



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 24, 2000

H.R. 4807 **Ryan White CARE Act Amendments of 2000**

As ordered reported by the House Committee on Commerce on July 13, 2000

SUMMARY

H.R. 4807 would reauthorize programs in title XXVI of the Public Health Services Act, which was created by the Ryan White CARE Act (Public Law 101-381). Programs funded under the Ryan White CARE Act address the needs of individuals living with HIV disease. The bill would amend certain provisions under that title to increase access to care and require that care to be consistent with the guidelines of the Public Health Service (PHS). The bill also would create new grant programs to:

- Pay for health care services for individuals with HIV disease in states ineligible for emergency relief grants;
- Establish partner notification programs in the states, and
- Provide to states technical assistance with setting up data surveillance and reporting systems related to HIV disease and other funding for data collection efforts.

The Health Resources and Services Administration (HRSA) under the Department of Health and Human Services (HHS) administers most of the Ryan White CARE Act programs; small portions are implemented through the Centers for Disease Control and Prevention (CDC) and the National Institutes of Health (NIH). Assuming the appropriation of the necessary amounts, CBO estimates that implementing H.R. 4807 would cost \$351 million in 2001 and \$6.7 billion over the 2001-2005 period, without adjusting for inflation. The five-year total would be \$7 billion if adjustments for inflation are included. The legislation would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply.

H.R. 4807 contains no private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). It does contain an intergovernmental mandate as defined in UMRA, but it also contains new budget authority for grants that may be used by states to cover the costs

associated with the mandate. Consequently, the threshold established in UMRA (\$55 million in 2000, adjusted annually for inflation) would not be exceeded.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 4807 is shown in Table 1. The costs of this legislation fall within budget function 550 (health).

TABLE 1. BUDGETARY IMPACT OF H.R. 4807

	By Fiscal Year, in Millions of Dollars					
	2000	2001	2002	2003	2004	2005
SPENDING SUBJECT TO APPROPRIATION						
Spending Under Current Law						
Budget Authority ^a	1,605	0	0	0	0	0
Estimated Outlays	1,376	1,209	248	64	*	0
Without Adjustments for Inflation						
Proposed Changes						
Estimated Authorization Level	0	1,711	1,711	1,711	1,711	1,711
Estimated Outlays	0	351	1,402	1,608	1,676	1,678
Spending Under H.R. 4807						
Estimated Authorization Level ^a	1,605	1,711	1,711	1,711	1,711	1,711
Estimated Outlays	1,376	1,559	1,650	1,672	1,676	1,678
With Adjustments for Inflation						
Proposed Changes						
Estimated Authorization Level	0	1,739	1,766	1,800	1,834	1,866
Estimated Outlays	0	356	1,431	1,663	1,764	1,798
Spending Under H.R. 4807						
Estimated Authorization Level ^a	1,605	1,739	1,766	1,800	1,834	1,866
Estimated Outlays	1,376	1,565	1,679	1,728	1,764	1,798

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

* = Less than \$500,000.

BASIS OF ESTIMATE

For this estimate, CBO assumes that the bill will be enacted by the end of fiscal year 2000 and that outlays will follow historical spending rates for the authorized activities. Where specified in H.R. 4807, CBO assumes the authorized amounts would be appropriated. Where appropriations of such sums as necessary are authorized, CBO based its estimates on amounts spent in the past for similar types of activities. Table 1 shows two alternative spending paths: one assuming no increase to account for inflation, and one with annual inflation adjustments.

Reauthorization of Existing Programs

The authorizations for appropriations for most of the programs under the Ryan White CARE Act expire at the end of fiscal year 2000. H.R. 4807 would reauthorize those programs for fiscal years 2001 through 2005. Table 2 shows the amount appropriated in fiscal year 2000, and the estimated authorization levels under H.R. 4807 for fiscal years 2001 through 2005, with adjustments for inflation.

