FOIA Number: 2018-0758-F

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Folder Title:
Budget - FY [Fiscal Year] '99 - OMB [Office of Management and Budget] - Correspondence

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FAX

Health Division

Office of Management and Budget
Executive Office of the President
Washington, DC 20503

To: Todd Summers

From: Barbara Menard

Date: October 26, 1998

Fax #:

Pages (excluding this cover sheet): 2

COMMENTS: AIDS Funding --

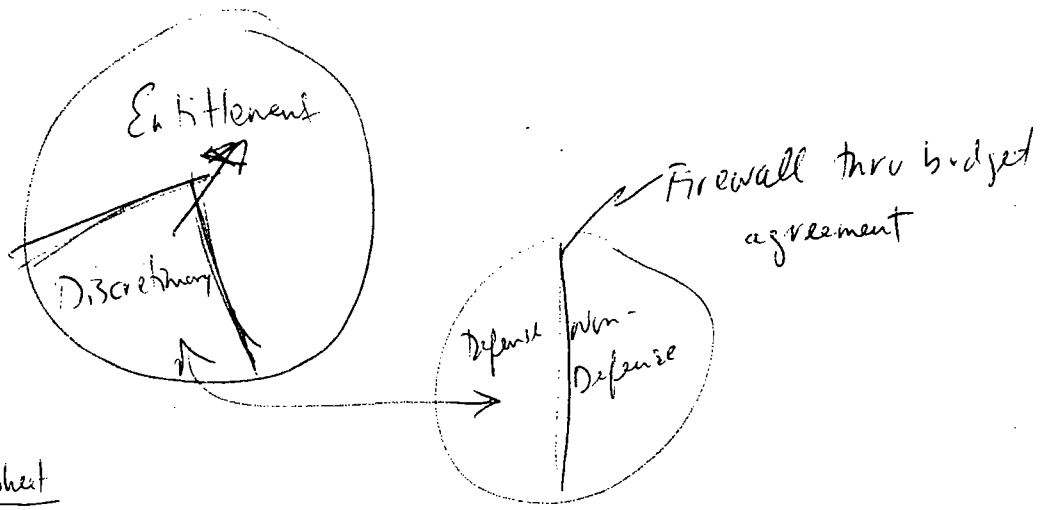
Todd, I am sorry I have not gotten to you sooner. I have checked all of the 99 enacted #'s on your chart, and they are correct. I am faxing some historical tables from which you can pull the '93 numbers.

Keep in mind, that to be comparable, the '93 CDC number is $490.9 million and the '93 HRSA # is $385.885 million.

Barbara Menard
Ph: (202) 395-4929
FAX: (202) 395-7840
e-mail: Barbara_A._Menard@oa.eop.gov

Meeting w/ Richard Tarman

10/14/97



Not on spreadsheet

HOPWA

International Aid

Other Folks @ OMB

Barry White ~ Labor

Michael Dietsch ~ HOPWA

Budget

Language

Off-Budget ~ defense,

CR → 10/23

next → 11/7

Chlamydia

Rural Connection

20 000

8,000

In to Care →

Good Care ⇒

Innovation / Out of Box

Data

Wm G. White 12/12/97 06:00:08 PM

Record Type: Record

To: Todd A. Summers/OPD/EOP
cc: See the distribution list at the bottom of this message
bcc:
Subject: Re: FY93-96 AIDS Numbers

Per your request, here are Ryan White numbers back to FY 1993 which compare the Budget to the actual appropriation. We got them from the HRSA Budget office.

They are comparable to the current RW Structure (i.e. includes funding provided every year for AIDS Dental, ETCs, Pediatric AIDS). These activities are currently part of RW, but were not in early years of Administration.

FY93 Budget: We need to double check a number w/ HRSA.
FY93 Appropriation: $385.597 million

FY94 Budget: $678.910 million
FY94 Appropriation: $595.800 million

FY95 Budget: $695.800 million
FY95 Appropriation: $656.189 million

FY96 Budget: $798.689 million (Includes $52 million Budget Amendment for ADAP)
FY96 Appropriation: $757.402 million

FY97 Budget: $895.689 million (Includes $65 million Budget Amendment for ADAP)
FY97 Appropriation: $996.252

FY98 Budget: $1036.252 million
FY 1998 Appropriation: $1,150.2 million

Todd A. Summers

Todd A. Summers
12/12/97 02:06:30 PM

Record Type: Record

To: Wm G. White/OMB/EOP@EOP

cc:
Subject: FY93-96 AIDS Numbers

Do you have handy the President's request and the enacted numbers for AIDS progams for FY93,

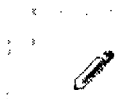
94, 95, and 96? Consolidated Ryan White is fine. If you can't get this quickly, please let me know right away and I'll try somewhere else.

Thanks! Hope your cold's better.

Todd

Message Copied To:

Gordon P. Agress/OMB/EOP
Richard J. Turman/OMB/EOP
Barry T. Clendenin/OMB/EOP
Joshua Gotbaum/OMB/EOP
Jill M. Pizzuto/OMB/EOP



Todd A. Summers
12/23/97 12:36:40 PM

Record Type: Record

To: Christopher C. Jennings/OPD/EOP, Sarah A. Bianchi/OPD/EOP

cc:
Subject: Revised Funding Recommendations

---------- Forwarded by Todd A. Summers/OPD/EOP on 12/23/97 12:36 PM ----------

Todd A. Summers
12/19/97 12:12:13 PM

Record Type: Record

To: Donald H. Gips/OVP @ OVP, Toby Donenfeld/OVP @ OVP

cc: Sandra Thurman/OPD/EOP
Subject: Revised Funding Recommendations

Don -

As per your request, here are two funding scenarios. Both assume $165 million total, with the first showing an increase in CDC funding and the second showing none. Sandy and I STRONGLY recommend the former - it's a bad political and policy message to flat-fund prevention. Sandy's going to call Josh and tell him that we're pushing hard at CDC and HRSA to improve their data, so the increase in funding is not taking them off the hook.

Todd

$165 million	***With CDC***	***Without CDC***	***Notes***
Title I	37	40	
Title II	19	21	
ADAP	75	80	1:1 match for states getting > $1 million
Title III	10	10	Women and people of color - early intervention
Title IV	4	4	Focus on outreach to young people

CDC Prevention	10	0	As per earlier memo
HUD HOPWA	10	10	
TOTALS	**$ 165**	**$ 165**	

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THOMAS REILLY

From: Todd Summers
Deputy Director
Office of National AIDS Policy
(202) 632-1090

Date: January 8, 1998

Re: Comments on FY99 Budget Language on Needle Exchange

We appreciate the opportunity to comment on proposed language within the President's FY99 Budget concerning needle exchange restrictions.

Section 505. Needle Exchange.

Transfer of Authority
We do not support language attempting to transfer authority from the Secretary of HHS to the Surgeon General. Given the restructuring of the Surgeon General position, there is little substantive difference. Moreover, because the Surgeon General will be in the confirmation process when the budget is released, this will increase the politicization of this issue.

Restriction on Syringe Distribution
This restriction, which established a distinction between "syringe distribution" and "needle exchange," is acceptable as is. However, we would strongly oppose retention of this restriction (§505) absent the subsequent conditional approval for the use of federal funds for needle exchange projects (§506).

Section 506. Condition on Needle Exchange

We believe that the existing language as enacted for FY98 should remain as it is (except, of course for the moratorium language, which is now moot). We would vigorously oppose any changes to the determinations that must be made by the Secretary (e.g., changing the second determinant from "does not encourage the use of illegal drugs" to "decreases the use of illegal drugs").

