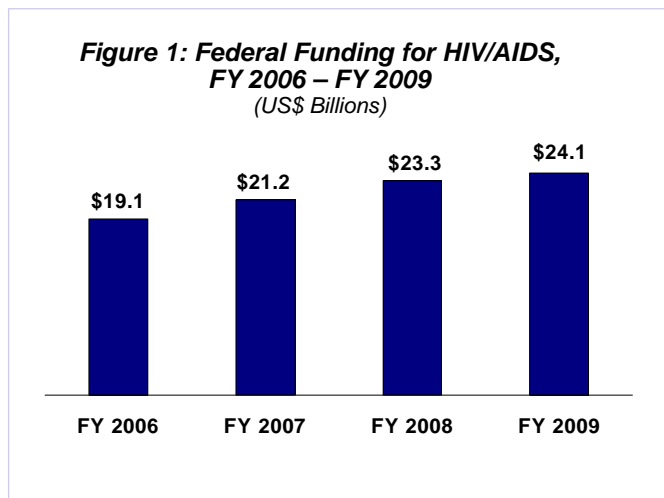


U.S. Federal Funding for HIV/AIDS: The FY 2009 Budget Request

April 2008

The President's Fiscal Year (FY) 2009 federal budget request, released in February, includes an estimated \$24.1 billion for domestic and global HIV/AIDS activities.¹ Domestic HIV/AIDS is funded at \$18.2 billion and global at \$5.9 billion.^{2,3} The FY 2009 request represents a 3.6% increase (\$844 million) over FY 2008 funding, which totaled \$23.3 billion. Congress will now consider the budget request and is expected to finalize spending levels in late 2008. Detailed data for FY 2006-FY 2009 are provided in Table 1.

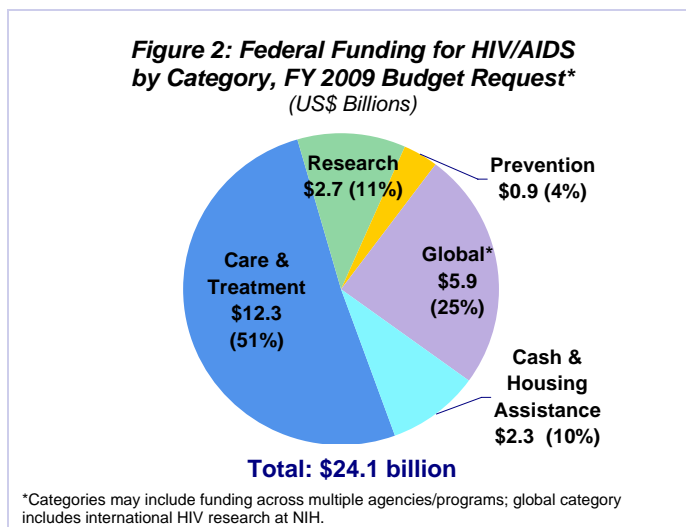
Federal funding for HIV/AIDS has increased significantly over the course of the epidemic,⁴ including by almost \$5 billion since FY 2006, driven by increased funding for global HIV/AIDS and for domestic care and treatment programs, the latter a reflection of the growing number of people living with HIV/AIDS in the United States (see Figure 1). Federal funding for HIV/AIDS represents less than 1% of the overall federal budget.



The federal HIV/AIDS budget can be organized into five general categories, the first four of which are for domestic programs: *care*; *cash and housing assistance*; *prevention*; *research*; and *global/international*. About half (51%) of the FY 2009 request is for care and treatment programs in the U.S.; 10% for domestic cash/housing assistance; 4% for domestic HIV prevention; 11% for domestic HIV research; and 25% for global, including funding for international research (See Figure 2).

Federal funding is either *mandatory* or *discretionary*. Mandatory spending generally changes each year based on the cost of care and services for those eligible for and enrolled in mandatory programs. It accounts for \$11.3 billion, or 47%, of the budget request and includes: Medicaid, Medicare, Social Security Disability Insurance (SSDI), Supplemental Security Income (SSI), and the Federal Employees Health Benefits Plan (FEHB).⁵ The Centers for Medicare and Medicaid Services (CMS), which administers the Medicaid and Medicare programs, recently adjusted federal HIV/AIDS

spending estimates from FY 2006 onward to account for two major factors: (a) the implementation of the Medicare Part D prescription drug benefit in 2006; and (b) changes in the estimated per capita costs of care. There were also further changes to methodological assumptions. The implementation of Medicare Part D resulted in increased Medicare spending estimates, since Medicare beneficiaries with HIV/AIDS either gained drug coverage for the first time or had their drug costs shifted from Medicaid to Medicare if they were dual beneficiaries of both programs. Medicaid estimates were correspondingly revised downward to account for the shift in the prescription drug costs for dual beneficiaries from Medicaid to Medicare. In addition, CMS lowered the estimated per capita costs of HIV care for both Medicaid and Medicare, based on more recently available information, which reduced overall cost estimates for both programs. As a result of these changes, and for the first time, Medicare spending on HIV/AIDS is now estimated to be greater than federal Medicaid spending on HIV/AIDS (although adding the state-share of Medicaid spending still makes Medicaid the largest budget category for HIV care in the U.S.).



