The AIDS Institute
Ensuring Necessary Funding
For Ending AIDS In The United States

October 1, 2012
United States Conference on AIDS
Las Vegas, NV
Outline

• The Current Budget Environment
• Budget and Appropriations
• The Impact of Sequestration on HIV/AIDS Programs
• Looking Ahead: Health Reform Implementation
• Information for Advocates
The Current Budget Environment
Total Spending In FY 2012 = $3.717 Trillion
(Outlays In Billions Of Dollars)

Mandatory Spending
- Medicaid: $255
- Medicare: $478
- Social Security: $773
- Interest: $223
- Other Mandatory: $670

Discretionary Spending
- Non-Defense Discretionary: $610
- Defense: $709

Source: http://www.whitehouse.gov
(In Trillions of Dollars)

September 4, 2012
US Debt hits $16 trillion

Source: http://www.gpo.gov

USCA 2012
U.S. Borrowing Almost 40 Cents of Every Dollar It Spends

Source: http://budget.senate.gov/democratic/index.cfm/chartlibrary
Budget Control Act of 2011

Congress Passed August 2011

Agreed to Cut Deficit by $2.4 trillion over 10 years

- Discretionary spending caps of $917 billion in savings over 10 years
- PLUS: a joint bipartisan super committee created to identify an additional $1.2 trillion in cuts
- Super Committee failed to reach an agreement
- Sequestration will occur on January 2, 2013, unless the Congress and President agree on an alternative
The Fiscal Cliff

- Sequestration begins
- Bush tax cuts expire
- Social Security payroll tax cuts expire
- Expiration of federal unemployment benefits
- Medicare payment rates for physician services will be reduced ("doc fix")
- Debt ceiling to be reached

The Congressional Budget Office estimates this would cut GDP by four percent in 2013, causing a recession.
The Current Environment

Split Government

- Highly partisan
- Few compromises
- Government gridlock

Elections are approaching

- Major decisions being delayed
- Deferring to lame-duck
  - Short or long term decisions
  - Depends on election outcome
FY2013 Budget

President

• Released February 2012
• $1.047 trillion in spending
  • In accordance with Budget Control Act
• Raises individual taxes for top tier, lowers corporate
• Structure of Medicaid unchanged

House Republicans

• Released by Paul Ryan March 2012
• $1.028 trillion in spending
• Lowers individual and corporate taxes
• Turns Medicaid into block-grant, makes cuts
FY2013 Budget

Senate Democrats

• In accordance with Budget Control Act numbers
• $1.047 trillion in spending (matches President)
• Decided through “deeming” resolution March 2012

No final budget agreed to by Congress

• House and Senate proceeded with different budget caps
  • Influences appropriation levels
## Spending Allocations

<table>
<thead>
<tr>
<th>Subcommittee Allocations</th>
<th>House</th>
<th>Senate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defense</td>
<td>$519.2 b</td>
<td>$511.2 b</td>
</tr>
<tr>
<td>Labor, HHS</td>
<td>$150.0 b</td>
<td>$157.7 b</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$1.028 trillion</td>
<td>$1.047 trillion</td>
</tr>
</tbody>
</table>

~$8 billion difference between Defense and Labor, HHS
HIV/AIDS Programs
CDC HIV Prevention

Only 3% of US HIV Spending

FY12: $786 million (-$14 million)

- 25% ($10 million) cut to Div. of Adolescent and School Health
- $4 million cut to other HIV Prevention programs
FY13:

- President’s Budget: +$40 million
  - Restores $10 million cut to DASH
- Senate: No increase
  - DASH cuts not restored
- House: -$105 million (9.5%) cut to Center for HIV/Hep/TB/STD
  - Specific cut to HIV programs unknown
Ryan White Program FY12

FY12: $2.342 billion

• +$13 million to ADAP

• All other Parts: Small Across the Board Cuts

• Plus World AIDS Day Emergency Funding by President Obama:
  • ADAP: +$35 million
  • Part C: +$15 million
Ryan White Program FY13

President’s Budget:

- +$80 million total
- Continues World AIDS Day funding
  - $35 million for ADAP
  - $15 million Part C
- +$67 million for ADAP
- +$21 million for Part C
- $8 million cut for Part D
- Other Parts Flat
Ryan White Program FY13

Senate:

- + $30 million (all to ADAP)
- Incorporated World AIDS Day funding
  - $35 million for ADAP
  - $10 of the $15 million for Part C
- Rejected President’s Part D Cuts
- Flat Funds All Other Parts
Ryan White Program FY13

House:

- $47 million total
- Incorporated $35 million ADAP World AIDS Day funding
- Plus $67 million for ADAP
  - Total increase of $102 million (President’s Request)
- But, $114 million cut to other Parts of the Program
- No committee report so specific cuts not known
NIH AIDS Research

11% of NIH Budget for HIV/AIDS

FY12: $3.06 billion (Flat)

FY13:
• President’s Budget: Flat
• Senate: +$10 million
• House: Flat
Housing Opportunities for People with AIDS

FY12: $332 million (-$2.3 million)

