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THE WHITE HOUSE

WASHINGTON

Remarks of
Patricia S. Fleming
National AIDS Policy Director
On
Clinton Administration's Fiscal Year 1997 AIDS Budget

March 19, 1996

GOOD AFTERNOON:

Thank you for joining us. It is a pleasure for me to release to you the details of President Clinton's fiscal year 1997 budget for AIDS-related programs. This is the fourth budget the President has submitted to the Congress since he has taken office and it exemplifies this Administration's commitment to combatting HIV and AIDS on all fronts. I want to thank the members of the President's Cabinet and the agency directors who have worked closely with me on this budget. And I want to especially thank Alice Rivlin, the director of the Office of Management and Budget, Nancy-Ann Min, and her talented staff for their support and assistance.

As you know, we still do not have a complete fiscal 1996 budget. For example, neither the Health Resources and Services Administration nor the Substance Abuse and Mental Health Services Administration have been funded for the rest of this year. I am hopeful that Congress will complete action on this legislation next week so that those essential agencies can proceed with their work.

Since the President took office in 1993, this Administration has fought hard to increase our commitment to AIDS research, prevention, and care. We have worked hard to increase the involvement of community-based and national organizations who are on the front lines of the epidemic. And we have tried hard to reduce the level of fear and ignorance in this country.

We have made significant progress in these past three years but there is still much that needs to be done. At the White House Conference on HIV and AIDS, the President made very clear our national goal in this battle. We must find a cure for AIDS. We must find a vaccine against HIV. We must find better prevention methods and therapeutics. And we must provide high-quality compassionate care to people living with HIV or AIDS. Those commitments are what drive this budget and they are what must drive all that we do in the coming months.

We are in a remarkable period of promise in this battle. In this past year we have seen real signs of hope after so many years of despair. Our knowledge of HIV and its impact on the human body is much greater than it was 12 months ago. Our arsenal of drugs has been augmented with remarkable speed. And our ability to actually prevent transmission of the virus from mother to child is already saving the lives of hundreds of babies born to HIV-positive women.

These are genuine accomplishments that give us all a reason to be hopeful and to look ahead to the coming months with optimism.

But optimism alone will not allow us to find a cure. It will not allow us to find a vaccine. And it will not bring us the therapeutics we need to extend the lives of people we love who are living with HIV and AIDS.

That is why the President is proposing to increase the discretionary resources dedicated to the fight against the AIDS epidemic to $3.9 billion in fiscal year 1997, including substantial increases in funding for research, prevention, and care. This is nearly $300 million more than the comparable figure for fiscal 1996.

The release of the Levine Committee report last week makes it very clear that we must continue to increase our commitment to AIDS research at the NIH. The committee echoes what we already know -- we have made important progress in our research efforts but that a great deal still remains to be done.

In December, the President made it clear that the search for a vaccine and a cure are our highest priority. This budget reflects that commitment. In his fiscal 1997 budget the President is requesting $1.4 billion for AIDS related research at NIH, an increase of 1.7 percent. These additional funds will allow us to increase the number of investigator-initiated grants and pump new money into our AIDS vaccine research. In addition, separate funds will assist in the rebuilding the NIH Clinical Center, which provides both research and patient care.

As the Levine Committee suggested, the NIH plans to increase funding for investigator-initiated AIDS research and small business grants by $53 million while decreasing funding by $29 million for research contracts, intramural research, and administrative support mechanisms.

But perhaps as important as this continued infusion of funds, is the authority vested in the Office of AIDS Research to direct the AIDS research effort. The Levine Committee report emphasizes the need for a strong OAR with the full authority granted to it in the 1993 NIH Revitalization Act. If we are to turn this report into an action plan for the future, OAR will need all of this authority, including a consolidated appropriation and the ability to reallocate funding during the course of the year. The President's budget request for AIDS research assumes -- and argues strongly for -- this vital authority.

We are also requesting $72.7 million for the Food and Drug Administration. In the past year, the FDA has had a remarkable record of achievement, approving three new protease inhibitor drugs in record time. In fact, with each approval, the FDA set a new record for accelerated approval of AIDS drugs. FDA Commissioner Kessler deserves high praise for his leadership and his agency's record in this area.

As our scientists continue to unlock the mysteries of HIV, we must be equally vigilant in making sure that the fruits of that labor are enjoyed by the thousands of Americans who are living with HIV or AIDS. Since he took office, the President has been committed to increasing funding for AIDS treatment and care so that no American living with HIV or AIDS is prevented from getting the care they need.