While we would support deletion of this condition on needle exchange programs (so that the Secretary would have unrestricted discretion to allow local communities to use their federal funds for needle exchange programs), it may be incorrectly interpreted as a signal that the Administration is seeking to pull away from a delicately negotiated compromise. Therefore, we would suggest retention of the current language.

Re-Statement of Language

Therefore, the language would read as follows (which should be the same as enacted for FY98):

> *Sec. 505. Notwithstanding any other provision of this Act, no funds appropriated under this Act shall be used to carry out any program of distributing sterile needles or syringes for the hypodermic injection of any illegal drug.*
>
> *Sec. 506. Section 505 is subject to the condition that* ~~***after March 31, 1998,***~~ *a program for exchanging such needles and syringes for used hypodermic needles and syringes (referred to in this section as an "exchange project") may be carried out in a community if - (1) the Secretary of Health and Human Services determines that exchange projects are effective in preventing the spread of HIV and do not encourage the use of illegal drugs; and (2) the project is operated in accordance with criteria established by such Secretary for preventing the spread of HIV and for ensuring that the project does not encourage the use of illegal drugs.*

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR RICHARD TURMAN

From: Todd Summers
Deputy Director
Office of National AIDS Policy
(202) 632-1090

Date: January 8, 1998

Re: Comments on FY99 Budget - Matching Requirements for New ADAP Funds

---

We appreciate the opportunity to comment on proposed language within the President's FY99 Budget concerning matching requirements for new funding for the AIDS Drug Assistance Program (under Title II of the CARE Act).

We have performed a rough analysis of several options (see attached) and recommend that the FY99 Budget require the following:

1) For states that will receive in excess of $1,000,000 in new ADAP funding, that these new funds be matched by the state on a 1:1 ratio.

2) For states that will receive $1,000,000 or less in new ADAP funding, that some reduced match or related contribution be required (the details of which can be worked out with Congress during the budget negotiations).

We believe that this option promotes a partnership between the states and the federal government in addressing this growing need, while remaining sensitive to the needs of smaller states where there may not be dollars available to accomplish a 1:1 matching requirement. It also minimizes the number of states that will be required to meet the 1:1 matching requirement without substantially decreasing the potential leverage amount.

In addition, we have the following concerns:

1) States should not be required to accomplish the match with "new" dollars, but should be provided credit for any state funds expended to support ADAP in FY98.

2) States should be allowed to use ADAP funding to purchase insurance coverage that would provide equivalent formulary coverage if such coverage would cost less than paying for the drugs directly.

DISTRIBUTION OF $100 MILLION ADAP

STATE	CASES <1,500	TOTAL ADAP FUNDING < $1 million	TOTAL ADAP FUNDING < $2 million	NEW ADAP FUNDING < $1 million	NEW ADAP FUNDING < $2 million
Alabama				YES	YES
Alaska	YES	YES	YES	YES	YES
Arizona				YES	YES
Arkansas	YES		YES	YES	YES
California					
Colorado				YES	YES
Connecticut					YES
Delaware	YES		YES	YES	YES
DC					YES
Florida					
Georgia					
Hawaii	YES		YES	YES	YES
Idaho	YES	YES	YES	YES	YES
Illinois					
Indiana				YES	YES
Iowa	YES	YES	YES	YES	YES
Kansas	YES		YES	YES	YES
Kentucky	YES		YES	YES	YES
Louisiana					YES
Maine	YES	YES	YES	YES	YES
Maryland					
Massachusetts					YES
Michigan					YES
Minnesota	YES		YES	YES	YES
Mississippi	YES			YES	YES
Missouri					YES
Montana	YES	YES	YES	YES	YES
Nebraska	YES	YES	YES	YES	YES
Nevada	YES			YES	YES
New Hampshire	YES	YES	YES	YES	YES
New Jersey					
New Mexico	YES		YES	YES	YES
New York					
North Carolina					YES
North Dakota	YES	YES	YES	YES	YES
Ohio					YES
Oklahoma	YES		YES	YES	YES
Oregon	YES			YES	YES
Pennsylvania					
Puerto Rico					
Rhode Island	YES		YES	YES	YES
South Carolina					YES
South Dakota	YES	YES	YES	YES	YES
Tennessee					YES
Texas					
Utah	YES	YES	YES	YES	YES
Vermont	YES	YES	YES	YES	YES
Virginia					YES
Washington					YES
West Virginia	YES	YES	YES	YES	YES
Wisconsin	YES		YES	YES	YES
Wyoming	YES	YES	YES	YES	YES
TOTAL	26	13	23	30	42
Leverage Amount	**$ 93,194,813**	**$ 98,812,297**	**$ 95,021,173**	**$ 89,734,931**	**$ 71,932,363**

