



Transcript provided by the Kaiser Family Foundation<sup>1</sup>  
(*Tip: Click on the binocular icon to search this document*)

---

**U.S. Global Health Policy: In Focus**  
**Kaiser Family Foundation**  
**February 21, 2012**

---

<sup>1</sup> The Kaiser Family Foundation makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

[START RECORDING]

JEN KATES: Good afternoon, and welcome to the Kaiser Family Foundation's webcast series: U.S. Global Health Policy: In Focus. We're coming to you live from a broadcast studio in Washington DC. I'm Jen Kates, Vice President of the Kaiser Family Foundation. In Focus brings you discussions and takes your questions about current issue and debates concerning the U.S. Government's role in global health. Each live webcast features leaders in their field sharing their views and experiences.

Today we are pleased to have an expert panel to discuss the President's fiscal year 2013 budget request and what it means for U.S. global health efforts. In his request the President included 8.5 billion for programs under the Global Health Initiative, a \$300 million decrease from fiscal year 2012. Almost all programmatic areas experienced decreases, though there were notable exceptions including U.S. multilateral contributions to the Global Fund and GAVI.

So what do these numbers mean for U.S. global health efforts? Where were the decreases and what are the potential implications? What does the global health budget – how does it fit into the broader foreign assistance budget and how might Congress react? Here to talk about these issues are three experts. We have Ambassador Mark Dybul, Distinguished Scholar and Co-Director of the Global Health Law Program at the O'Neill Institute for National and Global Health Law at Georgetown University, and Inaugural Global Health Fellow at the George W. Bush Institute. Larry Nowels, who's an

<sup>1</sup> The Kaiser Family Foundation makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

expert consultant on the Foreign Aid Budget and has worked for many different organizations. And Beth Tritter, the Managing Director of The Glover Park Group. Welcome to all of you and thank you very much for being here.

And to our audience, today's conversation is a live webcast and we encourage you to submit questions to us along the way by emailing or via Twitter using the hash tag KFFInFocus. I'll be monitoring questions as we go.

So, I'd like to start by acknowledging that the FY13 budget request was released during a very particularly austere and dynamic time with a post economic crisis and the election year. And I want to read actually from the budget message itself that the president wrote. He said "Meeting and spending targets in this Budget meant some very difficult choices: reforming, consolidating, or freezing programs where we could . . . Every department will feel the impact of these reductions as they cut programs or tighten their belts to free up more resources for areas critical to economic growth". And Secretary Clinton, in her statement about the international affairs request said "We know that this is a time of fiscal constraint and economic hardship for the American people. So we are seeking out every opportunity to work smarter and more efficiently. We have proposed painful but responsible cuts without compromising our national security mission. We are capitalizing in efficiencies in our global health programs, reducing our FY 2013 request by about approximately \$300 million".

<sup>1</sup> The Kaiser Family Foundation makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

So this is the broader context in which the specifics of the global health request should be considered. So I think it's important to start on that broader context and think about how global health fits into the international affairs budget request, because that's really where the bulk of the funding is. So Larry, I'm going to turn it over to you since this is really the area that you can shed some light on. What happened with the International Affairs budget request? What increased? What changed? What decreased? And, what signals were sent this year generally?

LARRY NOWELS: Okay, Thanks Jen. Great to be here this afternoon. The International Affairs budget request is \$56.2 billion. That includes both base funding and the Overseas Contingency Operations account for the frontline states: Afghanistan, Pakistan, and Iraq. It's a 2.4-percent increase from 2012. But it's a very different budget than we've seen over the last – more than a decade, since 9/11, when International Affairs budget request have been increasing in double digits. Just last year the President requested over \$61 billion for International Affairs, \$5 billion more than in this budget request here. So 2.4-percent is a relatively very modest increase in historical terms. But at the same time, I think it suggests a very strong commitment from the White House to the civilian side of our national security. If you look at other portions of the budget request for discretionary spending, the Defense Department is cut 1-percent, Homeland Security cut half a percent, HHS discretionary funding down 8-percent. So, relative to the overall

<sup>1</sup> The Kaiser Family Foundation makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

budget, this is somewhat protected in that way. It's going to get even more difficult though for International Affairs when it gets to the appropriations stage, because they're not looking at the overall budget, this 56.2 billion. They're only looking at the base appropriations for what's available under the spending caps. And there they're going to be looking at a 9.8-percent increase for State and Foreign Ops and other international programs. That will be a daunting task.

So what's new in this budget? Two areas that grow are new initiatives. The Middle East North Africa Incentive Fund, not a surprise to position the Administration for reacting to Arab Spring That's a \$770 million account. And then there's debt relief for Sudan proposed. Brand new, it's very tentative. Whether the country will qualify for this is very uncertain, but that's a \$250 million request.

Unlike over the last decade, when  $\frac{3}{4}$  or more of the accounts rise, this one has very, very, few accounts that grow to any extent. Besides the two initiatives, we do have increases in narcotics and law enforcement, but that's largely due to a big increase for Afghanistan. There's greater ability of the Overseas Private Investment Corporation to back loans and loan guarantees abroad. But for most account, it's flat spending or declines: development assistance, USAID operating expenses, MCC, Peace Corps, multilateral development banks, all flat funding. Decreases: global health, which I'm sure we're going to talk a lot about here, along with

<sup>1</sup> The Kaiser Family Foundation makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

Humanitarian Assistance was cut even to a larger extent than global health. And we had aid to countries in Eastern Europe, former Soviet Union, cut 18-percent.

So very different request from the 9/11, and there's little prospect to supplementals in this budget environment, which was always the release valve in the past, so it's a very challenging year for international affairs over all.

JEN KATES: Let me pick up on a few things that you said that are buzz words or words maybe people watching might not understand. You talked about spending cuts, the caps. And some of us heard about sequestration and that process getting started and what it all means. Can you tell us a little bit about the spending cuts? And I'm also hearing the President's budget is proposing to eliminate the separate spending caps between defense and non-defense discretionary funding. What will that do? Is that really what the budget does? And just give us a little bit more of contexts there.

LARRY NOWELS: Sure. Well there's a lot of uncertainty first of all, so everything I'm going to say here is likely to change.

JEN KATES: Okay.