The remainder of the federal HIV/AIDS budget consists of discretionary funding (\$12.8 billion or 53% in FY 2009) which is determined annually during the Congressional appropriations process. It includes all domestic prevention; research; housing; non-mandatory care programs (e.g., the Ryan White Program); and all global funding. Also included within the discretionary part of the budget is the Minority AIDS Initiative (MAI), a federal initiative created in 1998 in response to growing concern about the impact of HIV/AIDS on racial and ethnic minorities in the United States. The MAI provides funding across several agencies and programs within the Department of Health and Human Services, and is funded at \$386.9 million in the request, slightly less than FY 2008 levels.

The Domestic HIV/AIDS Budget

Care: The largest component of federal funding for HIV/AIDS is health care for people living with HIV/AIDS in the U.S., which totals \$12.3 billion in the FY 2009 request (51% of the total and 68% of the domestic share). This represents an increase of 6% over FY 2008. Most care funding is for Medicaid and Medicare; these mandatory programs also account for almost all of the increase in the care budget. The Ryan White Program, the largest HIV-specific discretionary grant program in the U.S. and third largest source of funding for HIV care, is level funded in the request at \$2.2 billion (a <1% increase over FY 2008 levels). Within this amount, the AIDS Drug Assistance Program (ADAP) receives a 3%, or \$20 million increase, over FY 2008.⁶

Cash and Housing Assistance: Cash and housing assistance total \$2.3 billion, or 10%, of the FY 2009 budget request, a 2% increase over FY 2008. The increase is due to increases in mandatory spending estimates for cash assistance through the SSI and SSDI programs which provide support to people with HIV who are disabled. Housing assistance, through HOPWA, the Housing Opportunities for Persons with AIDS Program, is level funded at \$300 million in the request.

Prevention: The FY 2009 request includes \$892 million for domestic HIV prevention efforts, the same level as FY 2008 funding (<1% decrease compared FY 2008). Domestic HIV prevention represents the smallest category of the HIV/AIDS budget (4%) and its share of the budget has decreased over time. Most funding for domestic prevention is provided through the Centers for Disease Control and Prevention (CDC)'s National Center for HIV/AIDS, Viral Hepatitis, STD, and TB Prevention (NCHHSTP), which receives \$691 million in the FY 2009 request, about the same level as in FY 2008 (<1% decrease).

Research: The budget request includes \$2.7 billion for domestic HIV research, the same level as FY 2008 (a <1% decrease), and primarily consists of funding at the National Institutes of Health (NIH), at \$2.5 billion in FY 2009, which conducts the bulk of HIV research in the U.S. and throughout the world.

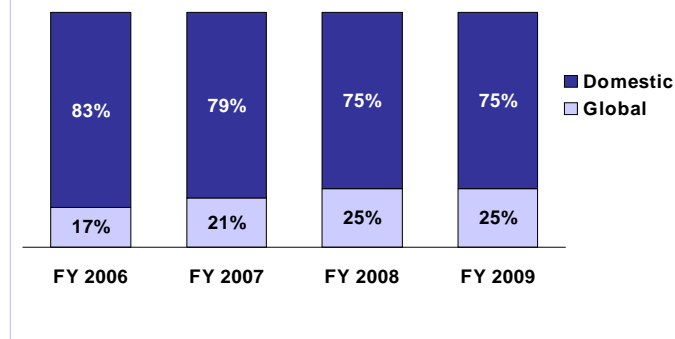
The Global HIV/AIDS Budget

Funding to combat the global HIV/AIDS epidemic has risen significantly over time. It has also increased as a share of the overall HIV/AIDS budget and now represents a quarter of all federal funding for HIV/AIDS (see Figure 3). The FY 2009 budget request includes \$5.9 billion⁷ for global HIV/AIDS efforts, a 2% increase over FY 2008. All U.S. funding for global HIV/AIDS is part of PEPFAR, the President's Emergency Plan for AIDS Relief. Most PEPFAR funding supports bilateral programs in PEPFAR's 15 "focus countries" (78% in the FY 2009 request). An additional 14% would go to bilateral efforts in other countries.

