

Federal Funding for HIV/AIDS: The FY 2005 Budget Request

February 2004

On February 2, 2004, the President introduced the Fiscal Year (FY) 2005 federal budget request to Congress, including an estimated \$19.8 billion for domestic and global HIV/AIDS funding (less than 1% of the total federal budget). This would represent a 7% (\$1.3 billion) increase over FY 2004 HIV/AIDS funding of \$18.5 billion. Approximately \$17.1 billion (86%) of the FY 2005 request is for domestic HIV/AIDS and \$2.7 billion (14%) for global HIV/AIDS.^{1,2} Detailed data on the President's FY 2005 budget request are provided in Table 1, with comparisons to actual FY 2003 and estimated FY 2004 funding.³

Overview

Federal funding for HIV/AIDS programs can be organized into five general funding categories: care; cash and housing assistance; prevention; research; and international/global. More than half (59%) of the FY 2005 request is for care activities; 9% for cash and housing assistance; 5% for prevention; 15% for research; and 12% for global (not including international research; if international research is included in the global category, it rises to 14% of the total). See Figure 1.

Two main factors drive the budget increase in FY 2005: growing mandatory funding for domestic care and cash assistance programs⁴ (an increase of \$677 million or 7% over FY 2004); and growing discretionary funding for global HIV/AIDS activities (an increase of \$450 million or 20% over FY 2004).² Together they make up most (87%) of the \$1.3 billion increase.

About half (51% or \$10.1 billion) of the FY 2005 HIV/AIDS budget is for mandatory (or entitlement) programs: federal Medicaid, Medicare, Social Security Disability Insurance (SSDI), and Supplemental Security Income (SSI). Mandatory funding generally changes each year (increases or decreases) based on the cost of delivering services and cash assistance to individuals eligible for and enrolled in these programs.

The remaining 49% (\$9.7 billion) comes from discretionary accounts, for which Congress annually determines spending limits. Among the discretionary components of the proposed budget, global HIV/AIDS activities received the biggest boost; domestic discretionary accounts had either small changes or were level-funded.

Care: The greatest amount of federal resources for HIV/AIDS is channeled into domestic HIV/AIDS health care for people living with HIV/AIDS, which totals \$11.6 billion in the FY 2005 budget request. This would represent an increase of 6% over FY 2004. Most care funding is for the federal Medicaid and Medicare programs; these mandatory programs also account for almost all of the increase in the care budget over FY 2004. The Ryan White CARE Act, the largest discretionary HIV/AIDS care program, is level-funded in the budget request, except for its AIDS Drug Assistance Program (ADAP), which would receive an increase of \$35 million. All other care programs received only small increases.

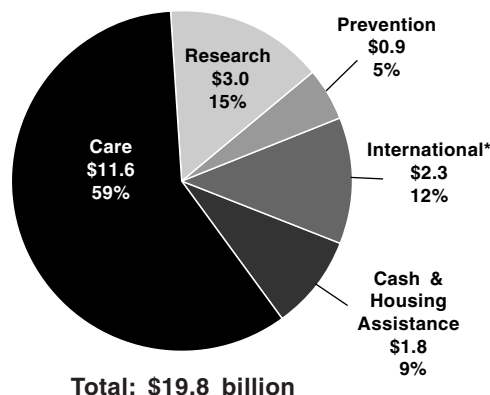
Cash and Housing Assistance: Cash and housing assistance would increase 4% in FY 2005 (to \$1.8 billion), all due to increases in mandatory spending for SSDI and SSI. Housing assistance, provided through the Housing Opportunities for Persons with AIDS (HOPWA) Program, is level-funded in the budget request.

Prevention: Funding for domestic prevention activities is level-funded at approximately \$941 million in the FY 2005 request (less than a 1% increase); this includes funding for the Centers for Disease Control and Prevention (CDC), which conducts most domestic prevention activities.

Research: Funding for HIV/AIDS research increases by 2% in the budget request (to \$3 billion). HIV/AIDS research is conducted at several agencies, primarily the National Institutes of Health (NIH), which receives all of the increase in research funding in FY 2005.

Global: Funding for international HIV/AIDS activities receives the greatest percent increase across funding categories. Not including international research, it increases by 22% over FY 2004; including research, it increases by

Figure 1: Federal Funding for HIV/AIDS by Category—FY 2005 Budget Request
(US\$ Billions)



*Excluded from the International category is \$366 million in international research funding (\$355 million from NIH that is in the research category and \$11 million from CDC that is in the prevention category). If international research funding is shifted to the international category, it would total \$2.7 billion and comprise 14% of the total.

20%. Global HIV/AIDS funding has also been rising as a proportion of federal HIV/AIDS funding over time.

The FY 2005 request for global HIV/AIDS is part of the President's Emergency Plan for AIDS Relief (PEPFAR), introduced in 2003.^{5,6} As part of PEPFAR, a new Global HIV/AIDS Initiative (GAI) account and Global AIDS Coordinator position were created, and are slated to get the largest share of global HIV/AIDS funding in FY 2005. Other bilateral accounts at the U.S. Agency for International Development (USAID) and CDC are either level-funded or reduced (in part due to transfers of some funding from these agencies to the GAI). The request for the Global Fund is substantially less than what Congress appropriated last year, but the same as requested by the President in FY 2004.

References

¹ It is difficult to disaggregate federal funding for HIV/AIDS into discrete domestic and global categories, since some agencies do not report their activities along these lines and certain activities may have application to both the domestic and global arenas. An example is international HIV research at NIH, which can be counted in either the research or international categories.