LARRY NOWELS: Under the Budget Control Act, passed last August, Congress and the Administration agreed to a series of discretionary spending caps out to 2021. For the first two years, 2012, 2013, there was a division between security and non-security programs. International fell into the security cap with Defense,

<sup>1</sup> The Kaiser Family Foundation makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

Homeland Security, and Veteran's Affairs. However, the Budget Control Act also stipulated that if the Super Committee had not had its recommendations enacted by January 15<sup>th</sup> of this year, which a month ago, the caps would change, and it would be now defense and non-defense. And International Affairs would move to the non-defense category, and this made a bigger challenge for defense spending by doing that. And that these caps would continue out to 2021. It also provided that if 1.2 trillion in deficit reduction was not achieved by January 15<sup>th</sup> of 2012 that there would be a sequestration or cancelation of funding that would start on January 2<sup>nd</sup>, 2013 that according to CBO would cut an additional 7.8-percent of discretionary spending.

So, that is looming out there. The President's request however assumes that there will be a deal reached on 1.2 trillion. The President has put forward a package that would achieve and exceed that. And so they're going on the assumption that really nothing has changed. We're going to get a deal. We're going to continue business as usual. International Affairs will be in the security cap for 2013, and then the caps merge and there's a single cap from then on and there will be no sequestration come next January. That's all part of the deal going forward, and I'm sure there will be a vigorous debate in fact, but little will really be done until we get to November after the elections.

JEN KATES: Actually I want to turn to Beth, because that's where Congress comes in. I'm curious on what you think Congress's

<sup>1</sup> The Kaiser Family Foundation makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

reaction to the budget will be and their appetite for this and these issues. It's a very partisan environment. What are we going to hear? I know there's what we hear and what might actually happen. We saw a little bit of that last year where there was some real concern that the global health budget would be cut, and then in the end it actually faired relatively well. So, what is happening on the hill?

BETH TRITTER: First of all what's happening on the hill is they're not actually a whole heck of a lot of people who are focused on the 150 account budget and probably even fewer who are focused on the global health budget within that. So it's really – as usual sort of up the folks on the outside to raise awareness about what is needed out of this budget. So I don't think folks are really obsessing over exactly what 150 is going to get at this point. I think the Budget Committee on the House side is starting their work. I don't think we'll see any Budget Resolution come out of the Senate, but I'm sure we'll see something come out of the House. So the process will probably end there, because it's very highly partisan. But the Budget Committee's going to want to come back with sort of a counter point to what the President came out with. And we can fully expect that they'll do that. And then the actual really move to Appropriations Committee.

The appropriators can chose a number of different pathways for trying to sort of solve this budget puzzle this year. They can appropriate as if sequestration is going to happen, or they can appropriate as if just the caps are going to be in place. What would

<sup>1</sup> The Kaiser Family Foundation makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.



be better certainly is if they don't appropriate as if sequestration will happen, because if they're trying to presuppose that sequestration will have happened for FY13, you'll see numbers that are a lot lower than you will if they're just appropriating into the current Budget Control Act caps. What we hear is that, at least on the House side, the State and Foreign Operation's bill, which includes most of this global health funding is going to go up earlier rather than later. Usually you see it sort of go in the last tranche of bills when people – there's a little bit of appropriations fatigue maybe and there might not be as much controversy. But it could get front loaded this year so we can see it happen a little bit earlier and that could actually raise more awareness of the budget than maybe some folks would want, because with awareness comes controversy and amendments and things like that. But I think that appropriators are reasonable people who have really sort of black and white stark decisions to make. They have a finite amount of resources and they have to fit a whole bunch of things into it. So I'm actually interested to see how the debate is going to unfold on Capitol Hill over these proposed cuts to global health, and whether you'll see people try to come in and backfill those or really whether – and we can talk a little about that later, or whether they're going to take this as an, "okay, it's an austere time and you know we have to make tough decisions."

JEN KATES: Let's move to global health specifically. I'm going to bring Mark in, in a minute. In the budget, as I mentioned

<sup>1</sup> The Kaiser Family Foundation makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

earlier, there was a \$300 million approximately decrease over fiscal year 12 levels for global health and almost all areas had cuts. Some might even see it as tradeoffs between different parts of the portfolio. Similar decreases proposed for maternal and child health about 5-percent, Nutrition 5-percent, Malaria 4-percent, TB 7-percent, and the biggest one for neglected tropical diseases is 25-percent, the largest percent decrease. The largest amount of decrease was in HIV bilateral, more than 500 million, so that's a 10-percent decline. Funding for family planning was relatively stable, it went up a little bit, and perhaps the most notable increases were the Global Fund and GAVI. And there were also some interesting things with prior year adjustments around support for the Global Fund and GAVI. So Mark if you can just give us more information on the President's request related to the Global Fund and GAVI, and what it signaled. What happened and what signaled? There're big increases proposed and it sent some kind of message.

MARK DYBUL: Well, the increases really are to meet pledges that the Administration made to those institutions: to reach the \$4 billion pledge that was made to the Global Fund, and this one, it will actually get us there, and a pledge made by the Administration to GAVI earlier this year. So it really is to meet those pledges, which is a very important thing for the United States to do. I mean the one thing the United States has always tried to enforce is we will not make – it doesn't matter what the Administration, Democratic or Republican, we won't make pledges unless we intend to meet them,

<sup>1</sup> The Kaiser Family Foundation makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

which runs counter to a lot of our global colleagues who don't quite have that rigidity. So I think it's a very good thing.

But the Administration has to work with Congress. Unlike many other places, we also don't just get to have the Administration determine what those levels would be, which is a unique part of our governing structure as well. To me it's a healthy conversation and a natural evolution in a sense. I hope we've moved passed, and I think we have, the bad old days of bilateral verses multilateral, and more of a conversation of what's the right synergistic approach, and where is the U.S. today? And what's the right approach for future? And what's a transition period? I think in general, you would find many people who would think that a multilateral approach has advantages both because we are part of a world approach that provides resources that allows countries to support national strategies, but also because it cushions us. If we're holding the bulk of resources for say antiretroviral treatment or replenishing Malaria bed nets that's different than if it's something that the world is sharing globally. So there are many advantages to operating in this way.

The question is what's the transition pace? At what point do you move and what do you need see in order to move in that way? I think we've seen some real efforts on the part of the multilaterals, in particular GAVI and the Global Fund, to revitalize themselves, to begin to move in a direction of providing the accountability and the requirements that the Congress and the Administration needs to say

<sup>1</sup> The Kaiser Family Foundation makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

it's okay to have our resources in a multilateral and bilateral way, and what that division should be.

So, I think it's a healthy conversation to have, I think it matches the Administration's dedication to their pledges and meeting their pledges, which is something again I think all American Administrations have had. And it's also part of the conversation of what is the right pace for the transition and is that the right approach. I think again the key point to Congress, I think to the Administration too, is to make sure those revitalization efforts - those efforts to ensure accountability, transparency, results - that all of those are moving in a way that gives comfort levels to moving towards, what I think many would agree, is the right approach overall.

