

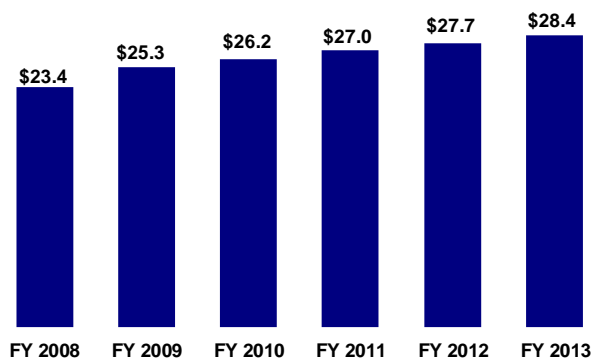
### U.S. Federal Funding for HIV/AIDS: The President's FY 2013 Budget Request

February 2012

President Obama's Fiscal Year (FY) 2013 federal budget request, released on February 13, includes an estimated \$28.4 billion for combined domestic and global HIV/AIDS activities.<sup>1</sup> Domestic HIV/AIDS is funded at \$22.25 billion and global at \$6.19 billion.<sup>2</sup> The FY 2013 request represents a 3% increase (\$766 million) over FY 2012 levels. Final funding levels for FY 2013 will now be considered by Congress. Detailed data for FY 2008-FY 2013 are provided in Tables 1-2.

Federal funding for HIV/AIDS has increased significantly over the course of the epidemic, including by \$5 billion (or 21%) since FY 2008 (see Figure 1). This growth has been driven primarily by increased spending on mandatory domestic care and treatment programs, as more people are living with HIV/AIDS in the United States. Federal funding for HIV/AIDS, however, represents a small fraction (<1%) of the overall federal budget of the United States.

**Figure 1: Federal Funding for HIV/AIDS, FY 2008 - FY 2013 (US \$Billions)**

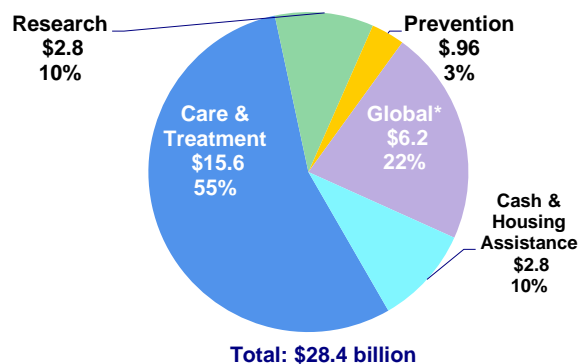


The federal HIV/AIDS budget is generally organized into five broad categories: *care*; *cash & housing assistance*; *prevention*; *research*; and *global/international*. The first four categories are for domestic programs only. More than half (55%) of the FY 2013 request is for care and treatment programs in the U.S.; 10% is for domestic cash/housing assistance; 3% is for domestic HIV prevention; 10% is for domestic HIV research; and 22% is for the global epidemic, including funding for international research (See Figure 2).

Federal funding is either **mandatory** or **discretionary**. Discretionary funding levels are determined by Congress each year through the appropriations process. Mandatory spending, primarily for entitlement programs, is determined by eligibility rules and cost of services for those who are eligible, and is not

dependent on annual Congressional appropriations (e.g., if more people are eligible and/or the cost of services goes up, mandatory spending will also increase). Mandatory spending accounts for \$14.5 billion, or 51%, 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), programs which provide health coverage and cash assistance for people with HIV/AIDS. In FY 2010, it also included mandatory spending provided to the Centers for Disease Control and Prevention (CDC) from the "Prevention and Public Health Fund" (PPHF), a new fund created by the Affordable Care Act (ACA).

**Figure 2: Federal Funding for HIV/AIDS by Category, FY 2013 Budget Request (US\$ Billions)**



\*Categories may include funding across multiple agencies/programs; global category includes international HIV research at NIH.