HRSA Programs. The bill would reauthorize several programs organized under different parts of the Ryan White Care Act:

- Part A of title XXVI, (also known as title I of the Ryan White CARE Act), is the Emergency Relief Grant program. It provides grants to eligible metropolitan areas (EMAs) severely affected by the HIV epidemic. 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), is the HIV Care Grant program. It provides grants to states and territories for health care and social support services. Services are delivered primarily through consortia of providers of HIV services. Some Part B funds also are earmarked to pay for drug treatment for certain individuals with HIV disease. In addition, states may use grant money to help low-income individuals purchase health insurance through Health Insurance Continuation programs.
- Part C, (title III of the act), is the Early Intervention Services program. It awards grants to public and private nonprofit community-based programs that provide comprehensive primary health care services targeting at-risk populations and aim to reduce or prevent HIV-related morbidity.

TABLE 2. TITLE XXVI PROGRAMS: APPROPRIATIONS FOR FISCAL YEAR 2000 AND AMOUNTS AUTHORIZED IN H.R. 4807, WITH ADJUSTMENTS FOR INFLATION

	By Fiscal Year, in Millions of Dollars					
	2000	2001	2002	2003	2004	2005
Programs Administered by HRSA						
Reauthorizations ^a						
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 grants	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 D (Title IV) evaluations and reports	0	4	4	4	4	4
Part F demonstration and training AIDS education and training centers	27	27	28	28	29	29
Dental reimbursements	8	8	8	8	9	9
Modifications to Current Programs						
Planning and capacity development grants	0	6	6	6	6	6
AIDS education and training centers	0	15	17	20	20	21
Other activities	0	6	1	1	1	1
New programs						
Supplemental grants for certain states ineligible for Part A grants	0	0	0	0	3	3
Compliant partner notification program	0	30	31	31	32	32
Subtotal	1,595	1,683	1,709	1,743	1,777	1,808
Programs Administered by CDC						
HIV-related services for pregnant women and newborns ^a	10	30	30	30	30	30
Data collection, reports, and other activities	0	25	26	26	26	27
Provisions Administered by NIH						
Expansion of HIV research funds for affordable HIV testing and issuance of reports	0	1	1	1	1	1
Total Proposed Changes	1,605	1,739	1,766	1,800	1,834	1,866

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

- Part D, (title IV of the act), contains general provisions. The pediatric AIDS: women, children, and youth program provides funding to improve and expand the primary care and support services for special populations living with HIV disease. The program aims to increase access to comprehensive, coordinated, community-based family-centered systems of care for infected individuals and their families.
- Part F¹ contains the demonstration and training programs. It authorizes a network of regional centers that conduct HIV/AIDS education and training programs for healthcare providers, special projects of national significance relating to the development of innovative models of HIV/AIDS care, and financial assistance to dental schools for uncompensated oral health care costs for patients with HIV disease.

CBO estimates that reauthorizing those provisions would cost \$325 million in 2001 and \$6.6 billion over the 2001-2005 period.

CDC Programs. H.R. 4807 would reauthorize a CDC-administered program that provides HIV-related services to pregnant women and newborns. The bill would authorize the appropriation of \$30 million a year and would expand the services covered under the program. If at least \$10 million is appropriated, part of the amount above \$10 million would be set aside for states that comply with certain requirements such as mandatory testing. CBO estimates that this provision would cost \$11 million in 2001 and \$122 million over the 2001-2005 period.

Modifications to Current Programs

The bill would make several modifications to existing programs. Those changes and their estimated budgetary effects are described below. In total, CBO estimates that implementing these modifications would cost \$5 million in 2001 and \$102 million over the 2001-2005 period.

Planning and Capacity Development Grants. Section 312 of H.R. 4807 would authorize a program of capacity development grants to assist public and nonprofit private entities in expanding their ability to provide primary care and early intervention services to individuals with HIV disease in underserved communities. Under current law, a maximum of 1 percent of the amount appropriated for Part C can be used for planning grants. H.R. 4807 would increase to 5 percent the proportion that could be earmarked for the new capacity development grants and the planning grants. The maximum new capacity development grant

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.

would be set at \$150,000 under the bill. CBO estimates this provision would cost \$1 million in 2001 and \$23 million through 2005.