The President's 1997 budget includes $807 million for the Ryan White CARE Act, an increase of 4 percent over fiscal 1996. That includes $424 million for Title I; $285 million for Title II; $65 million for Title III; and $34 million for Title IV. The additional funding for Title I will ensure that each of the 42 communities funded in fiscal 1996 and the 10 new cities that are expected to qualify this year will receive the same formula grant in fiscal 1997. There is also funding included for any new cities that become eligible in fiscal 1997.

I'd like to point out that with those increases, the four-year total increase for the CARE Act would be 132 percent. And the increases for Titles I and II would be 129 percent and 147 percent, respectively. These increases would be exceptional in any budget. In the current climate they are truly extraordinary.

Let me just say here that I'm very pleased with the strong bipartisan support that has been shown for the Ryan White CARE Act during this past year. I am especially grateful for the support shown for the President's $52 million emergency request for the AIDS Drug Assistance Program. I am hopeful that this support will carry over into the fiscal 1997 budget and into completion of the five-year reauthorization of the CARE Act now pending before Congress.

Also in the area of care, we are requesting that Congress restore funding for the AIDS Education and Training Centers to the fiscal 1995 level of $16 million. It is vital, as new treatments become available, that the health care professionals of this country have access to the most up-to-date, state-of-the-art information and training.

Another area that is high on my list of priorities is AIDS prevention. I am quite concerned that we were unable to convince Congress to increase the prevention budget at CDC in fiscal 1996. While I recognize that some believe that in the current climate the absence of a cut is a victory, I cannot accept a frozen AIDS prevention budget as long as 40,000 to 80,000 Americans are becoming infected every year. And, as indicated in the report to the President we released earlier this month, at least one American teenager is becoming infected every hour of every day.

That is why the President is asking for a 6 percent increase in AIDS prevention funding at CDC, bringing that total to $617 million. The $34 million in new prevention funding will be targeted at three population groups that are showing the fastest growing rates of infections -- substance abusers, women, and adolescents, including young gay men.

If we are to reduce the number of new infections in this country, we will also have to increase our efforts in substance abuse prevention. The President's budget includes $2.1 billion for the Substance Abuse and Mental Health Services Administration, an increase of $244 million over fiscal 1996. This includes $1.6 billion for substance abuse treatment and prevention, an increase of $207 million from fiscal 1996. There is also a consolidation of SAMHSA demonstration projects into one pool of money that will include AIDS-related programs. The funds for demonstration projects SAMHSA-wide have been increased by $165 million. This will allow us to maintain or even expand funding for AIDS demonstration programs.

At the Department of Housing and Urban Development, the President is asking for $171 million to continue the Housing Opportunities for People with AIDS program known as HOPWA at current levels.

Finally, let me mention that AIDS continues to have a major impact on programs like Medicaid, Medicare, and Social Security. In fiscal 1997, the federal share of Medicaid spending devoted to AIDS care is expected to be just under $2 billion, an increase of $170 million from fiscal 1996. Medicare spending on AIDS is projected to grow to $780 million, an increase of $90 million.

Each of us in this room today knows that nearly half of all people living with AIDS rely on Medicaid for their health coverage, including more than 90 percent of all children with AIDS. Medicaid remains a lifeline of support for these people and their families. It must be preserved.

That is why the President continues to fight hard against the Republican proposals to block grant Medicaid and do away with the federal guarantee of eligibility for people who are either poor or disabled. As part of his budget, the President proposes a responsible set of Medicaid reforms that will bring additional financial stability to this program along with additional flexibility for the states. The President's plan continues the historic federal-state partnership in Medicaid that assures that federal and state dollars follow the people in need.

The President's budget represents a common ground approach to balancing the federal budget while remaining committed to addressing the very real problems that face the American people. Today, as we discuss this budget, another 200 Americans are being diagnosed with AIDS and another 100 are dying of this disease. There is no time to waste and we in the Office of National AIDS Policy will be working hard to make sure that the Congress fully understands these requests and provides the resources that are needed to carry this battle forward. Thank you.