The remaining \$14 billion (49%) of the federal HIV/AIDS budget request in FY 2013 is discretionary, and is determined annually by Congress during the appropriations process. Of this, \$7.8 billion (27% of the overall AIDS budget request and 56% of the discretionary component of the request) is for domestic programs – prevention research, housing, and non-mandatory care programs (e.g., the Ryan White Program). The remainder of the discretionary budget, \$6.2 billion (22% of the overall request and 44% of the discretionary component), is for the global epidemic.

#### The Domestic HIV/AIDS Budget

In July 2010, the White House released the first comprehensive *National HIV/AIDS Strategy* (NHAS) to combat the domestic epidemic, with three main goals: to reduce new HIV infections, increase access to HIV care, and reduce HIV-related disparities.<sup>3</sup> The FY 2013 budget request includes funding to achieve these goals.

**Care:** The largest component of the federal AIDS budget is health care services and treatment for people living with HIV/AIDS in the U.S., which totals \$15.6 billion in the FY 2013

request (55% of the total and 70% of the domestic share). This represents a 6% increase over FY 2012, primarily due to increased mandatory spending for Medicaid and Medicare, but also to increases in the Ryan White Program. Ryan White, the largest HIV-specific discretionary grant program in the U.S. and third largest source of funding for HIV care, is funded at \$2.5 billion in the budget, a \$80 million increase (3%) over FY 2012. Most of this increase is for the AIDS Drug Assistance Program (ADAP) which provides access to HIV-related medications to people with HIV/AIDS but has been subject to ongoing waiting lists and other cost containment measures in several states due to shortage of funds and increased demand; ADAP receives \$1 billion in the request, a \$67 million (7%) increase over FY 2012.

*Cash/Housing Assistance:* \$2.8 billion (10%) of the FY 2013 budget request for HIV/AIDS is for cash and housing assistance. This includes mandatory spending estimates for SSI and SSDI, which provide cash assistance to disabled individuals with HIV. Housing assistance, through the Housing Opportunities for Persons with AIDS Program (HOPWA), is funding by discretionary spending and receives \$330 million in the request, a slight decrease.

**Table 1: Federal Funding for HIV/AIDS by Category, FY 2008-FY 2013 (US \$Billions)**

Category	2008	2009	2010	2011	2012	2013 Request
Care	\$11.7	\$12.4	\$13.2	\$14.0	\$14.8	\$15.6
Cash/Housing	\$2.3	\$2.5	\$2.6	\$2.7	\$2.7	\$2.8
Prevention	\$0.9	\$0.9	\$0.9	\$0.9	\$0.9	\$0.96
Research	\$2.7	\$3.0	\$2.7	\$2.8	\$2.9	\$2.8
Global	\$5.9	\$6.5	\$6.6	\$6.5	\$6.4	\$6.2
Total	\$23.4	\$25.3	\$26.2	\$27.0	\$27.7	\$28.4

*Prevention:* The smallest category of the HIV/AIDS budget is domestic HIV prevention (3%). The FY 2013 request includes \$960 million for HIV prevention across multiple agencies, representing a \$33 million (4%) increase over FY 2012. Most prevention funding is provided to the CDC's National Center for HIV/AIDS, Viral Hepatitis, STD, and TB Prevention (NCHHSTP), which receives \$826.4 million, a 5% increase over FY 2012.

*Research:* \$2.8 billion (10% of the request) is for domestic HIV research across multiple agencies, a 2% decrease over FY 2012. The National Institutes of Health (NIH), which carries out almost all domestic HIV research<sup>4</sup>, receives \$2.7 billion (additional amounts are used for international HIV research, attributed to the global category).

*Minority HIV/AIDS Initiative:* The budget request also includes funding for the federal Minority HIV/AIDS Initiative (MAI), created in 1998 to address the disproportionate impact of HIV/AIDS on racial and ethnic minorities in the United States. Funding for the MAI in FY 2013 of \$432.3 million includes \$53.6 million requested for the MAI specifically, and funding designated at other agencies within the Department of Health and Human Services (DHHS) for the MAI.

