



CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE

April 11, 2008

**S. 2731**

**Tom Lantos and Henry J. Hyde U.S. Global  
Leadership Against HIV/AIDS, Tuberculosis,  
and Malaria Reauthorization Act of 2008**

*As ordered reported by the Senate Committee on Foreign Relations  
on March 13, 2008*

**SUMMARY**

S. 2731 would reauthorize several assistance programs aimed at preventing and treating HIV/AIDS, tuberculosis, and malaria in other countries. For those programs, the bill would authorize the appropriation of \$50 billion over the next five years. Other provisions of the bill would authorize funding for U.S. contributions to international vaccine funds and for research on the development of substances that can be applied topically to limit the transmission of HIV. CBO estimates that implementing S. 2731 would cost \$35 billion over the 2009-2013 period, assuming appropriation of the authorized amounts. (Additional amounts would be spent after 2013.)

In addition, enacting S. 2731 would increase direct spending. The bill would allow immigrants with HIV/AIDS to enter the United States. CBO estimates that providing certain benefits to those immigrants and their children would increase direct spending by less than \$500,000 in 2010 and by \$83 million over the 2010-2018 period. Enacting S. 2731 would have no effect on revenues.

S. 2731 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). CBO estimates that state spending for Medicaid would increase by \$53 million over the 2010-2018 period as a result of the bill's immigration provisions, but such spending would not result from intergovernmental mandates.

## ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 2731 is shown in Table 1. The costs of this legislation fall within budget functions 150 (international affairs), 550 (health), and 600 (income security).

**TABLE 1. ESTIMATED BUDGETARY IMPACT OF S. 2731**

	By Fiscal Year, in Millions of Dollars					2009- 2013
	2009	2010	2011	2012	2013	
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b>						
HIV/AIDS, Tuberculosis, and Malaria Programs						
Estimated Authorization Level	10,000	10,000	10,000	10,000	10,000	50,000
Estimated Outlays	1,392	6,392	8,262	9,082	9,482	34,610
Contributions to Vaccine Funds						
Estimated Authorization Level	108	108	108	158	158	640
Estimated Outlays	108	108	108	158	158	640
Microbicide Research						
Estimated Authorization Level	10	11	13	12	12	58
Estimated Outlays	4	9	11	12	12	48
Total Changes						
Estimated Authorization Level	10,118	10,119	10,121	10,170	10,170	50,698
Estimated Outlays	1,504	6,509	8,381	9,252	9,652	35,298
<b>CHANGES IN DIRECT SPENDING <sup>a</sup></b>						
Estimated Budget Authority	0	*	*	1	2	3
Estimated Outlays	0	*	*	1	2	3

Note: \* = less than \$500,000.

a. In addition to the direct spending effects shown here, enacting S. 2731 would have effects on direct spending after 2013 (see Table 2). The estimated increase in direct spending sums to \$3 million over the 2010-2013 period and \$83 million over the 2010-2018 period.

## **BASIS OF ESTIMATE**

For this estimate, CBO assumes that the bill will be enacted by September 30, 2008, that the authorized amounts will be appropriated, and that outlays will follow historical spending patterns for existing programs.

### **Spending Subject to Appropriation**

S. 2731 would reauthorize several assistance programs and increase the funding levels for those programs. It also would require research into various vaccines and microbicides. In total, implementing the bill would have discretionary costs of \$1.5 billion in 2009 and \$35 billion over the 2009-2013 period.

**HIV/AIDS, Tuberculosis, and Malaria Programs.** Section 401 would authorize the appropriation of \$50 billion over the 2009-2013 period. For this estimate, CBO assumes that \$10 billion would be appropriated for each of the five years, though the allocation of the \$50 billion authorization could vary from that assumption. The funds would be used to operate and expand the existing assistance programs that provide grants and contributions to organizations and global funds devoted to treating the effects of HIV/AIDS, tuberculosis, and malaria, and to preventing the transmission of those diseases. Those programs, which received a total of \$6 billion for 2008, are run by the Department of State, the U.S. Agency for International Development (USAID), and the Department of Health and Human Services.

Based on information from the Department of State, CBO estimates that the authorized five-year total of \$50 billion is sufficient to fund the expanded requirements. CBO estimates that implementing section 401 would cost about \$35 billion over the 2009-2013 period. Most of the additional amounts from the authorized funding would be spent by 2018.