**AIDS Spending: Health and Human Services Discretionary Programs**
(in thousands)

| Program | FY93 | FY94 | FY95 | FY96 Policy* | FY97 Pres. Budget | Change compared to FY96 |
|---|---|---|---|---|---|---|
| FDA | $72,628 | $72,399 | $72,745 | $72,745 | $72,745 | ... |
| HRSA | $390,341 | $607,796 | $661,185 | $792,526 | $835,685 | +5% |
| *Ryan White CARE* | *($348,013)* | *($579,365)* | *($632,965)* | *($775,465)* | *($807,465)* | *+4%* |
| *Title I* | *($184,757)* | *($325,500)* | *($356,500)* | *($407,000)* | *($423,943)* | *+4%* |
| *Title II* | *($115,288)* | *($183,897)* | *($198,147)* | *($273,897)* | *($284,954)* | *+4%* |
| *Title IIIB* | *($47,968)* | *($47,968)* | *($52,318)* | *($62,568)* | *($64,568)* | *+3%* |
| *Title IV*[a] | .... | *($22,000)* | *($26,000)* | *($32,000)* | *($34,000)* | *+6%* |
| *Other HRSA AIDS* | *($42,328)* | *($28,431)* | *($28,220)* | *($17,061)* | *($28,220)* | *+65%* |
| IHS | $3,303 | $3,556 | $3,637 | $3,660 | $3,847 | +5% |
| CDC | $498,263 | $543,253 | $588,731 | $583,433 | $616,981 | +6% |
| NIH | $1,071,457 | $1,296,471 | $1,333,875 | $1,407,824 | $1,431,908 | +2% |
| SAMHSA[b] | $25,656 | $27,320 | $24,095 | $14,300 | $11,939 | -17% |
| AHCPR | $9,824 | $10,624 | $9,084 | $6,634 | $4,755 | -28% |
| OHAP/OMH/OCR | $7,930 | $7,503 | $6,046 | $4,523 | $4,732 | +5% |
| **Total, HHS** | **$2,079,191** | **$2,568,922** | **$2,699,398** | **$2,885,645** | **$2,982,592** | **+3%** |

* This includes funds in pending continuing resolutions and proposed add-backs.
[a]The HRSA pediatric demonstration projects were not incorporated into Title IV until FY94 at $22 million.
[b]The FY97 request for substance abuse and treatment overall at SAMHSA is $1.6 billion, an increase of $207 million over FY96.

# AIDS Spending
# Other Departments & Agencies
(in thousands)

| Department/Agency | FY93 | FY94 | FY95 | FY96 Policy* | FY97 President's Budget |
|---|---|---|---|---|---|
| AID | $117,000 | $115,000 | $121,000 | $111,000 | $97,000 |
| Defense | $159,000 | $129,000 | $112,000 | $103,000 | $85,000 |
| HUD/HOPWA | $100,000 | $156,000 | $171,000 | $171,000 | $171,000 |
| Justice/Prisons | $5,000 | $6,000 | $6,000 | $6,000 | $7,000 |
| Labor | $1,000 | $1,000 | $1,000 | $1,000 | $2,000 |
| OPM | $175,000 | $193,000 | $212,000 | $226,000 | $241,000 |
| Veterans | $299,000 | $312,000 | $317,000 | $337,000 | $347,000 |

* This includes funds in pending continuing resolutions and proposed add-backs.

# Increases in AIDS-related Spending: FY 1993 v. FY 1997

(in thousands)

| Program | FY93 Budget (Bush Administration) | FY97 Clinton Budget | % change compared to FY93 |
|---|---|---|---|
| HRSA | $390,341 | $835,685 | +114% |
| *Ryan White CARE* | *($348,013)* | *($807,465)* | *+132%* |
| *Title I* | *($184,757)* | *($423,943)* | *+129%* |
| *Title II* | *($115,288)* | *($284,954)* | *+147%* |
| *Title IIIB* | *($47,968)* | *($64,568)* | *+35%* |
| *Title IV*[a] | .... | *($34,000)* | *+55%* |
| IHS | $3,303 | $3,847 | +16% |
| CDC | $498,263 | $616,981 | +24% |
| NIH | $1,071,457 | $1,431,908 | +34% |
| **Total, HHS, Discretionary** | **$2,079,191** | **$2,982,592** | **+43%** |

[a]The HRSA pediatric demonstration projects were not incorporated into Title IV until FY94 at $22 million.

# AIDS Spending
# Entitlement Spending
(in thousands)

| Program | FY93 | FY94 | FY95 | FY96 Policy* | FY97 President's Budget | % change compared to FY96 |
|---|---|---|---|---|---|---|
| Medicaid (Federal Share) | $1,290,000 | $1,490,000 | $1,640,000 | $1,800,000 | $1,970,000 | 9 |
| Medicare | $386,000 | $500,000 | $600,000 | $690,000 | $780,000 | 13 |
| Social Security (SSI) | $200,000 | $240,000 | $300,000 | $370,000 | $450,000 | 22 |
| Social Security (DI) | $515,000 | $600,000 | $705,000 | $710,000 | $795,000 | 12 |
| **Total** | **$2,391,000** | **$2,830,000** | **$3,245,000** | **$3,570,000** | **$3,995,000** | **8** |

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