DISTRIBUTION OF $100 MILLION ADAP

STATE	FY98	%	of $100 million	FY99 Total	TOTAL ADAP FUNDING < $1 million	Match	< $2 million	Match	NEW ADAP FUNDING < $1 million	Match	< $2 million	Match
Alabama	2,265,704	0.8%	793,592	3,059,296		793,592		793,592	YES		YES	
Alaska	194,562	0.1%	68,148	262,710	YES		YES		YES		YES	
Arizona	2,649,052	0.9%	927,864	3,576,916		927,864		927,864	YES		YES	
Arkansas	1,110,885	0.4%	389,102	1,499,987		389,102	YES		YES		YES	
California	43,064,688	15.1%	15,083,954	58,148,642		15,083,954		15,083,954		15,083,954		15,083,954
Colorado	2,585,789	0.9%	905,705	3,491,494		905,705		905,705	YES		YES	
Connecticut	4,836,430	1.7%	1,694,021	6,530,451		1,694,021		1,694,021		1,694,021	YES	
Delaware	1,076,994	0.4%	377,231	1,454,225		377,231	YES		YES		YES	
DC	4,664,462	1.6%	1,633,787	6,298,249		1,633,787		1,633,787		1,633,787	YES	
Florida	30,253,734	10.6%	10,596,754	40,850,488		10,596,754		10,596,754		10,596,754		10,596,754
Georgia	8,818,043	3.1%	3,088,632	11,906,675		3,088,632		3,088,632		3,088,632		3,088,632
Hawaii	857,327	0.3%	300,290	1,157,617		300,290	YES		YES		YES	
Idaho	194,562	0.1%	68,148	262,710	YES		YES		YES		YES	
Illinois	8,962,396	3.1%	3,139,193	12,101,589		3,139,193		3,139,193		3,139,193		3,139,193
Indiana	2,377,420	0.8%	832,722	3,210,142		832,722		832,722	YES		YES	
Iowa	489,543	0.2%	171,469	661,012	YES		YES		YES		YES	
Kansas	928,876	0.3%	325,351	1,254,227		325,351	YES		YES		YES	
Kentucky	1,277,832	0.4%	447,577	1,725,409		447,577	YES		YES		YES	
Louisiana	4,766,647	1.7%	1,669,579	6,436,226		1,669,579		1,669,579		1,669,579	YES	
Maine	357,743	0.1%	125,304	483,047	YES		YES		YES		YES	
Maryland	8,759,047	3.1%	3,067,967	11,827,014		3,067,967		3,067,967		3,067,967		3,067,967
Massachusetts	5,563,213	1.9%	1,948,586	7,511,799		1,948,586		1,948,586		1,948,586	YES	
Michigan	4,157,347	1.5%	1,456,164	5,613,511		1,456,164		1,456,164		1,456,164	YES	
Minnesota	1,369,209	0.5%	479,583	1,848,792		479,583	YES		YES		YES	
Mississippi	1,606,704	0.6%	562,768	2,169,472		562,768		562,768	YES		YES	
Missouri	3,326,379	1.2%	1,165,106	4,491,485		1,165,106		1,165,106		1,165,106	YES	
Montana	125,524	0.0%	43,966	169,490	YES		YES		YES		YES	
Nebraska	412,973	0.1%	144,649	557,622	YES		YES		YES		YES	
Nevada	1,728,462	0.6%	605,416	2,333,878		605,416		605,416	YES		YES	
New Hampshire	350,211	0.1%	122,666	472,877	YES		YES		YES		YES	
New Jersey	16,226,455	5.7%	5,683,522	21,909,977		5,683,522		5,683,522		5,683,522		5,683,522
New Mexico	748,122	0.3%	262,039	1,010,161		262,039	YES		YES		YES	
New York	51,291,514	18.0%	17,965,504	69,257,018		17,965,504		17,965,504		17,965,504		17,965,504
North Carolina	3,838,516	1.3%	1,344,489	5,183,005		1,344,489		1,344,489		1,344,489	YES	
North Dakota	45,189	0.0%	15,828	61,017	YES		YES		YES		YES	
Ohio	4,305,465	1.5%	1,508,044	5,813,509		1,508,044		1,508,044		1,508,044	YES	
Oklahoma	1,281,597	0.4%	448,896	1,730,493		448,896	YES		YES		YES	
Oregon	1,879,091	0.7%	658,175	2,537,266		658,175		658,175	YES		YES	
Pennsylvania	9,074,112	3.2%	3,178,323	12,252,435		3,178,323		3,178,323		3,178,323		3,178,323
Puerto Rico	9,264,908	3.2%	3,245,152	12,510,060		3,245,152		3,245,152		3,245,152		3,245,152
Rhode Island	817,160	0.3%	286,221	1,103,381		286,221	YES		YES		YES	
South Carolina	3,618,850	1.3%	1,267,548	4,886,398		1,267,548		1,267,548		1,267,548	YES	
South Dakota	61,507	0.0%	21,544	83,051	YES		YES		YES		YES	
Tennessee	3,205,877	1.1%	1,122,899	4,328,776		1,122,899		1,122,899		1,122,899	YES	
Texas	19,651,998	6.9%	6,883,362	26,535,360		6,883,362		6,883,362		6,883,362		6,883,362
Utah	684,104	0.2%	239,616	923,720	YES		YES		YES		YES	
Vermont	154,394	0.1%	54,078	208,472	YES		YES		YES		YES	
Virginia	5,015,929	1.8%	1,756,893	6,772,822		1,756,893		1,756,893		1,756,893	YES	
Washington	3,527,217	1.2%	1,235,453	4,762,670		1,235,453		1,235,453		1,235,453	YES	
West Virginia	430,546	0.2%	150,804	581,350	YES		YES		YES		YES	
Wisconsin	1,355,656	0.5%	474,836	1,830,492		474,836	YES		YES		YES	
Wyoming	69,038	0.0%	24,181	93,219	YES		YES		YES		YES	
TOTAL	285,679,003	100%	100,062,698	385,741,701	13	98,812,297	23	95,021,173	30	89,734,931	42	71,932,363
Leverage Amount					**$ 98,812,297**		**$ 95,021,173**		**$ 89,734,931**		**$ 71,932,363**	

DISTRIBUTION OF $100 MILLION ADAP

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Connecticut					YES
Delaware	YES		YES	YES	YES
DC					YES
Florida					
Georgia					
Hawaii	YES		YES	YES	YES
Idaho	YES	YES	YES	YES	YES
Illinois					
Indiana				YES	YES
Iowa	YES	YES	YES	YES	YES
Kansas	YES		YES	YES	YES
Kentucky	YES		YES	YES	YES
Louisiana					YES
Maine	YES	YES	YES	YES	YES
Maryland					
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Michigan					YES
Minnesota	YES		YES	YES	YES
Mississippi	YES			YES	YES
Missouri					YES
Montana	YES	YES	YES	YES	YES
Nebraska	YES	YES	YES	YES	YES
Nevada	YES			YES	YES
New Hampshire	YES	YES	YES	YES	YES
New Jersey					
New Mexico	YES		YES	YES	YES
New York					
North Carolina					YES
North Dakota	YES	YES	YES	YES	YES
Ohio					YES
Oklahoma	YES		YES	YES	YES
Oregon	YES			YES	YES
Pennsylvania					
Puerto Rico					
Rhode Island	YES		YES	YES	YES
South Carolina					YES
South Dakota	YES	YES	YES	YES	YES
Tennessee					YES
Texas					
Utah	YES	YES	YES	YES	YES
Vermont	YES	YES	YES	YES	YES
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Alabama	2,265,704	0.8%	793,592	3,059,296	NO	NO
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Arizona	2,649,052	0.9%	927,864	3,576,916	NO	NO
Arkansas	1,110,885	0.4%	389,102	1,499,987	NO	**YES**
California	43,064,688	15.1%	15,083,954	58,148,642	NO	NO
Colorado	2,585,789	0.9%	905,705	3,491,494	NO	NO
Connecticut	4,836,430	1.7%	1,694,021	6,530,451	NO	NO
Delaware	1,076,994	0.4%	377,231	1,454,225	NO	**YES**
DC	4,664,462	1.6%	1,633,787	6,298,249	NO	NO
Florida	30,253,734	10.6%	10,596,754	40,850,488	NO	NO
Georgia	8,818,043	3.1%	3,088,632	11,906,675	NO	NO
Hawaii	857,327	0.3%	300,290	1,157,617	NO	**YES**
Idaho	194,562	0.1%	68,148	262,710	YES	YES
Illinois	8,962,396	3.1%	3,139,193	12,101,589	NO	NO
Indiana	2,377,420	0.8%	832,722	3,210,142	NO	NO
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Kansas	928,876	0.3%	325,351	1,254,227	NO	**YES**
Kentucky	1,277,832	0.4%	447,577	1,725,409	NO	**YES**
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Maine	357,743	0.1%	125,304	483,047	YES	YES
Maryland	8,759,047	3.1%	3,067,967	11,827,014	NO	NO
Massachusetts	5,563,213	1.9%	1,948,586	7,511,799	NO	NO
Michigan	4,157,347	1.5%	1,456,164	5,613,511	NO	NO
Minnesota	1,369,209	0.5%	479,583	1,848,792	NO	**YES**
Mississippi	1,606,704	0.6%	562,768	2,169,472	NO	NO
Missouri	3,326,379	1.2%	1,165,106	4,491,485	NO	NO
Montana	125,524	0.0%	43,966	169,490	YES	YES
Nebraska	412,973	0.1%	144,649	557,622	YES	YES
Nevada	1,728,462	0.6%	605,416	2,333,878	NO	NO
New Hampshire	350,211	0.1%	122,666	472,877	YES	YES
New Jersey	16,226,455	5.7%	5,683,522	21,909,977	NO	NO
New Mexico	748,122	0.3%	262,039	1,010,161	NO	**YES**
New York	51,291,514	18.0%	17,965,504	69,257,018	NO	NO
North Carolina	3,838,516	1.3%	1,344,489	5,183,005	NO	NO
North Dakota	45,189	0.0%	15,828	61,017	YES	YES
Ohio	4,305,465	1.5%	1,508,044	5,813,509	NO	NO
Oklahoma	1,281,597	0.4%	448,896	1,730,493	NO	**YES**
Oregon	1,879,091	0.7%	658,175	2,537,266	NO	NO
Pennsylvania	9,074,112	3.2%	3,178,323	12,252,435	NO	NO
Puerto Rico	9,264,908	3.2%	3,245,152	12,510,060	NO	NO
Rhode Island	817,160	0.3%	286,221	1,103,381	NO	**YES**
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South Dakota	61,507	0.0%	21,544	83,051	YES	YES
Tennessee	3,205,877	1.1%	1,122,899	4,328,776	NO	NO
Texas	19,651,998	6.9%	6,883,362	26,535,360	NO	NO
Utah	684,104	0.2%	239,616	923,720	YES	YES
Vermont	154,394	0.1%	54,078	208,472	YES	YES
Virginia	5,015,929	1.8%	1,756,893	6,772,822	NO	NO
Washington	3,527,217	1.2%	1,235,453	4,762,670	NO	NO
West Virginia	430,546	0.2%	150,804	581,350	YES	YES
Wisconsin	1,355,656	0.5%	474,836	1,830,492	NO	**YES**
Wyoming	69,038	0.0%	24,181	93,219	YES	YES
TOTAL	285,679,003	100%	100,062,698	385,741,701	13	23