JEN KATES: You mentioned - alluded to the Global Fund changes and reforms, and I think that's what you meant about the Global Fund really taking a hard look and making some changes that made the U.S. a little more comfortable potentially in moving forward with meeting the pledges. But doesn't a lot of the Administration's request - isn't it predicated on other donors stepping up to the plate for Global Fund to? And how does that play into this?

MARK DYBUL: Yes and no. There is still a requirement in the law on the Global Fund - we don't have one on GAVI, but we are nowhere near there because other countries - the UK, and Norway, and the Gate's Foundation are the larger contributors there, that we can never provide more the 33-percent of the overall budget. Now I

<sup>1</sup> The Kaiser Family Foundation makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

actually haven't done the calculation, maybe one of you two have, on whether or not 1.6 would put us above that 33-percent; probably get us pretty close because we're under. So, we can never go higher than that 33-percent anyway, but one of issues around higher U.S. contributions is its pushing higher and higher the overall response from the world to that. The U.S. can't stand alone, and that's a fundamental point I had mentioned on the Global Fund and GAVI, is that we're not the only ones in there. We don't have these longer term commitments when we're all contributing together and when it's a joint shared responsibility. That to me philosophically and theoretically is the right way to go. It's good for tax payers because we're not the only ones out there. It's good for long term approaches that support countries - the countries themselves develop national programs that are responsive, where they have to contribute their own resources as well. So, I think it's theoretically and philosophically the right approach. It's always in the detail. Are the institutions in a place where the American people, the Congress, the Administration have confidence? These revitalization efforts that were begun with Michel Kazatchkine and are now moving forward with a managing director at the Global Fund and there will be a new executive director - GAVI did restructuring, so there's really a move to be responsive. I actually think we should all be very, pride is a vice, but we should all acknowledge that it's been the United States that has driven this results based accountability approach in

<sup>1</sup> The Kaiser Family Foundation makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

multilaterals and to the extent we can drive that, that's a great position to be in.

JEN KATES: So I'm going to ask the harder question, because some of the reaction to the budget request on the part of others has been great on the Global Fund, but what's happening to HIV bilateral? And, maybe this goes back to your statement about the pace, is it the right transition pace, where they cut about 500 million on the bilateral side? Obviously the two work closely together but how should we look at that? How should we understand that at this point and time?

MARK DYBUL: Well, a couple of things on that. One, first of all, I'm fundamentally an activist and I want more money for everything, but I also understand that we're in very austere times, and that choices have to be made. I think the calculation has to be that transition period - are we moving in a direction that we have accountable multilateral institutions that in effect cushion the American tax payer and Congress from long term commitments that we are shouldering ourselves, and is that pace right? I think the Administration made a calculation that these revitalization efforts have moved, but it will be a conversation with Congress and others.

Of course I would like to see more money for everything, but Ambassador Goosby - I have total trust and confidence in Ambassador Goosby and in his team, and Secretary Clinton and her team, Raj Shah and his team, the White House team. They care deeply about these issues and think about them. To the extent that they

<sup>1</sup> The Kaiser Family Foundation makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

believe were on that right path and they were comfortable with that path, I, even as an activist, will defer to them because I also know that they know 90 times more than any of us on the outside no matter what. They have a much better sense of things. So, I think we need to give them some latitude, if they say, as Eric has, that he has the resources to meet his requirements and needs and reach his budgets, and that this is a good trajectory for us to be on, and the transition can be made, and we're going to work carefully and closely and constantly reevaluate, which they always say they will do, what the right trajectory is, working very closely with Congress. That is a good solid reasonable approach, one that makes a lot of us uncomfortable, appropriately, but I think we have to give a lot of latitude here especially in these tough budgetary times to let the people in the middle of it all the time, with input – there's always a role for input and advocacy, but to let them have some time to work this out and reevaluate with the advocacy community, with Congress, if that's the right trajectory. But, I think as a starting point, it's a pretty good marker to lay down. It has vision to it. It's not just a budget cutting thing. There's vision to it, and there's a philosophical foundation for it.

JEN KATES: So let's go to Congress again Beth. And we're going to keep looking at you for that question, but obviously you said it would be interesting to see how Congress reacts to this, but any thoughts on that, the HIV bilateral reduction specifically, but there was some others. NTDs got a pretty big cut in the proposed

<sup>1</sup> The Kaiser Family Foundation makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

budget. We also got a question on that from a listener. We also got another question from another listener around the family planning and reproductive health line and how that went up a little bit. Is that a sign of real support or is it a risky area still for funding? I'm just going to put you on the spot a little bit.

BETH TRITTER: It's difficult to sort of figure out what this budget says. Everyone likes to say a budget is a policy document more than anything else, and budgets tell stories about what priorities are, and they are about tough decisions. It's been very difficult for me, even listening to some of the messaging that's coming out of the Administration already on the budget request for FY13, what the story is. I don't quite get understand what - you keep referring as a transition pace and a trajectory, Are we talking about trajectory with respect to our global health programs, or is this a one year thing where we found ourselves with less money than we wanted and we had to make some tough decisions? Is there a programmatic impact? Or is everything sunshine and roses and we're going to be able to still hit all of our targets even with fewer resources? I'm not saying it's really a binary issue but I am saying that I think that there hasn't been enough clarity yet on what the vision is. This Administration put out the Global Health Initiative; I don't really think that there has been a whole lot of buy in on the part of Congress in the GHI. I think there was huge buy in on the part of Congress and PEPFAR, and to a certain extent the Fund and sort of the partnership between PEPFAR bilateral and the Fund. I

<sup>1</sup> The Kaiser Family Foundation makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.



think that transitioning to a GHI mindset has been very different and very difficult. I don't necessarily think that – maybe there is a narrative, but Congress and the Administration are in different points in the narrative, and Congress hasn't quite caught up to the Administration. I think it is the Administration's responsibility to catch Congress up, if they actually want to move in a different trajectory. The truth is I can't tell you what all of these cuts mean. I can't tell you necessarily what the rationale is behind them or what the vision is for the future, for GHI and what we're trying to achieve with that. Is GHI really a rebalancing? If you look at the impact of the cuts on bilateral HIV/AIDS, I would say, "Yes, GHI is a rebalancing of the way that we're spending." But it hasn't come with, except for the Global Fund and GAVI, it really hasn't come with major increases for anything else. So it's not really a rebalancing, it's just sort of a – is it diminishing? I don't know. I guess that's the point and I think that Congress really doesn't know either. My sense is that there aren't that many people who are hyper focused on this right now. Congress knows what it knows, which is that 50-percent of the people who are still on Capitol Hill voted for major authorizations for PEPFAR. Global health has always enjoyed a lot of bipartisan support. I think it will continue to enjoy a lot of bipartisan support. Global health was not the controversy that kept Congress and the Administration at loggerheads last year, it just wasn't. I think we saw with the outcome being relatively good for global health and global development that that wasn't really where

<sup>1</sup> The Kaiser Family Foundation makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

the controversy is. I don't think that's where controversy is this year either, but I think there has to be a better understanding between the Administration and Congress about where these budget figures take us and what the story is, what the next step is.