The remaining 8% of the global AIDS budget request is for contributions to the Global Fund to Fight AIDS, Tuberculosis, and Malaria (the Global Fund), an independent, public-private, multilateral institution which finances HIV/AIDS, TB, and malaria programs in low and middle income countries. Contributions to the Global Fund are made by the U.S. and other donors and in turn are distributed by the Global Fund based on a review of country proposals for the three diseases. To date, 58% of the funding distributed by the Global Fund has supported HIV/AIDS programs, 17% TB, and 24% malaria⁸; this distribution is often used by donors to estimate how their Global Fund contributions were spent. The

U.S. was the first contributor to the Global Fund when it was created and is the largest single donor today. The FY 2009 request of \$500 million for the Global Fund, however, is 40% less than FY 2008 funding levels.

Figure 3: Federal Funding for HIV/AIDS: Domestic & Global Shares, FY 2006 - FY 2009



Other Global Health Funding in the Federal Budget

In addition to global HIV/AIDS, the U.S. Government funds other global health programs, including efforts to address TB, malaria, maternal and child health, nutrition, clean water, and to bolster health infrastructure.

Funding for global TB efforts is primarily provided as part of PEPFAR (bilaterally and through U.S. contributions to the Global Fund). The FY 2009 budget request includes \$97 million in bilateral TB funding at USAID. This represents a decrease over FY 2008 funding which totaled \$152 million (and is similar to TB funding levels of \$91 million in FY 2006 and \$95 million in FY 2007).

Funding for global malaria efforts is provided bilaterally through the President's Malaria Initiative (PMI)⁹, a program launched in 2005, and through U.S. contributions to the Global Fund. Total bilateral funding for malaria in the FY 2009 request is \$528.7 million, most of which is at USAID, and represents a 5% increase over FY 2008 levels; funding for malaria efforts has increased significantly in recent years, and has more than doubled since FY 2006.

Funding for other global health programs and initiatives is provided through several federal agencies including USAID, CDC, and NIH. The Child Survival and Health Fund (CSH) at USAID supports numerous international development activities, including some funding for HIV/AIDS, TB and malaria, but also for maternal and child health, nutrition, reproductive health, other infectious disease efforts, clean water, and health systems development. Total CSH funding in the request is \$1.6 billion, a decrease from FY 2008 funding of \$1.8 billion. Excluding funding for HIV/AIDS, TB, and malaria, the CSH Fund totals approximately \$766 million in the FY 2009 request.

Funding for global health at CDC is \$302 million in the request, including some funding for PEPFAR and the PMI. Without these components, CDC global health funding totals approximately \$174 million and would support global immunization, disease detection, and other global health activities. In addition to funding HIV research, the NIH funds research on TB and malaria, and numerous other global health issues.¹⁰

References

¹ Unless otherwise noted, all data sources are listed below Table 1.

² It is difficult to disaggregate federal funding for HIV/AIDS into discrete domestic and global categories, since some agencies do not report activities along these lines and certain activities may have application to both arenas. An example is international HIV research at NIH, which can be counted as either "research" or "global".

³ Includes funding for international HIV research activities at NIH.

⁴ White House Office of Management and Budget.

⁵ Medicaid and Medicare data are estimates provided by the Centers for Medicare and Medicaid Services (CMS). SSDI and SSI data are estimates from the Social Security Administration.

⁶ The FY 2008 appropriated amount for ADAP was revised after the FY 2009 budget was released and it is not yet known whether the FY 2009 amount for ADAP will also change.

⁷ Includes full contribution to the Global Fund, not just an estimated AIDS share.

⁸ See: www.theglobalfund.org.

⁹ See www.fightingmalaria.gov.

¹⁰ NIH, Estimates of Funding for Various Diseases, Conditions, Research Areas. www.nih.gov/news/fundingresearchareas.htm.