FY 1997 Estimated AIDS Drug Assistance Program Funding from State Resources

State	Total FY 1997 Federal and State Funding for ADAP	FY 1997 Federal Title II ADAP Supp. Funds	State Contribution to ADAP	Percentage of State Funds to Federal ADAP Funds
Alabama	$ 3,150,604	$ 1,329,706	$ 150,604	11%
Alaska	$ 212,320	$ 112,917		0%
Arizona	$ 3,333,000	$ 1,450,752	$ 600,000	41%
Arkansas	$ 2,050,008	$ 654,013		0%
California	$ 82,500,000	$ 26,371,892	$ 40,200,000	152%
Colorado	$ 2,651,749	$ 1,607,932	$ 301,000	19%
Connecticut	$ 4,178,675	$ 2,790,394	$ 592,000	21%
Delaware	$ 934,000	$ 619,686		0%
DC	$ 5,716,836	$ 2,613,341	$ 800,000	31%
Florida	$ 25,814,997	$ 17,898,632	$ 1,500,000	8%
Georgia	$ 8,449,959	$ 5,125,509	$ 324,450	6%
Hawaii	$ 1,102,594	$ 542,903	$ 291,000	54%
Idaho	$ 193,000	$ 112,917		0%
Illinois	$ 14,466,503	$ 5,427,222	$ 8,325,000	153%
Indiana	$ 2,615,048	$ 1,372,162	$ 442,000	32%
Iowa	$ 292,680	$ 292,680		0%
Kansas	$ 957,620	$ 568,196		0%
Kentucky	$ 1,147,265	$ 663,046	$ 127,944	19%
Louisiana	$ 23,206,330	$ 2,717,224	$ 20,000,000	736%
Maine	$ 389,446	$ 229,446	$ 60,000	26%
Maryland	$ 5,755,309	$ 5,025,239	$ 600,000	12%
Massachusetts	$ 11,288,179	$ 3,310,714	$ 6,800,000	205%
Michigan	$ 2,862,921	$ 2,408,285		0%
Minnesota	$ 957,500	$ 841,003	$ 150,000	18%
Mississippi	$ 2,040,326	$ 880,749		0%
Missouri	$ 5,652,428	$ 1,965,652	$ 600,000	31%
Montana	$ 201,037	$ 64,137		0%
Nebraska	$ 893,499	$ 233,963		0%
Nevada	$ 2,834,199	$ 957,533	$ 1,300,000	136%
New Hampshire	$ 563,790	$ 214,993		0%
New Jersey	$ 18,280,738	$ 9,448,859	$ 700,000	7%
New Mexico	$ 1,183,568	$ 377,593	$ 740,000	196%
New York	$ 71,466,311	$ 29,381,796	$ 12,400,000	42%
North Carolina	$ 3,615,201	$ 2,250,201	$ 750,000	33%
North Dakota	$ 124,390	$ 24,390		0%
Ohio	$ 6,524,500	$ 2,577,208	$ 3,124,500	121%
Oklahoma	$ 2,065,187	$ 728,086	$ 431,000	59%
Oregon	$ 1,885,136	$ 1,148,136		0%
Pennsylvania	$ 11,917,646	$ 5,258,299	$ 6,659,347	127%
Puerto Rico	$ 12,920,475	$ 5,315,209	$ 4,168,036	78%
Rhode Island	$ 762,972	$ 494,123		0%
South Carolina	$ 3,486,578	$ 2,112,895	$ 500,000	24%
South Dakota	$ 138,843	$ 38,843		0%
Tennessee	$ 2,440,203	$ 1,830,152	$ 610,050	33%
Texas	$ 19,939,044	$ 11,061,308	$ 2,697,736	24%
Utah	$ 780,946	$ 399,273	$ 114,800	29%
Vermont	$ 400,000	$ 92,140	$ 150,000	163%
Virginia	$ 6,410,469	$ 2,881,631	$ 687,200	24%
Washington	$ 6,181,000	$ 2,067,728	$ 3,263,000	158%
West Virginia	$ 815,189	$ 247,513	$ 74,833	30%
Wisconsin	$ 1,477,701	$ 823,839	$ 373,500	45%
Wyoming	$ 137,940	37,940		0%
Total	**$ 389,365,859**	**$ 167,000,000**	**$ 120,608,000**	**72%**