JEN KATES: You have any thoughts on that because I saw you nodding.

MARK DYBUL: I actually think that's right. The people who every day, which are in the Administration are thinking about this and doing this. People in Congress have a whole bunch of other things that they're working on. The appropriators have a huge, especially in the house, have a very large portfolio and in the Senate. They can't concentrate on this every day, whereas the Administration does. I think that point on the need to explain your thought process and your vision is really important. And that's what I think will develop the partnership on global health with Congress, if there is a constant back and forth and an explanation. Even where Congress disagreed with the vision, they said, "Well you guys are thinking about this a lot, I'm not sure about that but we'll give you a little latitude to work it out. And then just tell us how you are going. And that's the process that works. It doesn't work if you just have budgets up, but the Administration I don't think has been approaching it that way. And I know Eric and Raj and Louis Quam and others are up there a lot and are up there a lot recently trying to walk through this. I think the bigger point of "is there a trajectory and is their vision for this" is a real one and I think I have a sense of that, but others

<sup>1</sup> The Kaiser Family Foundation makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

might not and I think it is really important to bring that out. It's also important – and this is the danger of any cut, is it's really hard to reverse a cut. Once you start moving downwards, it's really hard to say now we need to go back up. And so part of that explanation, which I think Eric is doing a fantastic job on, but I'm a little biased, is saying, "Look the last thing we need is to have a lot of money that's not being used. In any budget that's a bad thing. In this budget that's catastrophic; you can't just have unused money. So right now this is the money we can use, this is the money we think the Global Fund can use, given where they are, and this is what we're trying to get to. So we're giving this budget this year, but that doesn't mean we want to keep coming down, and that doesn't mean this trajectory needs to stay. We need to keep reevaluating and we want to do it with you." And the reason that's so important is – we can take a minute because we're going to be talking about a lot of difficult things, the moment we're in in global health right now is an extraordinary moment, one that we haven't seen in a long time, where scientific advantage has giving us the ability to really put together packages of resources that will allow us to really begin to end the AIDS epidemic. And we really do now have prevention tools added on to existing tools that we can ride a downward trajectory. People say prevention doesn't work; it has worked. We don't why it's work, but we know that it has. We have huge reduction across Sub-Saharan Africa. But in mature epidemics like in the United States we're seeing a bump-up. So, we can either ride that dying downward wave

<sup>1</sup> The Kaiser Family Foundation makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

with existing interventions or we can sit around and wait until it comes back up, and that's a real danger to sit around and say, "Well we're tough budget situations, let's cut things now, in five years we'll come back." That may not be the case. In five years, it could cost a lot more money and we may not actually be able to achieve the same results. Same in Malaria - in Malaria we've made huge progress: A report just came out a 20-percent reduction in mortality. There's the possibility of a bed net that will last six years rather than two years, which would save a billion dollars, by going that aggressively towards that. As importantly, if we don't replace the nets that are already out there, we're actually going to have Malaria epidemics that are worse than the epidemics we currently have, for medical reasons I don't think we need to get into. Same in child health - we can actually end preventable childhood death within probably 20 to 30 years: vaccination, Malaria, vaccination that deals with pneumonia and respiratory diseases and diarrhea. You do those things and you're actually on a trajectory to end childhood death. Things we couldn't have done before. Maternal health - we could have actually gotten rid of most preventable maternal deaths 10 years ago, but if we intensively invest now. But the opportunity is one we've never had before. And these windows don't stay open long. So, yes it's tough budget times, and yes we need to work on trajectories, and what's the right amount here in this year, but I think the conversation should be what's the right amount this year and not presume that that same downward trajectory or upwards trajectory is the same next year. We

<sup>1</sup> The Kaiser Family Foundation makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

should always look at how much money do we have? How much money do we need? How do we achieve these goals? Not only is the United States, but globally, how do we have countries contribute more, which increasingly they are. And that's an objective of the Administration as well. How can South Africa, Kenya, Tanzania, Zambia, as countries are moving up the economic ladder into the middle income, how can they contribute in a new way? We do have opportunities to achieve results that we have never had in our sights before. So as we're looking at the difficulties of the budget, I think we should also look at the opportunities that are out there, and make sure that we are spending money rightly, and the most effective way to achieve those outcomes. And that leads the conversation and the vision and that's a constant back and forth with Congress.

BETH TRITTER: No, I would completely agree with that. I think that this has actually provided a really interesting opportunity and an interesting opening. And if it's taken advantage of it could be really quite positive at sort of changing all of our outlooks. I think we got very used to, in the last 10 years because there was so much money out there, to thinking in terms of what really matters about PEPFAR or this or that is that it's a \$50 billion program or a \$10 billion dollar program or that our pledge is this. It shouldn't be really about that it should be more about what we're trying to achieve.

And I think that this Administration you know, a year and a half ago, and I didn't hear any of - any of it mentioned last week,

<sup>1</sup> The Kaiser Family Foundation makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

but a year and a half ago they put out this Presidential Policy Directive on Global Development, and in it, talked a lot about you know, working more with developing countries and trying to figure out what their priorities were and working with multi-laterals and trying to get that balance right. A lot of what I heard from the Administration last week seemed to come - it was a page really taken out of this policy that was put out 18 months ago and sort of a lot of people have forgotten about or really haven't engaged with. It seems - it seems that the Administration is using its budget really as an expression of this policy, but it would be interesting to see them take that a little bit farther and really try to explain a vision for the future on the funding aspect of things, you know, comparing it to where their policy is going.

JEN KATES: Yeah.

LARRY NOWLES: One thing on this, you asked me in your opening question about what message does this budget send and I totally ducked it.

JEN KATES: [Laughs] you can come back and offer now.

