



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

September 27, 2006

**H.R. 6143
Ryan White HIV/AIDS Treatment Modernization Act of 2006**

*As ordered reported by the House Committee on Energy and Commerce
on September 20, 2006*

SUMMARY

H.R. 6143 would reauthorize the Ryan White program in title XXVI of the Public Health Service Act. The Ryan White program provides grants to fund medical care and other support services for individuals with HIV/AIDS. The bill would modify certain provisions while maintaining the overall structure of the existing program.

H.R. 6143 would authorize the appropriation of about \$2.3 billion for fiscal year 2007 and \$12.2 billion over the 2007-2011 period. Although authorization for the Ryan White program expired in fiscal year 2005, about \$2 billion was appropriated for the program for fiscal year 2006. Assuming the appropriation of the specified amounts, CBO estimates that implementing H.R. 6143 would cost \$501 million in fiscal year 2007 and \$9.6 billion over the 2007-2011 period. Enacting the bill would not affect direct spending or revenues.

H.R. 6143 contains no private-sector or intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA).

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 6143 is shown in Table 1. The costs of this legislation fall within budget function 550 (health).

TABLE 1. BUDGETARY IMPACT OF H.R. 6143

	By Fiscal Year, in Millions of Dollars					
	2006	2007	2008	2009	2010	2011
SPENDING SUBJECT TO APPROPRIATION						
Spending Under Current Law for the Ryan White Program						
Budget Authority ^a	2,038	0	0	0	0	0
Estimated Outlays	1,523	1,324	271	41	0	0
Proposed Changes						
Estimated Authorization Level	0	2,279	2,357	2,438	2,523	2,610
Estimated Outlays	0	501	1,931	2,271	2,395	2,478
Spending Under H.R. 6143 for the Ryan White Program						
Estimated Authorization Level ^a	2,038	2,279	2,357	2,438	2,523	2,610
Estimated Outlays	1,523	1,825	2,202	2,312	2,395	2,478

a. The 2006 level is the amount appropriated for that year for the Ryan White program.

BASIS OF ESTIMATE

H.R. 6143 would authorize appropriations for the Ryan White program for fiscal years 2007 through 2011. The Health Resources and Services Administration (HRSA) under the Department of Health and Human Services (HHS) administers most of the Ryan White program and works with the Centers for Disease Control and Prevention (CDC) and other federal health programs to plan and implement federal HIV/AIDS programs.

Table 2 shows the authorization levels specified in the bill. Assuming the appropriation of the specified amounts, CBO estimates that implementing the bill would cost \$501 million in fiscal year 2007 and \$9.6 billion over the 2007-2011 period. For the purposes of this estimate, CBO assumes the bill will be enacted near the beginning of fiscal year 2007 and that outlays will follow historical spending rates for the Ryan White program.

TABLE 2. AUTHORIZATIONS OF APPROPRIATIONS IN H.R. 6143

	By Fiscal Year, in Millions of Dollars				
	2007	2008	2009	2010	2011
Title I (grants to local governments)	604	626	650	674	699
Title II (grants to states)	1,206	1,250	1,295	1,343	1,392
Title III (early intervention services)	219	227	235	244	253
Title IV (women, infants, and children)	72	72	72	72	72
Title V (general provisions) ^a	*	*	*	*	*
Title VI (demonstration and training)	<u>179</u>	<u>183</u>	<u>187</u>	<u>191</u>	<u>195</u>
Total Proposed Changes	2,279	2,357	2,438	2,523	2,610

a. The bill does not specify any authorization levels for title V. CBO estimates that changes to the funding required for activities under that title would be negligible.

Grants to Local Governments

Title I of the H.R. 6143 would modify and authorize provisions in prior law that directed the Secretary of Health and Human Services to make two types of grants to local governments. Formula grants would be awarded to governments in metropolitan areas with a population of at least 50,000 and at least 500 AIDS cases. Those grants would be allocated based on the number of people living with HIV or AIDS. The Secretary would award supplemental grants after determining that an applicant had demonstrated need for AIDS-related services.

For title I grants, the bill would authorize the appropriation of \$604 million for fiscal year 2007 and \$3.3 billion over the 2007-2011 period. Assuming the appropriation of the specified amounts, and based on historical spending patterns for the program, CBO estimates that implementing title I would cost \$133 million in fiscal year 2007 and \$2.5 billion over the 2007-2011 period.

Counting HIV/AIDS Cases. Under the prior authorization for the Ryan White program, the formula grants were allocated based on the number of AIDS cases. The bill would modify the allocation formula to include both HIV cases and AIDS cases. H.R. 6143 also would apply a uniform national adjustment factor in jurisdictions where the reporting system does not produce an unduplicated count of HIV/AIDS cases.