AIDS Education and Training Centers and Dental Reimbursements. H.R. 4807 would allow the Secretary of HHS to fund projects to develop and disseminate treatment guidelines and protocols for prenatal and gynecological care of women with HIV disease. It also would authorize training of health professionals in that area. H.R. 4807 would require the Secretary to develop and implement a strategy for disseminating HIV-related information to health care providers and patients. The bill also would modify the dental school grant program to allow partnership agreements between dental programs and community-based dentists to provide services in unserved areas. Finally, the bill would permit certified dental hygiene programs to receive reimbursement for uncompensated oral health care services provided to individuals with HIV disease under the dental reimbursement program. CBO estimates that those provisions would cost \$3 million in 2001 and \$71 million over the 2000-2005 period.

Other HRSA Activities. H.R. 4807 would require that formula grants reauthorized under Parts A and B use the number of HIV disease cases and AIDS cases in the distribution formulas in fiscal year 2005 and subsequent years. This provision would have no direct impact on federal spending. The bill would require the federal government to assist states with the new data requirements that would directly raise their program costs.

Part A grants. The bill 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.) A "hold harmless" provision in the bill would also change the limit on the amount by which grants to states could decline from year to year. Those provisions would affect the distribution of annual appropriations and the expedited disbursement might affect the pattern at which such appropriations would be spent during the year (by increasing the amounts disbursed within 60 days of appropriation), but CBO anticipates that they would not affect total program spending.

Part B grants. Section 206 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. The bill also would modify the hold harmless formula for Part B grants. CBO estimates those changes would cost less than \$500,000 in 2001 and \$4 million over the 2001-2005 period.

Additional HRSA activities and reports. H.R. 4807 would require several new activities by the Secretary of HHS and many new studies and reports. The Secretary, through the Administrator of HRSA and in consultation with grant recipients, would be required to

conduct a review of several administrative procedures for grants provided under Parts A and B, and develop new coordinated and more efficient procedures. Submission of the various plans for implementing such changes to the Congress would be due within 18 to 24 months of enactment.

The bill also would require that the Secretary provide training manuals and guidance materials to the Planning Council members who make allocation decisions about Part A grants. It also would require that the Secretary develop national quantitative incidence data and design a mechanism for its use in making awards for the supplemental grant money that goes to states demonstrating "severe need."

The bill also would require that the Secretary of HHS, in consultation with others, develop a plan regarding appropriate care following the release of prisoners with HIV disease within two years following enactment.

H.R. 4807 would require federal coordination among federal HIV programs concerning planning, funding, and implementation issues. This provision would affect programs administered by HRSA, CDC, the Substance Abuse and Mental Health Services Administration, and the Health Care Financing Administration. The bill would require biannual reports to the Congress with an analysis of the federal barriers to HIV program integration, including proposals to eliminate those barriers, as well as a status report on the coordination efforts at the federal, state, and local levels.

The Secretary would be required to request that the Institute of Medicine (IOM) complete a study, within two years after the enactment of H.R. 4807, regarding the appropriate epidemiological measures and their relationship to health-related support services for certain individuals with HIV. The Secretary would have to report to the Congress within 90 days of the request's completion. The bill also would require that the Secretary request IOM to conduct a study on the reliability of surveillance systems used by the states and to issue recommendations to improve those systems within three years of enactment. H.R. 4807 also would require that the Secretary request IOM to conduct a study within 18 months of enactment on perinatal transmission of HIV across the states, including an analysis of barriers to the testing of newborns and pregnant women, and to provide state-by-state recommendations to reduce perinatal transmission of HIV.

CBO estimates those activities and reports would cost about \$1 million in 2001 and \$5 million over 2001 through 2005.

New HRSA Programs

In addition to reauthorizing current programs and making certain programmatic changes, the bill would provide authorizations for two new provisions in the Ryan White CARE Act that would increase program costs. The estimated appropriations authorized in the bill for these provisions is also shown in Table 2.