LARRY NOWLES: I got my thoughts together, but I've -

BETH TRITTER: Last time I didn't notice.

LARRY NOWLES: Beth just stole my point here -

BETH TRITTER: Sorry.

LARRY NOWLES: Is that, look there were two clear - there's a lot of messages in the Presidential Policy Directive on Global Development, but two that have relevance to this budget is: looking

<sup>1</sup> The Kaiser Family Foundation makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

at greater efficiencies, more evidence based approaches, and priority scaling up those things. At the same time they talked about selectivity, doing - just making those tough choices and doing things differently or down scaling.

So I don't think the statement on global health is about selectivity, but you have - you do have to think about that. What - but what I do think is that this is possibly an opportunity of doing more with less. Of actually, it's a very good story about how we can - we've made improvements to the point where we don't need the resources, yet we can keep our commitments, we can keep our pledges, reach our goals. That needs to be explained very, very clearly and I think that is what the White House needs to do in order to have a more constructive dialogue with the - with the advocacy community.

MARK DYBUL: And to be clear that that doesn't set in stone, that this is the trajectories for years -

LARRY NOWLES: Right.

MARK DYBUL: That this is what we can do this year and we're going to be looking with you each year on what we can do to achieve those affected -

LARRY NOWLES: Yes.

MARK DYBUL: To work with countries to see what they can bring forward, to work with the multi-laterals and we'll package that each year along this vision. So I think it's really important.

LARRY NOWLES: And I think it's a good - if we're able to do this with global health, there are other areas on global

<sup>1</sup> The Kaiser Family Foundation makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

initiatives on food security for example, of how we move forward there leveraging other donors, or finding new techniques, new avenues in our own programs on agriculture and things that could be replicated there, using the multi-lateral development banks for economic growth strategies. I mean, there's a whole lot - range of things that we can - that we can learn from this.

JEN KATES: So we've gotten several questions that are talking about the targets. Not just the HIV targets, but all the targets and how are we going to - you know, how can we meet the targets that were set with less money? I mean how is that possible? Specifically on the HIV side, on World AIDS Day President Obama announced a very ambitious goal of treating six million people on existing resources at that time, and now we're here a few weeks later with less. How can that goal be met? But also all the other goals that - given that there's all this opportunity how can we - maybe it's the vision that we're all looking for that you mentioned, but where is the vision that connects the current year pot to those goals? I don't know if anyone has thoughts on that.

MARK DYBUL: Yes, I mean well, I mean I can talk about a couple of them because I know them well and I'm sure you all do too. On the HIV one, you know the cost to the U.S. Government to treat someone has dramatically decreased from this first day of PEPFAR to today. Some of that is you have upfront capacity that you need to build and that's very expensive, but once that's been built and

<sup>1</sup> The Kaiser Family Foundation makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.



you're enrolling the same people in those clinics the cost per person goes down dramatically.

The cost of delivering antiretroviral therapy has dropped dramatically because of the supply chain management system which was an intentional approach that was created so that you could do both procurement, which has dropped prices dramatically - we're down to 70 dollars a year from when PEPFAR was announced 15 hundred dollars a year. 70 dollars for the three-in-one combination that is widely used, although there's some change in that that will bump up the price to use more effective regimens, but still that's - a lot of that has to do with pooled procurement.

And there's the ability to actually build systems, national systems that can forecast. So instead of having everything dropped in by air, which is what was happening early in HIV because no one could forecast how many drugs they'd need, it's now all going by ship because there's good forecasting. That drops the cost by 75-percent.

And then you have, as we moved - as we did in the United States, from most care being in hospitals because you need - that's where you start building the capacity, is you move out to rural settings where instead of doctors there every day, you're down to nurses who can do 90-percent of this, community health care workers, your costs drop significantly as they do as you move on out in anything.

And then other countries and multi-laterals have been stepping up so then the cost to the U.S. Government goes down. So we

<sup>1</sup> The Kaiser Family Foundation makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

can't look at it as cost just for us but it's what's the global cost and how do we put these pieces together? And so the cost per person has dropped from around a thousand dollars towards the end of the Bush Administration to around three hundred dollars per person to the U.S. Government because of these efficiencies, which gets back to the efficiency point.

Same on some issues related to malaria, the prices are coming down. If we can shift to a six year bed net instead of a two year bed net, that saves a billions dollars. That's an investment - upfront investment that saves a lot of money.

And we need to get more efficient about how we are collectively achieving objectives. So when the Bush Administration started a lot on this. This Administration, the Obama Administration is really pushing those things forward. But we could do a lot better with the money we have today if we operated more efficiently.

It doesn't mean you don't need more money and again, that's why we need to talk about what do we need this year to achieve objects and goals and then where does that position us to achieve the goals and objectives next year because our up-front costs and things. Or you can save money this year but next year because you've saved that money and gotten more people in, then you needed to open clinics or start up more bed net distribution sites, or open more maternal health clinics, then it's going to cost you a little bit more. And that we now - we never had the ability in the U.S. Government, we could barely track obligations or expenses. We now are developing a

<sup>1</sup> The Kaiser Family Foundation makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

capacity to track these things so that we can have more efficiency and actually be more responsive.

So again, I mean all of us are worried when we see money coming down, when we see these un-obtained goals. But I - we don't need to jump to that and especially if people like Ambassador Goosby are saying, "We are okay this year." He's not saying we're okay for the next 10 years, he's saying we're okay this year. And have that constant calculation, that constant discussion, always working with Congress, always working with the advocacy community and increasingly working with who else can pay for this. Who among the multi-laterals? Who among the in countries as their economies are growing? You know, one of the most exciting things, a lot of our investments are in Africa in global health, the World Bank just reported that the most - the region in the world that is developing economically most rapidly is Africa. It's not Asia anymore, it's actually Africa. So as we work towards those things, how do we then have effectively a shared responsibility, which is what the Administration talks about?

So, as Beth said, as long as we have that vision, and Larry said, as long as we have this vision, as long as it's explained, as long as we're doing the calculations, we can be anxious but you know breathe a sigh of relief, and then position ourselves as a resource as we're in less constrained environments to implement that even more off of a stronger base of effectiveness. I mean, I don't know what you all think.

JEN KATES: Yeah.

<sup>1</sup> The Kaiser Family Foundation makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

BETH TRITTER: [Laughs] I don't know nearly as much as you do about the science of this so I won't even try. I mean, I just think, I think that people are right to be concerned about whether we're going to be able hit our targets or not. You know, I just heard - I just heard Ambassador Goosby speaking last week about the HIV/AIDS targets and he was assuring folks that we were on -

JEN KATES: On track, yes.