## The Global HIV/AIDS Budget

The U.S. government first provided funding to address the global HIV/AIDS epidemic in 1986. Funding increased over time, particularly in the last decade, but has slowed in recent years and now is on the decline. All U.S. funding for global HIV/AIDS is part of PEPFAR, the President's Emergency Plan for AIDS Relief, first authorized in FY 2003 and reauthorized in FY 2008.<sup>5,6</sup> In May 2009, President Obama announced a new Global Health Initiative (GHI) to develop a comprehensive U.S. government strategy for global health, acting as an umbrella over several U.S. global health programs including PEPFAR, which represents the largest share of the GHI's budget.<sup>7</sup>

The FY 2013 budget request for HIV/AIDS includes \$6.2 billion for the global epidemic, 3% less than FY 2012. Of this amount, 4.5 billion is for the following: bilateral activities centrally operated at the Office of the Global AIDS Coordinator and in countries and regions (approximately \$4.1 billion); international research (\$389 million); and multilateral contributions to UNAIDS (\$45 million), the International AIDS Vaccine Initiative (\$28.7 million), and Microbicides (\$45 million). The request also includes \$1.65 billion for the Global Fund to Fight AIDS, Tuberculosis and Malaria (the Global Fund), a 27% increase over FY 2012 funding levels. This \$1.65 billion is part of a \$4 billion, multi-year pledge to the Global Fund announced by the Administration in 2010. The Global Fund is an independent, public-private, multilateral institution which finances HIV/AIDS, TB, and malaria programs in low and middle income countries. The U.S., the first contributor to the Global Fund when it was created, is its largest single donor today. Donors make contributions to the Global Fund without specifying disease allocations, and the Global Fund in turn distributes funding based on a review of country proposals. To date, approximately 56% of Global Fund grant expenditures have been for HIV programs. If this distribution is applied to U.S. Global Fund contributions to determine an estimated HIV/AIDS "share", the FY 2013 request would be approximately \$924 million.

## REFERENCES

- <sup>1</sup> Unless otherwise noted, all data sources are listed below Table 2.
- <sup>2</sup> It is difficult to disaggregate federal funding for HIV into discrete domestic and global categories, since some agencies do not report activities along these lines and certain activities may have application in both arenas. An example is international HIV research at NIH, which can be counted as either "research" or "global" but is generally attributed to the global category.
- <sup>3</sup> White House, *National HIV/AIDS Strategy*; July 2010.
- <sup>4</sup> The NIH does not define HIV research as "domestic" given its broad application. However, for purposes of this analysis, all HIV research funding not designated as "global" was considered to be domestic research.
- <sup>5</sup> P.L. 108-25, May 27, 2003; P.L. 110-293, July 30, 2008.
- <sup>6</sup> Congress also provides TB funding through PEPFAR, although these amounts are not included in the totals presented here; with TB, PEPFAR funding totals \$6.4 billion in FY 2013. PEPFAR legislation also authorizes funding for malaria which is counted separately as part of the President's Malaria Initiative (PMI).
- <sup>7</sup> See, <http://www.ghi.gov/>.