DISTRIBUTION OF $100 MILLION ADAP

STATE	FY98	%	of $100 million	FY99 Total	TOTAL ADAP FUNDING < $1 million	Match	< $2 million	Match	NEW ADAP FUNDING < $1 million	Match	< $2 million	Match
Alabama	2,265,704	0.8%	793,592	3,059,296		793,592		793,592	YES		YES	
Alaska	194,562	0.1%	68,148	262,710	YES		YES		YES		YES	
Arizona	2,649,052	0.9%	927,864	3,576,916		927,864		927,864	YES		YES	
Arkansas	1,110,885	0.4%	389,102	1,499,987		389,102	YES		YES		YES	
California	43,064,688	15.1%	15,083,954	58,148,642		15,083,954		15,083,954		15,083,954		15,083,954
Colorado	2,585,789	0.9%	905,705	3,491,494		905,705		905,705	YES		YES	
Connecticut	4,836,430	1.7%	1,694,021	6,530,451		1,694,021		1,694,021		1,694,021	YES	
Delaware	1,076,994	0.4%	377,231	1,454,225		377,231	YES		YES		YES	
DC	4,664,462	1.6%	1,633,787	6,298,249		1,633,787		1,633,787		1,633,787	YES	
Florida	30,253,734	10.6%	10,596,754	40,850,488		10,596,754		10,596,754		10,596,754		10,596,754
Georgia	8,818,043	3.1%	3,088,632	11,906,675		3,088,632		3,088,632		3,088,632		3,088,632
Hawaii	857,327	0.3%	300,290	1,157,617		300,290	YES		YES		YES	
Idaho	194,562	0.1%	68,148	262,710	YES		YES		YES		YES	
Illinois	8,962,396	3.1%	3,139,193	12,101,589		3,139,193		3,139,193		3,139,193		3,139,193
Indiana	2,377,420	0.8%	832,722	3,210,142		832,722		832,722	YES		YES	
Iowa	489,543	0.2%	171,469	661,012	YES		YES		YES		YES	
Kansas	928,876	0.3%	325,351	1,254,227		325,351	YES		YES		YES	
Kentucky	1,277,832	0.4%	447,577	1,725,409		447,577	YES		YES		YES	
Louisiana	4,766,647	1.7%	1,669,579	6,436,226		1,669,579		1,669,579		1,669,579	YES	
Maine	357,743	0.1%	125,304	483,047	YES		YES		YES		YES	
Maryland	8,759,047	3.1%	3,067,967	11,827,014		3,067,967		3,067,967		3,067,967		3,067,967
Massachusetts	5,563,213	1.9%	1,948,586	7,511,799		1,948,586		1,948,586		1,948,586	YES	
Michigan	4,157,347	1.5%	1,456,164	5,613,511		1,456,164		1,456,164		1,456,164	YES	
Minnesota	1,369,209	0.5%	479,583	1,848,792		479,583	YES		YES		YES	
Mississippi	1,606,704	0.6%	562,768	2,169,472		562,768		562,768	YES		YES	
Missouri	3,326,379	1.2%	1,165,106	4,491,485		1,165,106		1,165,106		1,165,106	YES	
Montana	125,524	0.0%	43,966	169,490	YES		YES		YES		YES	
Nebraska	412,973	0.1%	144,649	557,622	YES		YES		YES		YES	
Nevada	1,728,462	0.6%	605,416	2,333,878		605,416		605,416	YES		YES	
New Hampshire	350,211	0.1%	122,666	472,877	YES		YES		YES		YES	
New Jersey	16,226,455	5.7%	5,683,522	21,909,977		5,683,522		5,683,522		5,683,522		5,683,522
New Mexico	748,122	0.3%	262,039	1,010,161		262,039	YES		YES		YES	
New York	51,291,514	18.0%	17,965,504	69,257,018		17,965,504		17,965,504		17,965,504		17,965,504
North Carolina	3,838,516	1.3%	1,344,489	5,183,005		1,344,489		1,344,489		1,344,489	YES	
North Dakota	45,189	0.0%	15,828	61,017	YES		YES		YES		YES	
Ohio	4,305,465	1.5%	1,508,044	5,813,509		1,508,044		1,508,044		1,508,044	YES	
Oklahoma	1,281,597	0.4%	448,896	1,730,493		448,896	YES		YES		YES	
Oregon	1,879,091	0.7%	658,175	2,537,266		658,175		658,175	YES		YES	
Pennsylvania	9,074,112	3.2%	3,178,323	12,252,435		3,178,323		3,178,323		3,178,323		3,178,323
Puerto Rico	9,264,908	3.2%	3,245,152	12,510,060		3,245,152		3,245,152		3,245,152		3,245,152
Rhode Island	817,160	0.3%	286,221	1,103,381		286,221	YES		YES		YES	
South Carolina	3,618,850	1.3%	1,267,548	4,886,398		1,267,548		1,267,548		1,267,548	YES	
South Dakota	61,507	0.0%	21,544	83,051	YES		YES		YES		YES	
Tennessee	3,205,877	1.1%	1,122,899	4,328,776		1,122,899		1,122,899		1,122,899	YES	
Texas	19,651,998	6.9%	6,883,362	26,535,360		6,883,362		6,883,362		6,883,362		6,883,362
Utah	684,104	0.2%	239,616	923,720	YES		YES		YES		YES	
Vermont	154,394	0.1%	54,078	208,472	YES		YES		YES		YES	
Virginia	5,015,929	1.8%	1,756,893	6,772,822		1,756,893		1,756,893		1,756,893	YES	
Washington	3,527,217	1.2%	1,235,453	4,762,670		1,235,453		1,235,453		1,235,453	YES	
West Virginia	430,546	0.2%	150,804	581,350	YES		YES		YES		YES	
Wisconsin	1,355,656	0.5%	474,836	1,830,492		474,836	YES		YES		YES	
Wyoming	69,038	0.0%	24,181	93,219	YES		YES		YES		YES	
TOTAL	285,679,003	100%	100,062,698	385,741,701	13	98,812,297	23	95,021,173	30	89,734,931	42	71,932,363
Leverage Amount					**$ 98,812,297**		**$ 95,021,173**		**$ 89,734,931**		**$ 71,932,363**	

Todd A. Summers
01/08/98 03:13:33 PM

Record Type: Record

To: Gordon P. Agress/OMB/EOP
cc:
bcc: dvonzinkernagel @ osophs.dhhs.gov, Records Management
Subject: Re: Revised Appropriations Language

Just to make clear, our understanding of the intent of this sentence is as follows:

1) In order to qualify for the new ADAP funds, states must demonstrate that they are providing at least as much in match.

2) For those states that are contributing more than they get in Federal funds, they can use that excess as match.

3) If a state does not qualify, than the new ADAP funds can go to a non-profit AIDS service provider that is able to provide the match, which would have to equal FY98 ADAP *plus* new FY99 funds (in other words, if a state has contributed 0%, than the non-profit would have to come up with a match for the entire ADAP grant, not just the new money).

4) Only those funds that the state spends specifically on AIDS drugs would qualify for match - not insurance purchase, related diagnostics, etc.

Can you clarify so that I can run this up the flag pole here?

Thanks,

Todd

Gordon P. Agress

Gordon P. Agress

01/08/98 03:02:49 PM

Record Type: Record

To: rfunston @ os.dhhs.gov @ inet, Todd A. Summers/OPD/EOP

cc: Richard J. Turman/OMB/EOP
Subject: Revised Appropriations Language

I have edited the language to clarify that States needn't spend more than 100% of the Federal ADAP grant to qualify for the new funds, and to provide an alternative for providers in States which

refuse to meet the match.

The language is unwieldy, but I think it gets the job done -- I'm hopeful our GC can render it more elegantly. It would be hard to shoehorn another condition into this. Remember, this whole things is a clause in the very long sentence that is HRSA appropriations language.

", of which $100,000,000 to remain available until expended shall be only for grants to States which increase spending on AIDS drugs by the amount of the grant from such funds without reducing other activities on behalf of people with AIDS (though no State shall be required to spend more than the total Federal grant to be eligible for these funds), or for grants to nonprofit providers of AIDS services in any State which is not eligible for these funds, so long as that providers meets all eligibility requirements applying to States;"

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THOMAS REILLY

From: Todd Summers
Deputy Director
Office of National AIDS Policy
(202) 632-1090

Date: January 8, 1998

Re: Comments on FY99 Budget Language on Needle Exchange

We appreciate the opportunity to comment on proposed language within the President's FY99 Budget concerning needle exchange restrictions.

Section 505. Needle Exchange.

Transfer of Authority
We do not support language attempting to transfer authority from the Secretary of HHS to the Surgeon General. Given the restructuring of the Surgeon General position, there is little substantive difference. Moreover, because the Surgeon General will be in the confirmation process when the budget is released, this will increase the politicization of this issue.

Restriction on Syringe Distribution
This restriction, which established a distinction between "syringe distribution" and "needle exchange," is acceptable as is. However, we would strongly oppose retention of this restriction (§505) absent the subsequent conditional approval for the use of federal funds for needle exchange projects (§506).

Section 506. Condition on Needle Exchange

We believe that the existing language as enacted for FY98 should remain as it is (except, of course for the moratorium language, which is now moot). We would vigorously oppose any changes to the determinations that must be made by the Secretary (e.g., changing the second determinant from "does not encourage the use of illegal drugs" to "decreases the use of illegal drugs").

While we would support deletion of this condition on needle exchange programs (so that the Secretary would have unrestricted discretion to allow local communities to use their federal funds for needle exchange programs), it may be incorrectly interpreted as a signal that the Administration is seeking to pull away from a delicately negotiated compromise. Therefore, we would suggest retention of the current language.