BETH TRITTER: You know, completely on target on - completely on track and I've heard some - that you know, they think they could be you know, able to even over shoot our targets which would be fabulous. I think that for the rest of the GHI targets, many were developed at a time when we thought there was going to be 63 billion dollars for GHI and that certainly isn't the case.

So I think that it's a good question. What, you know, what do we honestly expect to be able to achieve and you know, is this the right mix of resources in order to achieve that? I would imagine that what went in to figuring out this budget was some sense of prioritizing certain targets and then figuring out a way to actually achieve them. And that that's something that accounts for the mix between bi-lateral and multi-lateral, that's something that accounts for why certain things are going down and certain things are not going down. But I don't know.

LARRY NOWLES: I'd just say that the one element that is - should've - the reaction of the advocacy community is something that should clearly have been anticipated.

<sup>1</sup> The Kaiser Family Foundation makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

JEN KATES: Yes.

LARRY NOWLES: The greater the transparency to accompany just the numbers I think was something that should've been thought through a little bit better. So I think that's what needs to be fully explained and some of the - Mark, some of the examples you gave are terrific and if that could be translated into a clear indication of achieving the goals and the commitments that we've already made is - I think would do the Administration a lot of good right now.

JEN KATES: One of the things I mean, that - those are all somewhat optimistic, you get the vision and these examples - one of things you sometimes hear or one hears is, "What does this say about the pipeline?"

LARRY NOWLES: Sure.

JEN KATES: You know, are we - are we - is there a pipeline issue? Is that why we're all of a sudden able to kind of scale back on resources and stew as much? Do either of you want to, or any of you want to say anything about that.

BETH TRITTER: The P word [laughs].

JEN KATES: The P word. I know I'm bringing the P word, I could also use the other P word I was going to say, "presidential election."

BETH TRITTER: [Laughs].

LARRY NOWLES: [Laughs].

JEN KATES: That's the other one I'm going to bring up.

<sup>1</sup> The Kaiser Family Foundation makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

LARRY NOWLES: I'm happy to jump in on that because you know, I've looked at this over many, many years about our budgets across all development and health and all of our things. And every program has a pipeline. You have to have a pipeline in order to survive to provide continuity. But there are good pipelines and there are bad pipelines and again, this is where I think transparency would be to the advantage of the Administration.

The two countries that really jumped out at me: Kenya and Ethiopia; Kenya dropping by 41-percent and Ethiopia by about 80-percent. Well I'm told that this is a pipeline issue, that there's sufficient funds to continue the current activities and programs in both countries without any break in services, treatment or anything, utilizing money that was already in the pipeline. Well that's fine but I'd really like to know how you - especially in Ethiopia's case, accumulate that much in a pipeline and what is the overall PEPFAR pipeline? And it very well could be a good story.

But with those precipitous cuts in this year - and it goes back to whether this is one-time thing and it raises questions about absorptive capacity in these countries, coupled with we are in a declining budget across the board. And Congress generally, when they see a pipeline that's - the money is several years old and it's growing, they sometimes either divert the money to something that's more pressing, some emergency. I'll tell you that we - talking about the global health community, the humanitarian assistance community is extremely upset with this budget request and they will be looking to

<sup>1</sup> The Kaiser Family Foundation makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

make shifts. And one of the first place Congress looks sometimes is a pipeline. So it needs to be explain and I think it needs to be kind of brought out in the light.

JEN KATES: Do you have anything to add on that?

MARK DYBUL: Just my end. Well first of all I think the point of good and bad pipelines are absolutely correct. And it's the kind of thing that when people raise other phrases like treatment, entitlement and mortgage that drives me up the wall because you know, that's actually a good thing because people are going to be alive for a long time. So there are good and bad pipelines and you do need pipelines in order to maintain programs, that's what we have.

But you also can't have these large - which is what I was mentioning earlier, the worst thing you can do in any budget environment is have a lot of money sitting around that you're not using. In fact, you shouldn't be requesting it and if you can't use it - or you should be shifting it in other directions, now is absolutely the worst time. And I think you know, Larry's point on being open about what these things are and how they happen - I mean, Ethiopia's met all of their goals despite having some money backed up.

And that gets to how do you - and we could never follow this stuff before I mean, we literally could never follow this stuff before except for in bulk numbers. So now the capacity has been made - which is an extraordinary thing in country and within our own U.S. systems, is an extraordinary thing about what happened in global

<sup>1</sup> The Kaiser Family Foundation makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

health. That no one else in the government has this kind of data. I mean, there are a couple departments, Defense, that actually have these type of data. We actually do.

If you look at pipeline in our global health programs, at least I think PEPFAR has always run about 10-percent, that's - I would compare that to anything in the U.S. government. I mean, 10-percent is a - but it's large numbers and so that winds up being a large number. And then you have to look at how long is that going to take to dry up and work with members of Congress on - this is how long it will take us to utilize that and then we'll go up. But if you just take that away you know, you're going to have to come right back and fill that in. So just shifting money today isn't going to get you any advantage whatsoever.

Which gets into the conversation of what can we use this year? That doesn't mean that next year we should be on the same downward trajectory - but what can we use this year, what can we use next year? And get that refined on what can we effectively use this year as long as everyone understands that that's not going to be a locked in number. And that's the - that's the danger and that's the tendency in budgets that once you've come to a number, you're locked there or lower. Not you're locked there this year because that's what you can use, but the next year.

But that gets to the point of being able to explain this is why we are where we are, here are the efficiencies we're putting in place, this is how we're looking at how multi-laterals in other

<sup>1</sup> The Kaiser Family Foundation makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.



countries contribute. We'll come back to you on an annual basis with those pieces of the puzzle so we can collectively have a budget.

And I think that's - yes, there are politics in it - I mean, there's politics in every budget that's the nature of the budget. It's the - it's the nature of the government. But I believe that that's probably how we got to these budgets, that they actually looked at all those factors and tried to come up with that with alternative pressures.

But you - you also have to acknowledge the point that the advocacy community and Congress has to be an integral part of these discussions and a well-informed part of these discussion in order to succeed. And again, I go back to that's I think how we did well in global health, in particular in PEPFAR and PMI, because we always had those honest conversations - this is what's working and this is what's not working, we need a little leeway to see if this will work or that will work. And I think this team has done a great job at trying to continue that and has really advanced the database that allows those conversations to be had.