**Table 2: Federal Funding for HIV/AIDS, FY 2008 – FY 2013<sup>1</sup>**

Program/Account (USD \$ Millions)	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013 Request	Change FY 2012-FY 2013	
							\$	%
<b>Domestic Programs &amp; Research</b>							\$	%
Ryan White Program <sup>2,3</sup>	\$2,166.8	\$2,238.4	\$2,312.2	\$2,336.7	\$2,392.2	\$2,471.8	\$80	3.3%
ADAP (non-add) <sup>4</sup>	\$794.4	\$815.0	\$857.0	\$885.0	\$933.3	\$1,000.0	\$66.7	7.1%
CDC Domestic Prevention (& Research)	\$731.9	\$731.9	\$768.9	\$800.4	\$786.2	\$826.4	\$40.2	5.1%
National Institutes of Health (domestic only) <sup>5</sup>	\$2,516.7	\$2,870.6	\$2,599.7	\$2,683.5	\$2,710.5	\$2,686.1	(\$24.4)	-0.9%
Substance Abuse & Mental Health Services Admin (SAMHSA)	\$172.1	\$178.2	\$178.4	\$178.1	\$177.6	\$178.6	\$1.0	0.6%
Department of Veterans Affairs (VA)	\$639.0	\$701.0	\$783.0	\$852.0	\$922.0	\$996.0	\$74.0	8.0%
Housing Opportunities for Persons with AIDS (HOPWA)	\$300.1	\$310.0	\$335.0	\$334.3	\$332.0	\$330.0	(\$2.0)	-0.6%
Minority HIV/AIDS Initiative (non-add)	\$400.8	\$395.5	\$413.7	\$419.9	\$426.2	\$432.3	\$6.1	1.4%
Other domestic discretionary <sup>6</sup>	\$285.5	\$298.5	\$296.4	\$317.7	\$326.4	\$296.5	(\$29.9)	-9.2%
Subtotal discretionary	\$6,812.0	\$7,328.6	\$7,273.6	\$7,502.7	\$7,646.8	\$7,785.3	\$138.5	1.8%
Medicaid	\$4,100.0	\$4,400.0	\$4,700.0	\$5,100.0	\$5,300.0	\$5,600.0	\$300.0	5.7%
Medicare	\$4,500.0	\$4,800.0	\$5,100.0	\$5,400.0	\$5,800.0	\$6,200.0	\$400.0	6.9%
Social Security Disability Insurance (SSDI)	\$1,571.0	\$1,696.0	\$1,771.0	\$1,818.0	\$1,865.0	\$1,925.0	\$60.0	3.2%
Supplemental Security Income (SSI)	\$465.0	\$485.0	\$530.0	\$585.0	\$520.0	\$570.0	\$50.0	9.6%
Federal Employees Health Benefits (FEHB) Plan	\$114.0	\$123.0	\$143.0	\$150.0	\$159.0	\$173.0	\$14.0	8.8%
CDC PPHF	\$0.0	\$0.0	\$30.4	\$0.0	\$0.0	\$0.0	\$0.0	--
Subtotal mandatory	\$10,750.0	\$11,504.0	\$12,274.4	\$13,053.0	\$13,644.0	\$14,468.0	\$824.0	6.0%
<b>Subtotal Domestic</b>	<b>\$17,562.0</b>	<b>\$18,832.6</b>	<b>\$19,548.0</b>	<b>\$20,555.7</b>	<b>\$21,290.8</b>	<b>\$22,253.3</b>	<b>\$962.5</b>	<b>4.5%</b>
<b>Global Programs &amp; Research</b>							\$	%
USAID (through the "GHP" account) <sup>7</sup>	\$347.2	\$350.0	\$350.0	\$349.3	\$350.0	\$330.0	(\$20.0)	-5.7%
USAID (other)	\$24.7	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	--
State Department (through GHP)	\$4,116.4	\$4,559.0	\$4,609.0	\$4,585.8	\$4,243.0	\$3,700.0	(\$543.0)	-12.8%
Foreign Military Financing	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	--
CDC Global AIDS Program (GAP)	\$118.9	\$118.9	\$119.0	\$118.7	\$117.1	\$117.2	\$0.0	0.0%
Department of Defense (DoD)	\$9.0	\$8.0	\$10.0	\$10.0	\$8.0	\$0.0	(\$8.0)	-100.0%
NIH international HIV research	\$411.7	\$467.4	\$485.6	\$375.7	\$364.5	\$388.9	\$24.4	6.7%
Subtotal bilateral prevention, care, treatment, research <sup>8</sup>	\$5,027.8	\$5,503.3	\$5,573.6	\$5,439.6	\$5,082.6	\$4,536.0	(\$546.6)	-10.8%
Global Fund <sup>9,10</sup>	\$840.3	\$1,000.0	\$1,050.0	\$1,045.8	\$1,300.0	\$1,650.0	\$350.0	26.9%
Global Fund – State (non-add)	\$545.5	\$600.0	\$750.0	\$748.5	\$1,300.0	\$1,650.0	\$350.0	26.9%
Global Fund – USAID (non-add)	\$0.0	\$100.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	--
Global Fund – NIH (non-add)	\$294.8	\$300.0	\$300.0	\$297.3	\$0.0	\$0.0	\$0.0	--
<b>Subtotal Global</b>	<b>\$5,868.1</b>	<b>\$6,503.3</b>	<b>\$6,623.6</b>	<b>\$6,485.4</b>	<b>\$6,382.6</b>	<b>\$6,186.0</b>	<b>(\$196.6)</b>	<b>-3.1%</b>
<b>TOTAL</b>	<b>\$23,430.2</b>	<b>\$25,335.9</b>	<b>\$26,171.6</b>	<b>\$27,041.1</b>	<b>\$27,673.4</b>	<b>\$28,439.3</b>	<b>\$765.9</b>	<b>2.8%</b>

