bill would provide authorizations for three new provisions in the Ryan White CARE Act. The estimated appropriation authorized in the bill for those provisions with adjustments for inflation is also shown in Table 2. A description of the current programs that would be reauthorized and the estimate of the new provisions in the bill are provided below.

Part A of title XXVI, (also known as title I of the Ryan White CARE Act), provides grants to eligible metropolitan areas with substantial levels of individuals with HIV. The funds are used for outpatient and ambulatory health care and other support services provided by community-based systems to low income or under insured people living with HIV/AIDS. Part B, (title II of the act), provides grants to states and territories for medical and other health and social support services delivered primarily through consortia of providers of HIV services. States must provide matching funds and use a certain amount of the funds for services to infants, children, women, and families. Part C, (title III of the act), awards funds to nonprofit community-based programs that provide comprehensive primary health care services aimed at preventing and or reducing HIV-related morbidity. Part D, (title IV of the act), provides funding to improve and expand the primary care and support services for children, youth, women, and families. It is intended to increase access to comprehensive, coordinated, community-based family-centered systems of care for infected individuals and their families. Part F<sup>1</sup> funds a network of regional centers that conduct HIV/AIDS education and training programs for healthcare providers, special projects of national significance, and reimbursement assistance to dental schools for oral healthcare.

Section 106 of S. 2311 would extend indefinitely the requirement that 50 percent of appropriated funds for Part A be disbursed within 60 days after the appropriation becomes available. Those funds are disbursed in the form of formula grants. Section 107 would require that each metropolitan area that received a formula grant in 2000 also receive formula grants in 2001 through 2005 that could not decrease by more than 2 percent a year, subject to the amounts appropriated for each year. Section 107 would affect the distribution of annual appropriations and both sections may affect the rate at which such appropriations are spent by increasing the amounts disbursed within 60 days of appropriation, but neither would increase total federal spending.

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1. There has never been an appropriation for Part E, which requires the Secretary to make grants to state and local governments to assist them in disseminating guidelines to emergency responses employees regarding reducing the risk in the workplace of becoming infected with AIDS.

**TABLE 2. TITLE XXVI PROGRAMS: APPROPRIATIONS FOR FISCAL YEAR 2000 AND AMOUNTS AUTHORIZED IN S. 2311, WITH ADJUSTMENTS FOR INFLATION**

	By Fiscal Year, in Millions of Dollars					
	2000	2001	2002	2003	2004	2005
<b>Programs Administered by HRSA</b>						
Reauthorizations <sup>a</sup>						
Part A (Title I of the Ryan White CARE Act) emergency relief grants	547	556	566	576	586	597
Part B (Title II) HIV care	824	839	853	868	884	900
Part C (Title III) early intervention services	138	141	143	146	149	151
Part D (Title IV) pediatric AIDS: women, children, and youth	51	52	53	54	55	56
Part F						
AIDS education and training centers	27	27	28	28	29	29
Dental reimbursements	8	8	8	8	9	9
Evaluations and reports	0	1	1	1	1	1
New provisions						
Supplemental grants to States for non-eligible metropolitan areas	0	5	5	5	5	5
Planning and capacity development grants	0	6	6	6	6	6
Studies and reports	0	1	0	0	0	0
Subtotal	1,595	1,639	1,665	1,696	1,726	1,757
<b>Programs Administered by CDC</b>						
HIV-related services for pregnant women and newborns	10	10	10	10	10	10
<b>Provisions Administered by NIH</b>						
New report	0	b	0	0	0	0
Total Proposed Changes	1,605	1,649	1,675	1,706	1,736	1,767

a. The 2000 level is the amount appropriated for that year.

b. Less than \$500,000.

Under section 128, S. 2311 would create a new supplemental grant to meet HIV care and support needs in metropolitan areas that are not eligible for Part A grants. The Secretary of the Department of Health and Human Services would be required to reserve the greater of \$5 million per year or 25 percent of the increase in funding for Part B grants (other than that

earmarked for state AIDS drug assistance programs) for these supplemental grants. CBO estimates that would increase spending by \$5 million per year for a total of \$25 million over the 2001-2005 period.

Section 130 of the bill would double the minimum Part B base award to \$200,000 for states with fewer than 90 living cases of AIDS and to \$500,000 for states with 90 or more living cases of AIDS. It would also add the federated States of Micronesia and the Republic of Palau as entities eligible to receive Part B funds. As that provision does not create a new program or provide additional funding, CBO estimates that it would reallocate some of the appropriated money but would not change federal spending.

Under section 142, S. 2311 would create a program of capacity development grants to assist public and nonprofit private entities in expanding their ability to provide primary care services to individuals with HIV disease in underserved low-income communities. Under current law, a maximum of 1 percent of the amount appropriated for Part C can be used for planning grants. S. 2311 would increase to 5 percent the proportion that could be earmarked for the new capacity development grants and the planning grants. CBO estimates that provision would increase federal costs by \$6 million in fiscal year 2001 and by a total of \$29 million through 2005.

S. 2311 would require several studies and reports. The Secretary, through the Administrator of HRSA and in consultation with grant recipients, would be required to conduct a review of administrative and program support costs for grants provided under Part D. The results of the study would be used to determine the limitations on allowable amounts for administrative and program support expenses for fiscal year 2002. The Secretary would also request that the Institute of Medicine complete a study within two years after the enactment of this act regarding the appropriate epidemiological measures and their relationship to health-related support services for certain individuals with HIV. The Secretary would report to the appropriate committee of the Congress within 90 days of completion. CBO estimates those reports would increase federal spending by a total of \$1 million over fiscal years 2001 through 2002.

The Secretary, through the Director of NIH, would examine the distribution and availability of HIV-related clinical research programs for women, infants, children, and youth, and submit a report to the Congress within 12 months of enactment. CBO estimates that completing the report would cost less than \$500,000.

**PAY-AS-YOU-GO CONSIDERATIONS:** None.

## **ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS**

The bill contains no intergovernmental mandates as defined in UMRA. Some provisions of the bill would place additional conditions of assistance on recipients of funding for HIV and AIDS programs, but those requirements would not be intergovernmental mandates. The bill would extend authorizations of funding for a variety of HIV and AIDS programs, and in a few cases would authorize amounts for new grant programs. These authorizations total between \$1.6 billion and \$1.8 billion annually over the 2001-2005 period. Over half of those amounts would be for HIV care grants to states, and about a third would be for emergency relief grants to local governments that qualify as eligible metropolitan areas with substantial levels of individuals with HIV. Both nonprofit and public entities could qualify for grants under the remaining authorizations of funding for a variety of services ranging from education and training to pediatric and women's services.

## **ESTIMATED IMPACT ON THE PRIVATE SECTOR**

The bill contains no private-sector mandates as defined in UMRA.

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