Re-Statement of Language

Therefore, the language would read as follows (which should be the same as enacted for FY98):

> *Sec. 505. Notwithstanding any other provision of this Act, no funds appropriated under this Act shall be used to carry out any program of distributing sterile needles or syringes for the hypodermic injection of any illegal drug.*
>
> *Sec. 506. Section 505 is subject to the condition that* ~~***after March 31, 1998,***~~ *a program for exchanging such needles and syringes for used hypodermic needles and syringes (referred to in this section as an "exchange project") may be carried out in a community if - (1) the Secretary of Health and Human Services determines that exchange projects are effective in preventing the spread of HIV and do not encourage the use of illegal drugs; and (2) the project is operated in accordance with criteria established by such Secretary for preventing the spread of HIV and for ensuring that the project does not encourage the use of illegal drugs.*

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR RICHARD TURMAN

From: Todd Summers
Deputy Director
Office of National AIDS Policy
(202) 632-1090

Date: January 8, 1998

Re: Comments on FY99 Budget - Matching Requirements for New ADAP Funds

---

We appreciate the opportunity to comment on proposed language within the President's FY99 Budget concerning matching requirements for new funding for the AIDS Drug Assistance Program (under Title II of the CARE Act).

We have performed a rough analysis of several options (see attached) and recommend that the FY99 Budget require the following:

1) For states that will receive in excess of $1,000,000 in new ADAP funding, that these new funds be matched by the state on a 1:1 ratio.

2) For states that will receive $1,000,000 or less in new ADAP funding, that some reduced match or related contribution be required (the details of which can be worked out with Congress during the budget negotiations).

We believe that this option promotes a partnership between the states and the federal government in addressing this growing need, while remaining sensitive to the needs of smaller states where there may not be dollars available to accomplish a 1:1 matching requirement. It also minimizes the number of states that will be required to meet the 1:1 matching requirement without substantially decreasing the potential leverage amount.

In addition, we have the following concerns:

1) States should not be required to accomplish the match with "new" dollars, but should be provided credit for any state funds expended to support ADAP in FY98.

2) States should be allowed to use ADAP funding to purchase insurance coverage that would provide equivalent formulary coverage if such coverage would cost less than paying for the drugs directly.

DISTRIBUTION OF $100 MILLION ADAP

STATE	CASES <1,500	TOTAL ADAP FUNDING < $1 million	TOTAL ADAP FUNDING < $2 million	NEW ADAP FUNDING < $1 million	NEW ADAP FUNDING < $2 million
Alabama				YES	YES
Alaska	YES	YES	YES	YES	YES
Arizona				YES	YES
Arkansas	YES		YES	YES	YES
California					
Colorado				YES	YES
Connecticut					YES
Delaware	YES		YES	YES	YES
DC					YES
Florida					
Georgia					
Hawaii	YES		YES	YES	YES
Idaho	YES	YES	YES	YES	YES
Illinois					
Indiana				YES	YES
Iowa	YES	YES	YES	YES	YES
Kansas	YES		YES	YES	YES
Kentucky	YES		YES	YES	YES
Louisiana					YES
Maine	YES	YES	YES	YES	YES
Maryland					
Massachusetts					YES
Michigan					YES
Minnesota	YES		YES	YES	YES
Mississippi	YES			YES	YES
Missouri					YES
Montana	YES	YES	YES	YES	YES
Nebraska	YES	YES	YES	YES	YES
Nevada	YES			YES	YES
New Hampshire	YES	YES	YES	YES	YES
New Jersey					
New Mexico	YES		YES	YES	YES
New York					
North Carolina					YES
North Dakota	YES	YES	YES	YES	YES
Ohio					YES
Oklahoma	YES		YES	YES	YES
Oregon	YES			YES	YES
Pennsylvania					
Puerto Rico					
Rhode Island	YES		YES	YES	YES
South Carolina					YES
South Dakota	YES	YES	YES	YES	YES
Tennessee					YES
Texas					
Utah	YES	YES	YES	YES	YES
Vermont	YES	YES	YES	YES	YES
Virginia					YES
Washington					YES
West Virginia	YES	YES	YES	YES	YES
Wisconsin	YES		YES	YES	YES
Wyoming	YES	YES	YES	YES	YES
TOTAL	26	13	23	30	42
Leverage Amount	**$ 93,194,813**	**$ 98,812,297**	**$ 95,021,173**	**$ 89,734,931**	**$ 71,932,363**

DISTRIBUTION OF $100 MILLION ADAP

STATE	FY98	%	of $100 million	FY99 Total	TOTAL ADAP FUNDING < $1 million	Match	< $2 million	Match	NEW ADAP FUNDING < $1 million	Match	< $2 million	Match
Alabama	2,265,704	0.8%	793,592	3,059,296		793,592		793,592	YES		YES	
Alaska	194,562	0.1%	68,148	262,710	YES		YES		YES		YES	
Arizona	2,649,052	0.9%	927,864	3,576,916		927,864		927,864	YES		YES	
Arkansas	1,110,885	0.4%	389,102	1,499,987		389,102	YES		YES		YES	
California	43,064,688	15.1%	15,083,954	58,148,642		15,083,954		15,083,954		15,083,954		15,083,954
Colorado	2,585,789	0.9%	905,705	3,491,494		905,705		905,705	YES		YES	
Connecticut	4,836,430	1.7%	1,694,021	6,530,451		1,694,021		1,694,021		1,694,021	YES	
Delaware	1,076,994	0.4%	377,231	1,454,225		377,231	YES		YES		YES	
DC	4,664,462	1.6%	1,633,787	6,298,249		1,633,787		1,633,787		1,633,787	YES	
Florida	30,253,734	10.6%	10,596,754	40,850,488		10,596,754		10,596,754		10,596,754		10,596,754
Georgia	8,818,043	3.1%	3,088,632	11,906,675		3,088,632		3,088,632		3,088,632		3,088,632
Hawaii	857,327	0.3%	300,290	1,157,617		300,290	YES		YES		YES	
Idaho	194,562	0.1%	68,148	262,710	YES		YES		YES		YES	
Illinois	8,962,396	3.1%	3,139,193	12,101,589		3,139,193		3,139,193		3,139,193		3,139,193
Indiana	2,377,420	0.8%	832,722	3,210,142		832,722		832,722	YES		YES	
Iowa	489,543	0.2%	171,469	661,012	YES		YES		YES		YES	
Kansas	928,876	0.3%	325,351	1,254,227		325,351	YES		YES		YES	
Kentucky	1,277,832	0.4%	447,577	1,725,409		447,577	YES		YES		YES	
Louisiana	4,766,647	1.7%	1,669,579	6,436,226		1,669,579		1,669,579		1,669,579	YES	
Maine	357,743	0.1%	125,304	483,047	YES		YES		YES		YES	
Maryland	8,759,047	3.1%	3,067,967	11,827,014		3,067,967		3,067,967		3,067,967		3,067,967
Massachusetts	5,563,213	1.9%	1,948,586	7,511,799		1,948,586		1,948,586		1,948,586	YES	
Michigan	4,157,347	1.5%	1,456,164	5,613,511		1,456,164		1,456,164		1,456,164	YES	
Minnesota	1,369,209	0.5%	479,583	1,848,792		479,583	YES		YES		YES	
Mississippi	1,606,704	0.6%	562,768	2,169,472		562,768		562,768	YES		YES	
Missouri	3,326,379	1.2%	1,165,106	4,491,485		1,165,106		1,165,106		1,165,106	YES	
Montana	125,524	0.0%	43,966	169,490	YES		YES		YES		YES	
Nebraska	412,973	0.1%	144,649	557,622	YES		YES		YES		YES	
Nevada	1,728,462	0.6%	605,416	2,333,878		605,416		605,416	YES		YES	
New Hampshire	350,211	0.1%	122,666	472,877	YES		YES		YES		YES	
New Jersey	16,226,455	5.7%	5,683,522	21,909,977		5,683,522		5,683,522		5,683,522		5,683,522
New Mexico	748,122	0.3%	262,039	1,010,161		262,039	YES		YES		YES	
New York	51,291,514	18.0%	17,965,504	69,257,018		17,965,504		17,965,504		17,965,504		17,965,504
North Carolina	3,838,516	1.3%	1,344,489	5,183,005		1,344,489		1,344,489		1,344,489	YES	
North Dakota	45,189	0.0%	15,828	61,017	YES		YES		YES		YES	
Ohio	4,305,465	1.5%	1,508,044	5,813,509		1,508,044		1,508,044		1,508,044	YES	
Oklahoma	1,281,597	0.4%	448,896	1,730,493		448,896	YES		YES		YES	
Oregon	1,879,091	0.7%	658,175	2,537,266		658,175		658,175	YES		YES	
Pennsylvania	9,074,112	3.2%	3,178,323	12,252,435		3,178,323		3,178,323		3,178,323		3,178,323
Puerto Rico	9,264,908	3.2%	3,245,152	12,510,060		3,245,152		3,245,152		3,245,152		3,245,152
Rhode Island	817,160	0.3%	286,221	1,103,381		286,221	YES		YES		YES	
South Carolina	3,618,850	1.3%	1,267,548	4,886,398		1,267,548		1,267,548		1,267,548	YES	
South Dakota	61,507	0.0%	21,544	83,051	YES		YES		YES		YES	
Tennessee	3,205,877	1.1%	1,122,899	4,328,776		1,122,899		1,122,899		1,122,899	YES	
Texas	19,651,998	6.9%	6,883,362	26,535,360		6,883,362		6,883,362		6,883,362		6,883,362
Utah	684,104	0.2%	239,616	923,720	YES		YES		YES		YES	
Vermont	154,394	0.1%	54,078	208,472	YES		YES		YES		YES	
Virginia	5,015,929	1.8%	1,756,893	6,772,822		1,756,893		1,756,893		1,756,893	YES	
Washington	3,527,217	1.2%	1,235,453	4,762,670		1,235,453		1,235,453		1,235,453	YES	
West Virginia	430,546	0.2%	150,804	581,350	YES		YES		YES		YES	
Wisconsin	1,355,656	0.5%	474,836	1,830,492		474,836	YES		YES		YES	
Wyoming	69,038	0.0%	24,181	93,219	YES		YES		YES		YES	
TOTAL	285,679,003	100%	100,062,698	385,741,701	13	98,812,297	23	95,021,173	30	89,734,931	42	71,932,363
Leverage Amount					**$ 98,812,297**		**$ 95,021,173**		**$ 89,734,931**		**$ 71,932,363**	