Table 1: Federal Funding for HIV/AIDS: FY 2006 - FY 2009¹

Program/Account USD \$ Millions	FY 2006	FY 2007	FY 2008	FY 2009 Budget Request	Change FY 2008-FY 2009	
					\$	%
Domestic Programs & Research						
Ryan White Program ²	2,061.3	\$2,137.8	\$2,166.8	\$2,167.9	\$1.1	0.1%
ADAP (non-add)	789.0	789.5	794.4	814.5	\$20.1	2.5%
CDC Domestic Prevention (& Research)	715.7	758.3	753.6	752.6	(\$1.0)	-0.1%
NCHHSTP (non-add)	651.7	695.5	691.9	691.1	(\$0.8)	-0.1%
National Institutes of Health (domestic only)	2,528.9	2,544.1	2,549.7	2,547.2	(\$2.5)	-0.1%
Substance Abuse & Mental Health Services Admin (SAMHSA)	171.9	171.5	172.2	172.9	\$0.7	0.4%
Department of Veterans Affairs (VA)	468.0	505.0	540.0	645.0	\$105.0	19.4%
Housing Opportunities for Persons with AIDS (HOPWA)	286.1	286.1	300.1	300.1	\$0.0	0.0%
Minority HIV/AIDS Initiative (non-add)	399.8	399.8	402.6	386.9	(\$15.7)	-3.9%
Other discretionary ³	280.6	277.9	283.5	277.8	(\$5.7)	-2.0%
Subtotal discretionary	6,512.5	6,680.7	6,765.9	6,863.5	\$97.6	1.4%
Medicaid (federal only)	3,600.0	3,900.0	4,100.0	4,400.0	\$300.0	7.3%
Medicare	3,900.0	4,200.0	4,500.0	4,800.0	\$300.0	6.7%
Social Security Disability Insurance (SSDI)	1,388.0	1,450.0	1,484.0	1,519.0	\$35.0	2.4%
Supplemental Security Income (SSI) ⁴	440.0	420.0	475.0	490.0	\$15.0	3.2%
Federal Employees Health Benefits (FEHB) Plan	100.0	107.0	114.0	123	\$9.0	7.9%
Subtotal mandatory	9,428.0	10,077.0	10,673.0	11,332.0	\$659.0	6.2%
Subtotal Domestic	15,940.5	16,757.7	17,438.9	18,195.5	\$756.6	4.3%
Global Programs & Research						
USAID (through CSH Fund)	346.5	325.0	347.2	342.0	(\$5.2)	-1.5%
USAID (other)	27.3	20.9	24.0	0.0	(\$24.0)	-100.0%
State Department Global AIDS Initiative (GAI)	1,777.1	2,869.0	4,116.4	4,579.0	\$462.6	11.2%
Foreign Military Financing	2.0	1.6	0.0	0.0	--	--
CDC Global AIDS Program (GAP)	122.6	121.0	118.9	118.7	(\$0.2)	-0.2%
Department of Defense (DoD)	5.2	0.0	8.0	0.0	(\$8.0)	-100.0%
Subtotal bilateral prevention, care, treatment	2,280.7	3,337.5	4,614.5	5,039.7	\$425.2	9.2%
Global Fund ⁵	544.5	724.0	840.3	500.0	(\$340.3)	-40.5%
Global Fund – USAID (non-add)	247.5	247.5	0.0	0.0	--	--
Global Fund – GAI (non-add)	198.0	377.5	545.5	200.0	(\$345.5)	-63.3%
Global Fund – NIH (non-add)	99.0	99.0	294.8	300.0	\$5.2	1.8%
Subtotal bilateral prevention, care, treatment & Global Fund	2,825.2	4,061.5	5,454.8	5,539.7	\$84.9	1.6%
NIH international HIV research	373.0	361.7	363.6	366.1	\$2.5	0.7%
Subtotal Global	3,198.2	4,423.2	5,818.4	5,905.8	\$87.4	1.5%
TOTAL HIV/AIDS	19,138.7	21,180.8	23,257.3	24,101.3	\$844.0	3.6%

NOTES: 1. Some data are preliminary only; data are rounded and adjusted to reflect across-the-board rescissions to discretionary programs as required by appropriations bills. 2. Ryan White total includes \$25 million for Special Projects of National Significance (SPNS). 3. Other domestic funding is at: DHHS Office of the Secretary, Health Resources and Services Administration, Food and Drug Administration, Indian Health Service, Agency for Healthcare Research and Quality; Departments of Defense, Justice, and Labor. 4. SSI decrease from FY 2006 to FY 2007 reflects end of year payment schedule, not necessarily a decrease in payments. 5. Global Fund grants support country projects that address HIV/AIDS, tuberculosis, and malaria; approximately 58% of grants awarded to date have been for HIV/AIDS. Figures used here are not adjusted to represent an estimated HIV/AIDS share.

SOURCES: FY 2009 Budget of the United States; Congressional Appropriations Bills and Conference Reports; Agency Budget and Congressional Justification documents; Office of Management and Budget, personal communication, April 2008; Department of Health and Human Services, Office of the Budget, personal communication, April 2008; Social Security Administration, personal communication, March 2008; Congressional Research Service; DATA—Debt, AIDS, Trade, Africa.

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