**Contribution to Vaccine Funds.** Section 201 would authorize the appropriation of such sums as may be necessary to make contributions for research and development of various vaccines. Based on information from USAID on the current amount of contributions to those funds (about \$100 million in 2008) and, after 2011, the amount needed to fund the final stages of development for a tuberculosis vaccine, CBO estimates that implementing section 201 would cost \$640 million over the 2009-2013 period.

**Microbicide Research.** Section 203 would direct the Centers for Disease Control and Prevention (CDC) to conduct research with the goal of developing topical microbicides that could be used to limit the transmission of HIV. For that purpose, it would authorize the appropriation of such sums as necessary.

Based on information from the CDC, CBO estimates that such research would require \$10 million in 2009 and \$58 million over the 2009-2013 period. Assuming appropriation of those amounts, and that spending for those activities would follow historical spending patterns, CBO estimates that implementing section 203 would cost \$48 million over the 2009-2013 period.

**AIDS Drug Assistance Programs.** The Ryan White Care Act provides grants to states to run the AIDS Drug Assistance Program (ADAP). ADAP provides prescription drug benefits to certain low-income individuals with HIV/AIDS. Implementing S. 2731 would increase the number of individuals eligible for ADAP benefits. CBO estimates that the number of people newly eligible for ADAP benefits would reach about 1,000 in 2011.

The Ryan White Care Act authorizes the appropriation of specific amounts for ADAP through 2011. Absent a change in the specific authorization or appropriation for ADAP, no new federal funding would be available to meet this increased demand. If additional funding were provided for the ADAP program, CBO estimates it would cost about \$20 million in 2010 and 2011 to provide ADAP benefits to individuals affected by section 305. (This section would have direct spending costs, as explained below.)

### **Direct Spending**

Section 305 would amend the Immigration and Nationality Act by removing language that explicitly identified HIV infection—and consequently AIDS—as one of the communicable diseases of public-health significance that render aliens ineligible for visas or admission to the United States. Based on information from the CDC, CBO expects that the agency would amend the regulations concerning communicable diseases to allow aliens with HIV or AIDS into the United States if section 305 were enacted. CBO expects that the amended regulations would take effect at the beginning of fiscal year 2010.

Enacting section 305 would enable additional immigrants to receive visas to enter the United States, primarily in the visa program for immediate family members. (For some visa programs, the number of immigrants with HIV/AIDS would increase, but the total number of immigrants admitted would not change.) Based on information from the CDC, the World Health Organization, and the Department of Homeland Security, CBO estimates the annual number of additional immigrants with HIV/AIDS would total about 900 in 2010 and grow to approximately 4,300 in fiscal year 2013. Thereafter, the number of additional immigrants would grow in line with overall immigration, totaling roughly 5,600 in 2018. Additionally, CBO estimates that about 800 citizen-children would be born to those immigrants between 2010 and 2018, a markedly lower birth rate than that for non-HIV/AIDS immigrants.

CBO estimates that a small percentage of the immigrants who would enter the United States under section 305 would receive federal disability, health, and nutrition benefits. In total, CBO estimates that providing benefits to those immigrants and their children would increase spending by less than \$500,000 in 2010 and \$83 million over the 2010-2018 period, as shown in Table 2. (Through 2017, the end of the Senate’s enforcement period for direct spending under the current budget resolution, the bill would increase direct spending by \$46 million.)

**TABLE 2. COMPONENTS OF DIRECT SPENDING UNDER S. 2731**

	By Fiscal Year, in Millions of Dollars											2009- 2013	2009- 2018	
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018				
<b>CHANGES IN DIRECT SPENDING</b>														
<b>Medicaid</b>														
Estimated Budget Authority	0	*	*	1	2	3	5	10	18	31	3	70		
Estimated Outlays	0	*	*	1	2	3	5	10	18	31	3	70		
<b>Food and Nutrition Programs</b>														
Estimated Budget Authority	0	*	*	*	*	1	1	1	3	3	*	9		
Estimated Outlays	0	*	*	*	*	1	1	1	3	3	*	9		
<b>Supplemental Security Income</b>														
Estimated Budget Authority	0	*	*	*	*	*	*	*	1	3	*	4		
Estimated Outlays	0	*	*	*	*	*	*	*	1	3	*	4		
<b>Total Changes</b>														
Estimated Budget Authority	0	*	*	1	2	4	6	11	22	37	3	83		
Estimated Outlays	0	*	*	1	2	4	6	11	22	37	3	83		

Note: \* = less than \$500,000.