FY13:
- President’s Budget: (-$2 million)
- Senate: (-$2 million)
- House: Flat
  - Amendment by Rep. Nadler restored funding cut proposed in Committee
The Impact of Partisan Government

No budget agreement
- Labor HHS and all other funding bills stalled
  - House floor passed 6 appropriations bills
  - Senate voted on none
- Fiscal Year begins October 1st

As a result, Congress passed a 6 month Continuing Resolution
- Through March 27, 2013
- At BCA level of $1.047 T
- 0.612% increase in funding levels across the board
  - Spending plan due within 30 days
## FY2012 Continuing Resolution

A 0.612% increase in funding level across the board

<table>
<thead>
<tr>
<th>Program</th>
<th>CR funding</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CDC: HIV Prevention</strong></td>
<td>$791 m (+$4.8 m)</td>
</tr>
<tr>
<td><strong>Ryan White Program</strong></td>
<td>$2.41 b (+$14.6 m)</td>
</tr>
<tr>
<td><strong>ADAP</strong></td>
<td>$939 m (+$5.7 m)</td>
</tr>
<tr>
<td><strong>NIH: AIDS Research</strong></td>
<td>$3.08 b (+$0.02 b)</td>
</tr>
<tr>
<td><strong>HOPWA</strong></td>
<td>$334 m (+$2 m)</td>
</tr>
</tbody>
</table>
The Impact of Partisan Government

FY13 final spending bills can be addressed:

• In lame-duck
• By new Congress and next President
  • Continue CR through the entire year
  • Omnibus or individual bills
Policy Riders And Programs

Federal Funding Ban on Syringe Exchange Programs

- FY12: Ban reinstated

- FY13:
  - President proposes to lift ban, Senate agrees
  - House proposes to keep ban
  - CR continues current language

Affordable Care Act

- FY13 House bill defunds implementation
  - Defunds Prevention and Public Health Fund
Abstinence Only and Title X

Abstinence-only Until Marriage Programs
- FY12: $5 million (+$5 million over FY11)
- FY13:
  - Senate and President propose defunding
  - House increases to $20 m

Title X Family Planning Programs
- FY12: -$5.5 m
- FY13:
  - President: +$2.9 m
  - Senate: Flat
  - House: -$293.9 m - defunded
Teen Pregnancy Prevention

FY12: $104.6 m (-$0.2 m)

FY13:

- President: +$0.2 m
- Senate: Flat
- House: -$84.6 m leaving $20 m
HIV/AIDS Programs & the Budget

- Despite significant overall budget cuts, HIV programs have been mostly spared, some even received increases.
- Domestic HIV programs have been a priority for Obama Administration.
- Republican support for some HIV programs continues.
- How long will this last?
The Impact of Sequestration on HIV/AIDS Programs
# Impact of Sequestration

First year: 8.2% cut to non-defense discretionary programs*

<table>
<thead>
<tr>
<th>PROGRAM</th>
<th>Amount</th>
</tr>
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<tbody>
<tr>
<td>CDC HIV Prevention</td>
<td>-$64 million</td>
</tr>
<tr>
<td>Ryan White Program</td>
<td>-$196 million</td>
</tr>
<tr>
<td>[ADAP]</td>
<td>[-$77 million]</td>
</tr>
<tr>
<td>NIH AIDS Research</td>
<td>-$251 million</td>
</tr>
<tr>
<td>HOPWA</td>
<td>-$27 million</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>-$538 million</strong></td>
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* For illustrative purposes only. Assume cuts taken from FY 2012 levels.
Looking Ahead: Health Reform Implementation
Health Reform Implementation

• Majority of ACA expansion begins January 1, 2014
  • Individual mandate – most Americans will have access to health coverage
    • Medicaid expansion – depends on state
    • Private Insurance through Exchanges
  • Coverage of Preventive services
• How will this impact future appropriations for Ryan White & CDC?
  • Pressure to find cost-savings
Health Reform & Funding

Many Ryan White clients will obtain coverage for health care from private insurance and Medicaid

- Not all services will be covered
  - Do not know what Essential Health Benefits will be selected in each state
  - Oral health, transportation, linguistic and legal services, supportive housing not covered
- Not everyone will be covered, some states may not take the Medicaid Expansion
- Transition time
- Ryan White can assist with co-pays, premiums, etc.
- More people will need supportive services and case management
- Impact on Budget Unknown and hard to quantify now
Health Reform & Funding

ACA provides for coverage of Preventive Services
  • Private Insurance Plans, Medicaid & Medicare
    • Greatly depends on USPSTF Grade & Essential Health Benefits
  • HIV Testing Coverage & CDC Budget
    • What is reimbursed is the test and counseling
    • Providers have to learn how to bill for services
    • Will never bill for services in all settings
    • Not everyone will have health coverage
    • CDC funds other services as part of HIV Testing
      • Staffing, reporting, outreach/education
  • Other Preventive Services

USCA 2012
Information for Advocates
Information For Advocates

• Join AIDS Budget & Appropriations Coalition (ABAC)
• Respond to Grassroots Action Alerts
• Write to members of congress
• Meet with elected officials and staff in district & DC
• Respond to sign-on letters
Thank You
Questions?

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