But you know, it just - the budget just came out, so take a little bit of time. You have to keep budgets secret I mean, I'm sorry to the Advocacy community but you - I mean, you cannot function within a government if you're telling people what all your budgets are before you get it out. It just doesn't - it doesn't work internally, it hurts you internally and it's hurts the process

<sup>1</sup> The Kaiser Family Foundation makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

internally. But then you really need to be aggressive on talking about why you got to where you got to.

JEN KATES: So we've gotten a few more questions and almost of them I'll just say, are all about targets. You know everyone's very concerned about the targets; they're very focused on the goals - the MDG's, the goals the U.S. government has set. One of the questions, one that just came through around that was on maternal health and how could the cut to - proposed cut to maternal health allow us to work towards the MDG's and be a good global partner in that - in that regard? That's one question that came in.

The other was - I think gets at this bi-lateral, multi-lateral piece and sort of the difficulty when that doesn't exist. So for example the NTD program got a - is proposed to have a 25-percent decrease and we got two questions about that. And one's saying what about that kind of program which doesn't have the same multi-lateral instrument that's the sort of balancing there. What happens there? And again, these are - these are hard things - there's no right answer at this moment but those are the kinds of questions I think people are most worried about going forward.

BETH TRITTER: And I mean they're valid questions because you know, like I said before when you see a number drop like that it looks like it's being deemphasized or it looks like it's being de-prioritized. And I don't know that - I don't know that we've heard enough at this point to understand if that's the case or to understand you know, maybe there are efficiencies that we don't know

<sup>1</sup> The Kaiser Family Foundation makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

about and that have been found and can be exploited to get more bang for the buck, with less buck. And it's possible I mean, I think what we're seeing with the explanations for the bi-lateral HIV/AIDS cuts is that - is that the Administration has you know, done - I have obviously not seen their homework, but they've done homework and they've decided that they can achieve what they want to achieve within this smaller budget.

But again, I think that's the issue with you know - understanding that you can't leak the budget before the budget comes out, that's the issue with transparency. That's the issue that's really turning this into a dialogue because unless people understand the decision making process and you know, the lessons learned and here's how we used to do things and here's how we feel like we went wrong and we found a better way, and that's going to save us X amount of dollars and we're still going to be able to hit our targets. There's a story that needs to be told and I don't think that the story has been told yet. I think that's what's going to happen over the next couple of months.

MARK DYBUL: And the maternal health one you know, is also like NTD's, there is no maternal -

JEN KATES: Right.

MARK DYBUL: Health fund. There are different agencies but there's no maternal health fund.

JEN KATES: Right, unlike child health where you have GAVI.

MARK DYBUL: Unlike child health where you have GAVI -

<sup>1</sup> The Kaiser Family Foundation makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

JEN KATES: Right.

MARK DYBUL: For the vaccinations; unlike AIDS, tuberculosis and malaria. So there is no global mechanism and so I think that is a more difficult one. Now the birth spacing and family planning budget was stable and goes up and that's certainly a part of saving mothers' lives, an important part of saving mothers' live, and so you know, there is some play there.

On NTD's, I mean I helped President Bush create the NTD Initiative that he launched, so I have a particular affinity for that. But in all these things I always try not to say - "this is what I want" - but you know, what - how do people put budgets together rather than coming out, "this is my interest," which is natural for all people to do. Others have expressed strong interest in NTD's including the United Kingdom and The Gates Foundation and other significant players, The Children's Investment Fund Foundation. So I don't know if that went into part of the calculation that there are other resources out there. And there has been some absorptive problem on there.

The maternal health one I just don't know enough about. It is one that I have to say, I would want to spend a little more time on because that is an area where we can end; - preventable maternal health, there are only three major interventions, three to four major interventions and they're not expensive, they're not complicated. It's a handful of countries now that really have significant disproportionate numbers. But I do know it's a high priority for Raj;

<sup>1</sup> The Kaiser Family Foundation makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

it's certainly a very high priority for Secretary Clinton. I mean this is a woman who's spent her life on this stuff.

So again my tendency is to, until I know more - probably since I was in the Administration, give a little more - and this Administration, give a little more leeway to Administrations than others, but these are valid questions and things that need to be asked.

LARRY NOWLES: I'd just say, and I'm the one sitting around this table that has the least to say about or knowledge around maternal health, but I would say that with the - what strikes me as there's a four or five-percent cut to maternal health line, but in fact for maternal health it's larger than that.

JEN KATES: Because of GAVI -

LARRY NOWLES: Because GAVI is going up. And so, I don't know what the - it's around a eight or nine-percent cut, I mean what are you choosing not to do or are the efficiencies there like in HIV/AIDS, where you can still continue the same things? And again, having that out on the table that could be helpful.

BETH TRITTER: I mean this discussions become so relevant also because Congress - I mean, I think I've pressed very hard on you know, the Administration needing to be more transparent and to talk to Congress more and I think you know, if I could - if I were arguing it from the other side I could argue that Congress doesn't listen enough and do it's homework enough and things like that. You know,

<sup>1</sup> The Kaiser Family Foundation makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

you can probably argue it both ways, I'm sure Mark would argue it both ways so I'm arguing it for him.

MARK DYBUL: [Laughs].

BETH TRITTER: But you know, I think that Congress has the pen though and so what's going to happen now is they're going to - there's going to be a lot of temptation, especially with numbers going up and down, percentage wise it's significant, but if you know, with a couple of exceptions, a lot of times you know, just sort of budget authority wise it's not that significant. Congress is going to be very tempted to rejigger the numbers based on how many members of Congress sign a letter saying a care about this, or you know, who calls this person and says I care about this and can you get me a few more million dollars?

Well, if we're really in a situation here where a few million dollars one way or the other is the balance between achieving a target and not achieving a target, or if there is another donor somewhere whose stepping in and you know, and backfilling stuff that we used to have to provide, then that's the type of thing that Congress needs to know, because the Administration almost has to argue against Congress sort of screwing with their numbers. Like, if this is a delicate balance then there has to be an effort really to maintain that delicate balance there because Congress is very tempted and often does - you know, five million up here, five million down there - and there isn't necessarily a legal sense of what the consequences are.

<sup>1</sup> The Kaiser Family Foundation makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

JEN KATES: There's not that wiggle room right now either.

MARK DYBUL: And I, just to be clear I actually wouldn't argue both sides of that.

BETH TRITTER: Okay. I would then.