**NOTES:** (1) Data are rounded and adjusted to reflect across-the-board rescissions to discretionary programs as required by appropriations bills in some years and some data are still considered preliminary. FY 2013 represents the President's budget request only and not final, enacted amounts. (2) Ryan White totals include \$25 million for Special Projects of National Significance (SPNS) in each fiscal year. (3) In FY 2012, the President announced the availability of an additional \$15 million for Ryan White Part C grantees, \$10 million of which will be provided from other HHS activities via the HHS Secretary's transfer authority, and is counted in the Ryan White total for FY 2012 above, and \$5 million of which will be provided from the federal health center program budget and is counted in "other domestic discretionary" funding; (4) ADAP funding in FY 2010 includes \$25 million in emergency funds provided as new competitive, grant funding to address ADAP waiting lists and cost containment measures. In FY 2011, the ADAP total of \$885 million includes \$40 million to address ADAP waiting lists and cost containment measures, of which \$25 million was provided to those states that had received emergency funding in 2010 and \$15 million was provided as new, competitive grant funding. In FY 2012, the ADAP total of \$933.3 includes \$75 million to address ADAP waiting lists and cost containment measures, of which \$40 million will be provided to those states that had received emergency funding in 2011 and \$35 million will be provided as new, competitive grant funding. (5) The NIH does not define HIV research as "domestic" given its broad application. However, for purposes of this analysis, all HIV research funding not designated as "global" was considered to be domestic research. (6) "Other domestic funding" includes amounts at: DHHS Office of the Secretary; Health Resources and Services Administration; Food and Drug Administration; Indian Health Service; Agency for Healthcare Research and Quality; and the Departments of Defense, Justice, and Labor. (7) GHP is the "Global Health Programs" account, formerly named the Global Health and Child Survival Account (GHCS); (8) Includes funding for UNAIDS, the International AIDS Vaccine Initiative, and Microbicides. (9) Global Fund grants support country projects to fight HIV/AIDS, tuberculosis, and malaria; to date, approximately 56% of Global Fund grant expenditures have been for HIV programs. Figures used here are not adjusted to represent an estimated HIV/AIDS share unless noted. (10) FY 2012 funding for the Global Fund includes \$250 million above final FY 2012 appropriations levels, which was transferred from HIV/AIDS bilateral funding at the State Department.

**SOURCES:** Kaiser Family Foundation analysis of data from: FY 2013 Budget of the United States and Congressional Budget Justifications; Congressional Appropriations Bills and Conference Reports; Agency operational plans; White House, *The President's FY 2013 Budget*, February 2012; Office of Management and Budget, personal communication, February 2012.