L/HHS/Ed. General Provisions for FY 1999 Budget
"Side-by-Side" Comparison for Selected Provisions
Titles II and V of L/HHS Bill

FY 1998 Enacted Section No./ Provision	FY 97 Enacted	FY 98 President's Budget	FY 98 Enacted	Recommended FY 99 Language
Sec. 505. Needle Exchange	SEC. 505. Notwithstanding any other provision of this Act, no funds appropriated under this Act shall be used to carry out any program of distributing sterile needles for the hypodermic injection of any illegal drug unless the Secretary of Health and Human Services determines that such programs are effective in preventing the spread of HIV and do not encourage the use of illegal drugs.	SEC. 505. Proposed transfer of authority from the "Secretary of Health and Human Services" to the "Surgeon General".	Sec. 505. Notwithstanding any other provision of this Act, no funds appropriated under this Act shall be used to carry out any program of distributing sterile needles or syringes for the hypodermic injection of any illegal drug.	**OMB Staff**: Repeat FY 98 Budget language. **HHS:** No position yet. Alternatives: (1) Give authority to Secretary as opposed to Surgeon General; (2) use footnote approach, i.e., delete provision and say the Administration will work with Congress to resolve.
Sec. 506. Condition on Needle Exchange			Sec. 506. Section 505 is subject to the condition that after March 31, 1998, a program for exchanging such needles and syringes for used hypodermic needles and syringes (referred to in this section as an "exchange project") may be carried out in a community if - (1) the Secretary of Health and Human Services determines that exchange projects are effective in preventing the spread of HIV and do not encourage the use of illegal drugs; and (2) the project is operated in accordance with criteria established by such Secretary for preventing the spread of HIV and for ensuring that the project does not encourage the use of illegal drugs.	**OMB Staff:** Delete. Alternative: Footnote saying we will work with Congress. **HHS:** No position yet.
Sec. 513. Use of funds for embryo research--limitations	SEC. 512. (a) None of the funds made available in this Act may be used for— (1) the creation of a human embryo or embryos for research purposes; or (2) research in which a human embryo or embryos are destroyed, discarded, or knowingly subjected to risk of injury or death greater than that allowed for research on fetuses in utero under 45 CFR 46.208(a)(2) and section 498(b) of the Public Health Service Act (42 U.S.C. 289g(b)). (b) For purposes of this section, the term ''human embryo or embryos'' include any organism, not protected as a human subject under 45 CFR 46 as of the date of the enactment of this Act, that is derived by fertilization, parthenogenesis, cloning, or any other means from one or more human gametes.	Proposed deletion with a footnote that states that the Administration does not support addressing this issue in legislation.	Sec. 513. Same as FY 97 enacted except end of last sentence changed to "...or more human gametes or human diploid cells."	**OMB Staff and HHS:** Repeat FY 98 Budget, i.e., propose deletion with the same footnote: "The Administration proposes to delete this provision and does not support addressing this issue in legislation."

FY 1998 Enacted Section No./ Provision	FY 97 Enacted	FY 98 President's Budget	FY 98 Enacted	Recommended FY 99 Language
Sec. 509. Appropriation limitations for abortion procedures (Hyde language)	SEC. 508. None of the funds appropriated under this Act shall be expended for any abortion except when it is made known to the Federal entity or official to which funds are appropriated under this Act that such procedure is necessary to save the life of the mother or that the pregnancy is the result of an act of rape or incest.	Proposed deletion with footnote that the Administration will work with Congress to address this issue.	Sec. 509. (a) None of the funds appropriated under this Act shall be expended for any abortion. (b) None of the funds appropriated under this Act shall be expended for health benefits coverage that includes coverage of abortion. (c) The term "health benefits coverage" means the package of services covered by managed care provider or organization pursuant to a contract or other arrangement.	**OMB Staff and HHS**: Repeat FY 98 Budget, i.e., propose deletion, and add footnote:"The Administration proposes to delete this provision and will work with Congress to address this issue."
Sec. 510. Appropriation limitations for abortion procedures (Hyde language)			(New provision) Sec. 510. (a) The limitations established in the preceding section shall not apply to an abortion - (1) if the pregnancy is the result of an act of rape or incest; or (2) in the case where a woman suffers from a physical disorder, physical injury, or physical illness, including a life-endangering physical condition caused by or arising from the pregnancy itself, that would, as certified by a physician, place the woman in danger of death unless an abortion is performed. (b) Nothing in the preceding section shall be construed as prohibiting the expenditure by a State locality, entity, or private person of State, local, or private funds (other than a State's or locality's contribution of Medicaid matching funds). Nothing in the preceding section shall be construed as restricting the ability of any managed care provider from offering abortion coverage or the ability of a State or locality to contract separately with such a provider for such coverage with State funds (other than a State's or locality's contribution of Medicaid matching funds).	**OMB Staff and HHS:** Delete provision and add footnote: "The Administration proposes to delete this provision and will work with Congress to address this issue."
Sec. 212. Appropriation of funds for entities under title X of the Public Health Service Act	SEC. 518. None of the funds appropriated in this Act may be made available to any entity under title X of the Public Health Service Act unless it is made known to the Federal official having authority to obligate or expend such funds that the applicant for the award certifies to the Secretary that it encourages family participation in the decision of the minor to seek family planning services.	SEC. 513 . Same as FY 97 Enacted.	Sec. 212. None of the funds appropriated in the Act may be made available to any entity under title X of the Public Health Service Act unless the applicant for the award certifies to the Secretary that it encourages family participation in the decision of minors to seek family planning services and that it provides counseling to minors on how to resist attempts to coerce minors into engaging in sexual activities.	**OMB Staff**: Repeat FY 98 enacted. **HHS**: No position yet.