Cap on Core Medical Services. The bill would require grantees to spend at least 75 percent of grant funds on primary care services and other core medical services. The remaining funds could be used for support services needed to achieve medical outcomes. That requirement could be waived if the grantees' service area does not have a waiting list for the AIDS Drug Assistance Program (ADAP) and core medical services are available to all individuals with HIV/AIDS.

Hold-Harmless Provision. H.R. 6143 would establish a hold-harmless mechanism for grantees that received a formula grant for 2006. If the specified amounts are not appropriated for fiscal years 2007 through 2009, the bill would require the Secretary to reduce funding for supplemental grants, if necessary, to maintain formula grants at 95 percent of the amount awarded in the previous year.

Unobligated Balances. The bill would require the recipients of supplemental grants to return any unobligated balances to the Secretary at the end of the grant year. It also would require the recipients of formula grants to return unobligated balances at the end of a grant year unless the recipient submits a plan to spend those balances in the coming year. Funds that remain unexpended for two years must be returned. The Secretary would redistribute the returned funds as supplemental grants.

Grants to States

Title II would modify provisions in prior law that directed the Secretary to make grants to states and territories for medical and support services that are delivered primarily through consortia of providers. States also would be required to use some of their grant funds to pay for drug treatment through ADAP.

The bill would authorize the appropriation for those grants to states of \$1.2 billion for fiscal year 2007 and \$6.5 billion over the 2007-2011 period. Assuming the appropriation of the specified amounts, and based on historical spending patterns for the program, CBO estimates that implementing title II would cost \$265 million in fiscal year 2007 and \$5.1 billion over the 2007-2011 period.

ADAP Minimum Drug List. H.R. 6143 would require the Secretary to develop a list of core antiretroviral therapeutics to ensure the inclusion of those drugs on the ADAP formulary. States could also include other drugs on that formulary. In addition, the bill would require that rebates for drugs purchased with Ryan White funds be used for activities under ADAP.

Early Diagnosis Grant Program. The bill would authorize CDC to make grants to eligible states to pay for certain services including HIV/AIDS testing, prevention counseling, and treatment of newborns exposed to HIV/AIDS or mothers infected with HIV/AIDS. To be eligible for those grants, a state must have qualifying early diagnosis program—either voluntary testing of pregnant women with universal testing of newborns, or voluntary testing of clients at clinics for sexually-transmitted diseases and at substance-abuse centers.

Early Intervention Systems

Title III would authorize HRSA to make grants to public and nonprofit entities to pay for community-based programs that provide comprehensive primary-care services aimed at preventing or reducing HIV-related morbidity. The bill would require grantees to provide counseling and information about hepatitis A, B, and C. It also would require grantees to develop an electronic information system to improve the grantee's ability to report client-level data.

For those grants, the bill would authorize the appropriation of \$219 million for fiscal year 2007 and \$1.2 billion over the 2007-2011 period. Assuming the appropriation of the specified amounts, and based on historical spending patterns for the program, CBO estimates that implementing title III would cost \$48 million in fiscal year 2007 and \$923 million over the 2007-2011 period.

Women, Infants, and Children

Title IV would authorize HRSA to make grants to public and nonprofit entities to improve and expand primary care and support services for women, infants, or children with HIV/AIDS and for their families.

For those grants, the bill would authorize the appropriation of \$72 million for fiscal year 2007 and \$359 million over the 2007-2011 period. Assuming the appropriation of the specified amounts, and based on historical spending patterns for the program, CBO estimates that implementing title IV would cost \$16 million in fiscal year 2007 and \$286 million over the 2007-2011 period.

General Provisions

Title V would require coordination among federal HIV programs concerning planning, funding, and implementation plans. Those federal programs include HRSA, CDC, the Substance Abuse and Mental Health Services Administration, and the Centers for Medicare and Medicaid Services. CBO estimates the costs of such activities would be negligible.

Demonstration and Training Programs

Title VI would authorize HRSA to make grants to certain schools and centers that conduct HIV/AIDS education and training programs for healthcare providers. The bill also would require an evaluation to address the disproportionate impact of HIV/AIDS and disparities in access, treatment, care, and outcomes for racial and ethnic minorities. In addition, the bill would authorize grants to support the development of information technology to report client-level data and help respond to emerging needs of populations served by the Ryan White program.

For those grants, the bill would authorize the appropriation of \$179 million for fiscal year 2007 and \$935 million over the 2007-2011 period. Assuming the appropriation of the specified amounts, and based on historical spending patterns for the program, CBO estimates that implementing title VI would cost \$39 million in fiscal year 2007 and \$737 million over the 2007-2011 period.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 6143 contains no private-sector or intergovernmental mandates as defined in UMRA. The bill would alter some grant conditions related to funding of HIV/AIDS programs, in some cases placing new requirements on grant recipients, and in other cases affording such recipients greater flexibility in the use of these funds. Any costs associated with complying with new grant conditions would be incurred voluntarily.

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