MARK DYBUL: I mean Congress to me is, if you don't treat Congress as a co-equal branch of - for budgeting, you are dead. I mean, and from a global health and development perspective, I have always found, and I'm not kissing up to you, but the appropriations staff and the authorizing staff on the committees involved, and a lot of the members, are among the best out there. I mean they really do try, like the Administrations do, to do the best that they can. There's no - there aren't a lot of sub agendas, they had have to deal with a lot of groups just like the Administration. But I have always found those committees trying to discern what is that best thing to do.

And so the more information that's shared and the more that's discussed, I think the better chance you have. And the biggest - the biggest fault you can have is by not treating Congress as a co-equal branch in the discovering of budgets, and not treating the advocacy community as a key third stool in that as part of a comprehensive approach. And if you do that you can - you can actually get a lot of latitude, you get can get a, "well I'm not sure I agree with that I'm a little uncomfortable about that but we'll give you a little time to work it out."

<sup>1</sup> The Kaiser Family Foundation makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

So I would always treat the Administration, the Congress and the advocacy communities as all necessary components to come up with the best possible budget.

JEN KATES: We'll actually all get to see what happens to because we'll be watching. I have a general question around the GHI because we got a couple of questions about the GHI. And Beth you already brought it up as you know, it was a big announcement, 63 billion proposed, we're nowhere near that and has it been clearly presented, et cetera? And one of the questions that was asked was this budget too still talks about QDDR transition plan of moving the GHI from State - leadership of the GHI from State to USAID. What are you - what are you - are you hearing anything about that? The intention is to do it soon if the targets are met; the benchmarks are met. Any thoughts on that and what that might mean in the context of any of this? It doesn't have to just be Beth. It could be any of - any of you.

BETH TRITTER: I'll take this one. I think that there's a - from my understanding, there's a process going on that's included a you know, USAID assessing itself against those benchmarks and you know, outside consultancy assessing USAID or perceptions of USAID against those benchmarks as well and that there's sort of an exhaustive process going on of inter-agency consultation around this. I mean the deadline - the QDDR deadline for making a decision is the end of the summer. It could happen sooner certainly. I mean, it's really up to the Secretary's discretion.

<sup>1</sup> The Kaiser Family Foundation makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.



I think the larger question is less who gets to convene GHI and more what it is actually mean to be in charge of GHI?

JEN KATES: Right.

BETH TRITTER: And what does GHI include? Does it include you know, all of our global health or just a small part of our global health? Certain things, certain aspects of the debate were taken off the table by the QDDR. But I think they're interesting things to think about. And you know, what does it actually mean to be in charge of the GHI? Less - it's less about where it is you know, in D.C., like where actually it is headquartered -

JEN KATES: Where it physically is, okay.

BETH TRITTER: Where it physically is and who actually gets to decide when the meetings are going to happen, and who leads the meetings? And much more about how decisions are made both here and also in the field.

LARRY NOWLES: I don't think the budget request really provides any clarity to where the GHI leadership question is - it's more status quo on that. But I totally agree with Beth that this process that seems to be going on - it's too much of a process and I can't - I'm having a hard time kind of understanding what will change, what the role of USAID would actually be. Would it actually be in a position to actually lead on GHI or simply be a coordinator and a facilitator? And that's not a particularly good position to be in.

<sup>1</sup> The Kaiser Family Foundation makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

I think that on a - on a presidential initiative like this, we have Feed the Future where USAID is in charge and Raj Shah is accountable for success or lack of success on that initiative. I think we need the same thing on the Global Health Initiative and right now it's a bit chaotic.

JEN KATES: We're actually running near the end of our time but I have a couple more just closing questions, if anyone wants to take them. What will happen next? I mean literally, what will happen next? Which I know Larry you could maybe lay out some of the - we know that the Secretary of State will be testifying, other - Shah will be - I mean those processes will happen maybe you can. If anyone has any concluding thoughts about the other P word; the presidential election and does that change any of the calculus that we've been just talking about? I mean it must, but how might it? Will it delay things and stall them completely? Will it make them speed up in some ways that we might not have anticipated? I'll just leave it open to anyone who wants to comment on that.

LARRY NOWLES: Well as far as the timeline going forward -

JEN KATES: Yes.

LARRY NOWLES: I look first towards the House budget resolution -

JEN KATES: Right.

LARRY NOWLES: Which will be getting going and possibly concluding next month and my - this is again, my kind of nonsense but -

<sup>1</sup> The Kaiser Family Foundation makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

JEN KATES: We'll take it.

LARRY NOWLES: That the House Budget Committee will not spend to the maximum of what's allowed under the caps for non-defense programs. For defense programs I think they'll add to what's in the budget request, which if they assume that International Affairs is under the security cap along with defense, I would expect to see several billions of dollars taken from International Affairs and moved to the defense budget. We then go to the appropriations stage and here is a question about will the Appropriations Committee follow the Budget Committee's lead on how to, on the caps - whether they go with what's allowable under law or they go with something lower. If you recall last year the State Foreign Ops Subcommittee got a very low allocation.

The other thing to consider there is with a low allocation, do they have an eye on whether they have to produce a bill that would pass the House floor? Or is this an exercise for them just to mark up and hold that back until we get to the end game later in the year? And if it's - if they think the bill is going to go to the House floor, then they've got to produce a bill that fits their caucus. And last year we saw a bill that was heavily skewed in favor of national security programs at the expense of development and global health.

So those are the things - I don't expect much action occur in the Senate and what I do think is once we get back past the election there will be a scramble and some serious consideration over

<sup>1</sup> The Kaiser Family Foundation makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

a whole range of things. It's not just the caps, it's not just sequestration, it's not the final appropriations, but we've got a debt ceiling cap to consider and tax cuts, whether there will be tax increases, will be reinstated.

I suspect that what we'll see, if there is a deal at the end of the year, we're going to see a situation that looks totally different than we have right now that's governed by the Budget Control Act. The caps will be different, sequestration may or may not be there, and of course, there's always the likelihood that this would just be kicked into the next term.

JEN KATES: Yeah. Any other parting thoughts on that?

BETH TRITTER: Larry said it best.

JEN KATES: Alright, well thank you. Our time's up and I'd first like to thank the three of you; Mark Dybul, Larry Nowels and Beth Tritter for being here and sharing your perspectives and foreshadowing a little bit about what may happen. I'd also like to thank our audience for your questions. You'll find additional resources on today's In Focus on our website, [globalhealth.kff.org](http://globalhealth.kff.org) and we encourage you to share the video and transcript with your audiences.

We also hope that you will join us for future webcasts of U.S. Global Health Policy In Focus. I'm Jen Kates of the Kaiser Family Foundation, thank you.

[END RECORDING]

<sup>1</sup> The Kaiser Family Foundation makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.