**Medicaid.** Under the Medicaid eligibility rules for noncitizens, immigrants entering under section 305 who meet Medicaid’s income and categorical eligibility criteria would have to wait five years before they could receive full Medicaid benefits. However, those individuals would be eligible for emergency Medicaid services before the end of the five-year waiting period.

CBO estimates that enacting section 305 would increase direct spending for the federal share of the Medicaid program by \$3 million over the 2010-2013 period and \$70 million over the 2010-2018 period. The increase in estimated costs after 2014 reflects individuals becoming eligible for full Medicaid benefits after completing the five-year waiting period.

**Food and Nutrition Programs.** By 2018, CBO estimates that about 1,300 newly admitted immigrants would qualify for Food Stamps with an average benefit of about \$130 a month. In addition, about 4,000 children of the additional immigrants would be eligible for child nutrition programs in 2018, with an average monthly cost of about \$30 (in 2018 dollars). In total, CBO estimates that direct spending for the Food Stamp and Child Nutrition programs would increase by less than \$500,000 in 2010 and \$9 million over the 2010-2018 period.

**Supplemental Security Income (SSI).** CBO estimates that direct spending for the Supplemental Security Income program would increase by less than \$500,000 in 2010 and \$4 million over the 2010-2018 period. Under current law, immigrants generally have to wait until they became naturalized citizens before they can receive SSI. Based on data from the CDC, the Social Security Administration, and private researchers, CBO estimates that nearly 400 of the additional immigrants under section 305 would enter the rolls by 2018. Over that period, CBO projects average monthly benefits would grow from \$500 to \$590.

**Social Security Disability Insurance.** CBO estimates that, under section 305, off-budget direct spending for the Social Security Disability Insurance (DI) program would increase by less than \$500,000 over the 10-year budget window. Based on the age and health profile of immigrants, CBO estimates that few people would qualify for DI over that period.

**Medicare.** Noncitizens can become eligible for Medicare if they are over the age of 65 and are residents of the United States for five consecutive years, or after receiving DI for two years. CBO assumes that few of the new entrants under section 305 would meet either of these eligibility criteria. Therefore, CBO estimates that direct spending for Medicare would increase by less than \$500,000 over the 2010-2018 period.

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

S. 2731 contains no intergovernmental mandates as defined in UMRA, but changes to immigration law would result in an increased number of individuals eligible for Medicaid, SSI, and ADAP. State spending for those programs would increase, but that additional spending would not result from intergovernmental mandates.

CBO estimates state spending for Medicaid would increase by \$53 million over the 2010-2018 period, while state spending for supplemental SSI payments would increase only slightly. ADAP benefits are state-controlled, voluntary, and federally funded through grants. Any additional costs to state, local, or tribal governments might incur in that program, including matching funds, would result from complying with conditions of aid.

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

S. 2731 contains no new private-sector mandates as defined in UMRA.

### **PREVIOUS CBO ESTIMATE**

On March 5, 2008, CBO transmitted a cost estimate for H.R. 5501, the Tom Lantos and Henry J. Hyde U.S. Global Leadership Against HIV/AIDS, Tuberculosis, and Malaria Reauthorization Act of 2008, as ordered reported by the House Committee on Foreign Affairs on February 28, 2008. While the two pieces of legislation have many provisions in common, S. 2731 contains two provisions that are not included in H.R. 5501. Section 305 of S. 2731 would allow immigrants with HIV to enter the United States, which CBO estimates would increase direct spending. In addition, section 203 of S. 2731 would require the CDC to conduct additional research. Differences in the estimated costs of S. 2731 and H.R. 5501 reflect those differences in the legislation.

### **ESTIMATE PREPARED BY:**

Federal Costs:

Foreign Aid—Michelle S. Patterson  
Centers for Disease Control and Prevention—Tim Gronniger  
Supplemental Security Income—David Rafferty  
Medicaid—Andrea Kastin Noda  
Food and Nutrition Programs—Jonathan Morancy

Impact on State, Local, and Tribal Governments: Neil Hood

Impact on the Private Sector: MarDestinee C. Perez

### **ESTIMATE APPROVED BY:**

Peter H. Fontaine  
Assistant Director for Budget Analysis