² This amount for global HIV/AIDS includes funding for international research activities at the National Institutes of Health (NIH) and the Centers for Disease Control and Prevention (CDC).

³ FY 2004 data are not final; FY 2005 data are proposed only.

⁴ Medicaid, Medicare, Social Security Disability Insurance (SSDI), and Supplemental Security Income (SSI).

⁵ PEPFAR would provide \$15 billion over five years, beginning in FY 2004, to care, treatment, prevention, and research efforts related to HIV/AIDS, TB, and malaria, including almost \$10 billion in new money targeted at 14 priority countries and for the Global Fund. The FY 2004 Omnibus Bill added a 15th country, not to be located in Africa or the Caribbean, which has yet to be named. PEPFAR's goals are to: prevent 7 million new infections, treat 2 million HIV infected people, and care for 10 million HIV-infected people and AIDS orphans.

⁶ Authorized by the United States Leadership Against HIV/AIDS, Tuberculosis, and Malaria Act of 2003 (Public Law No: 108-25).

Table 1: Federal Funding for HIV/AIDS: FY 2003 - FY 2005¹

Program/Account <i>Dollars in millions (unless noted)</i>	FY 2003 Actual	FY 2004 Estimate	FY 2005 Budget Request	Change FY 2004-FY 2005	
				\$	%
Domestic/Other					
Ryan White CARE Act ²	\$2,018	\$2,045	\$2,080	+ \$35	+ 1.7%
ADAP (non-add)	714.3	749	784	+ 35	+ 4.7%
CDC Domestic Prevention (& Research)	793.6	788.2	790	+ 2	+ 0.2%
NCHSTP (non-add)	688.6	695.5	696	1	+ 0.1%
International research (non-add)	11	11	11	0	
National Institutes of Health	2,716	2,850	2,930	+ 80	+ 2.8%
International research (non-add)	278.6	323.5	355	+ 32	+ 9.9%
Housing Opportunities for Persons with AIDS (HOPWA)	290.1	294.8	295	+0.2	+ 0.1%
Substance Abuse & Mental Health Services Admin (SAMHSA)	171	171	173	+ 2	+ 1.2%
Medicaid (federal only)	4,800	5,400	5,700	+ 300	+ 5.6%
Medicare	2,400	2,600	2,900	+ 300	+ 11.5%
Social Security Disability Insurance (SSDI)	1,019	1,050	1,082	+ 32	+ 3%
Supplemental Security Income (SSI)	395	415	460	+ 45	+ 10.8%
Department of Veterans Affairs (VA)	396	402	412	+ 10	+ 2.5%
Federal Employees Health Benefits (FEHB) Plan	321	343	370	+ 27	+ 7.9%
Other ³	246	269	270	+ 1	+ 0.4%
Subtotal (w/o NIH and CDC international research)	\$15.3B	\$16.3B	\$17.1B	+ 802	+ 4.9%
Global					
USAID bilateral (Child Survival & Health Fund)	587.6	513.5	500.0	- 14	- 2.6%
USAID other bilateral economic assistance	38.5	36.0	40.0	+ 4	+ 11.1%
State Dept. Global AIDS Initiative (GAI)	0	488.1	1,450.0	+ 962	+ 197.1%
CDC Global AIDS Program (GAP) ⁴	182.6	291.9	142.8	- 149	- 51.1%
CDC international HIV research (non-add to Total)	11	11	11	0	
NIH international HIV research (non-add to Total)	278.6	323.5	355.0	+ 32	+ 9.7%
Global Fund	347.7	546.7	200.0	- 347	- 63.4%
Global Fund – USAID (non-add)	248.4	397.6	100.0	- 29	- 74.8%
Global Fund – NIH (non-add)	99.3	149.1	100.0	- 49	- 32.9%
Foreign Military Financing	2.0	1.5	2.0	+0.5	+ 33.3%
Department of Defense (DoD)	7	4.2	0	- 4	-100%
Department of Labor (DOL)	9.9	9.9	0	- 10	- 100%
Department of Agriculture - Food Aid	24.8	24.8	0	- 25	- 100%
Subtotal Global (w/ NIH and CDC international research)	\$1.5B	\$2.2B	\$2.7B	+ 450	+ 20.0%
Subtotal Global (w/o NIH and CDC international research, non-add)	\$1.2B	\$1.9B	\$2.3B	+ 418	+ 21.8%
TOTAL	\$16.8B	\$18.5B	\$19.8B	+ \$1,252	+ 6.7%

Note: Some figures have been rounded. FY 2004 data are not final; FY 2005 data are proposed in the President's budget.

1. Final FY 2003 appropriations included across the board rescission to all discretionary programs of .059%. 2. Includes \$25 million for the Special Projects of National Significance (SPNS) component of the CARE Act. 3. Other domestic funding at: Indian Health Service; Agency for Healthcare Research and Quality; DHHS Office of the Secretary; Departments of Defense, Justice, Labor, and Education. 4. Decrease at CDC's GAP between FY 2004 and FY 2005 reflects a shift in funding for the International Mother to Child HIV Prevention Initiative from GAP to the Global AIDS Initiative at the Department of State.

Sources: FY 2003 and FY 2004 Consolidated Appropriations Bills and Conference Reports; FY 2005 Budget of the United States; DHHS, Office of Budget; DHHS, National Institutes of Health; DHHS, Centers for Disease Control and Prevention; Congressional Research Service; DATA—Debt, AIDS, Trade, Africa; Kaiser Family Foundation.

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