New Supplemental Grants for Certain States. Section 207 of H.R. 4807 would create a new supplemental grant program to meet HIV care and support needs in areas that are not eligible for Part A grants. The Secretary of HHS would be required to reserve 50 percent of the increase in funding for Part B grants (other than that earmarked for state AIDS drug assistance programs, or ADAPs) for these supplemental grants—which would be awarded competitively to states in "severe need" for additional resources. However, the program would not begin until the amount appropriated under Part B (excluding ADAP funds) is \$20 million higher than the amount appropriated in 2000. Under the inflation-adjusted assumptions used for this estimate such a trigger would not be reached until 2004. CBO estimates that the new program would have no effect on federal spending in 2001 but would cost \$3 million over the 2001-2005 period.

Compliant Partner Notification Program. H.R. 4807 would establish a new grant program for partner notification, counseling, and referral services. States would have to cooperate with CDC and comply with certain requirements, including information sharing between states, to be eligible to receive funds. The bill would authorize \$30 million for this program in 2001 and such sums as necessary through 2005. Assuming appropriation of the necessary amounts, CBO estimates that implementing this provision would cost \$6 million in 2001 and a total of \$121 million through 2005.

NIH Activities and Reports

H.R. 4807 would direct the Secretary, through the Director of the NIH, to examine the distribution and availability of HIV-related clinical research programs for women, infants, children, and youth. Although H.R. 4807 does not require submission of a report to the Congress, CBO believes the bill's intent is to have the results of the evaluation transmitted to the Congress. The bill also would require that NIH expand its research efforts in the development of rapid HIV tests and to provide progress reports to the Congress. CBO estimates that those provisions would cost less than \$500,000 in 2001 and \$5 million over the 2001-2005 period.

CDC Activities and Reports

H.R. 4807 would authorize a new program for CDC to collect data and provide information support to the Ryan White program and its grantees for planning and evaluation activities. Based on the resources CDC currently devotes to supporting the improvement of states' HIV surveillance systems, CBO estimates that up to an additional 40 percent of that amount would be needed, or about \$25 million starting in fiscal year 2001. It also would require that the Secretary, in consultation with CDC and the Food and Drug Administration, submit an analysis of issues surrounding pre-market reviews and commercial distribution of rapid HIV tests to the Congress within 90 days of enactment. In addition, the bill would require the CDC to establish guidelines for the use of rapid HIV tests, with specific recommendations for states, hospitals, and other entities on the availability of HIV tests for administration to pregnant women in labor or in late-stage pregnancy with unknown HIV status. CBO estimates that those activities and reports would increase costs by \$9 million in 2001 and \$105 million over the 2001-2005 period.

PAY-AS-YOU-GO CONSIDERATIONS: None.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

The bill contains an intergovernmental mandate as defined in UMRA because it would require states to implement recommendations by the Institute on Medicine for increasing the routine testing of pregnant women and newborn children for HIV. States would be required to submit reports that describe their progress toward implementing the recommendations and barriers in the state that inhibit an obstetrician's ability to routinely test pregnant women and newborn infants for HIV.

The bill also would authorize \$30 million annually in grants for testing and treating case of perinatal HIV. CBO assumes that states would be allowed to use these grants to comply with the intergovernmental mandate and that the costs of the mandate would be well below that amount. The bill also would expand the purposes for which a number of grants could be used, including outpatient ambulatory and support services, inpatient case management, and early intervention. Additional requirements for grants include increased outreach, data collection, and implementation of quality management procedures. Such requirements would not be intergovernmental mandates as defined in UMRA because they are conditions of federal assistance.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

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

PREVIOUS CBO ESTIMATE

On May 10, 2000, CBO transmitted a cost estimate for S. 2311, the Ryan White CARE Act Amendments of 2000, as ordered reported by the Senate Committee on Health, Education, Labor, and Pensions on April 12, 2000. The two bills would make different changes to the Ryan White CARE Act, and the two estimates reflect those differences.

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