FY 1998 Enacted Section No./ Provision	FY 97 Enacted	FY 98 President's Budget	FY 98 Enacted	Recommended FY 99 Language
Sec. 514. Use of funds for promotions of controlled substances--limitations	SEC. 513. (a) LIMITATION ON USE OF FUNDS FOR PROMOTION OF LEGALIZATION OF CONTROLLED SUBSTANCES.—None of the funds made available in this Act may be used for any activity when it is made known to the Federal official having authority to obligate or expend such funds that the activity promotes the legalization of any drug or other substance included in schedule I of the schedules of controlled substances established by section 202 of the Controlled Substances Act (21 U.S.C. 812). (b) EXCEPTIONS.—The limitation in subsection (a) shall not apply when it is made known to the Federal official having authority to obligate or expend such funds that there is significant medical evidence of a therapeutic advantage to the use of such drug or other substance or that Federally-sponsored clinical trials are being conducted to determine therapeutic advantage.	SEC. 511. Same as FY 97 enacted.	Sec. 514. Same as FY 97 enacted and FY 98 President's Budget.	**OMB Staff:** Repeat FY 98 Budget language. Same as enacted.

JOSHUA
GOTBAUM
01/12/98 10:45:59 PM

Record Type: Non-Record

To: See the distribution list at the bottom of this message

cc: See the distribution list at the bottom of this message
Subject: IMPORTANT: ADMINISTRATION POSITION ON NEEDLE EXCHANGE

In the FY99 budget, the Administration includes language concerning a number of sensitive issues. OMB staff have solicited comments from the various EOP agencies and HHS and would like to propose the following compromise positions. **If you disagree and we need to meet, please contact me at 395-9188 no later than 2:00 pm Tuesday.**

We propose language that repeats the FY 1997 (NOT FY98) enacted language:

> ***Notwithstanding any other provision of this Act, no funds appropriated under this Act shall be used to carry out any program of distributing sterile needles and syringes for the hypodermic injection of any illegal drug unless the Secretary of Health and Human Services determines that such programs are effective in preventing the spread of HIV and do not encourage the use of illegal drugs.***

ONDCP recommended raising the test for certification to require that these programs **reduce** illegal drug use, rather than merely **not encouraging** it. This would seem to be a change in Administration position.

HHS/ONAP recommend repeating the FY 1998 enacted language -- which would require that HHS also establish criteria for such programs. ONDCP opposes this requirement, arguing that it makes the programs seem more established than they are. ONAP supports the idea of removing the criteria, but was concerned that doing so could send a signal that the Administration was pulling away from the compromise worked out for FY 1998. However, it was not the Administration's compromise, and we think the simpler formulation can more easily and correctly be presented as the Administration's longstanding position.

Message Sent To:

Bruce N. Reed/OPD/EOP
Elena Kagan/OPD/EOP
Janet L. Crist/ONDCP/EOP
Sandra Thurman/OPD/EOP
Maria Echaveste/WHO/EOP

Message Copied To:

Christopher C. Jennings/OPD/EOP
Richard Socarides/WHO/EOP
Richard J. Turman/OMB/EOP
Thomas Reilly/OMB/EOP
Ann Kendrall/OMB/EOP

OPTIONS FOR ADAP MATCHING REQUIREMENT

To better evaluate the effects of the two proposals on the table, we would appreciate a run displaying the total state contribution required under each Option listed below.

OMB Option

For states with current matching requirements for their Title II grants, each state will match $1:$1 their FY 99 increase above their FY 1998 current state contribution. This requirement is capped at the level of the total FY1999 federal grant -- (FY1998 grant plus FY1999 increment).

For states without a current Title II matching requirement, each state will match $0.50: $1.0 their FY 99 increase above their FY 1998 current state contribution. This requirement is capped at the level of the total FY1999 federal grant -- (FY1998 grant plus FY1999 increment).

[→ Incentive for States to drop their contributions → My take on this]

→ Alternate Option under Discussion → HRSA + OMB

For states with current matching requirement for their Title II grants, each state will match $1:$1 their FY 1999 increase or their current FY 1998 contribution, whichever is greater. The requirement is capped at the level of the total FY 1999 federal grant.

For states without a current Title II matching requirement, each state will match $0.50: $1.0 their FY 1999 increase or their current FY 1998 contribution, whichever is greater. The requirement is capped at the level of the total FY 1999 federal grant.

- generally keeps non-contributing states at same level of new investment under both OMB + HRSA proposal
- less of an incentive to drop state contrib. totally (by as much)
- Important to stipulate that states can draw down the amount they can proportionately match (to protect NJ who may not be able to make the full match)

January 13, 1998

WHAT IF MATCHING REQUIREMENTS FOR ADDITIONAL ADAP FUNDING - COMPARISONS

State	FEDERAL FUNDING: FY98 ADAP Grant Estimate	FY 1999 ADAP Add-on grant	Potential Total ADAP Grant	State Funds: FY 1997 State Contributions	ESTIMATED MATCH Federal:State 1:1	2:1	OMB PROPOSAL: Additional State Match	Total State Contribution	HRSA PROPOSAL: Additional State Match	Total State Contribution	
ALABAMA	$2,265,704	$793,591	$3,059,295	$150,000	na	$396,798	$396,796	$546,796	$246,796	$396,796	+ $ 246,7
ALASKA	$194,562	$68,148	$262,710	$0	na	$34,074	$34,074	$34,074	$34,074	$34,074	
ARIZONA	$2,469,052	$864,617	$3,333,669	$600,000	na	$432,409	$432,409	$1,032,409	$0	$600,000	=
ARKANSAS	$1,110,805	$389,102	$1,499,907	$0	na	$194,551	$194,551	$194,551	$194,551	$194,551	
CALIFORNIA	$43,064,687	$15,083,953	$58,148,640	$27,259,000	$15,083,953	na	$15,083,953	$42,342,953	$0	$27,259,000	=
COLORADO	$2,585,789	$905,706	$3,491,495	$301,000	na	$452,853	$452,853	$753,853	$151,853	$452,853	+ $ 151,85
CONNECTICUT	$4,836,430	$1,694,021	$6,530,451	$592,000	$1,694,021	na	$1,694,021	$2,286,021	$1,102,021	$1,694,021	+ $ 1,102,0
DELAWARE	$1,036,994	$377,231	$1,454,225	$0	na	$188,616	$188,616	$188,616	$188,616	$188,616	
DIST. OF COL.	$4,664,462	$1,633,787	$6,298,249	$1,000,000	$1,633,787	na	$1,633,787	$2,633,787	$633,787	$1,633,787	+ $ 633,7
FLORIDA	$30,253,733	$10,596,753	$40,850,486	$2,000,000	$10,596,753	na	$10,596,753	$12,596,753	$8,596,753	$10,596,753	+ $ 8,596,7
GEORGIA	$8,816,043	$3,088,632	$11,906,675	$324,450	$3,088,632	na	$3,088,632	$3,413,082	$2,764,182	$3,088,632	+ $ 2,764,1
HAWAII	$857,327	$300,290	$1,157,617	$300,000	na	$150,145	$150,145	$450,145	$0	$300,000	=
IDAHO	$194,562	$68,148	$262,710	$0	na	$34,074	$34,074	$34,074	$34,074	$34,074	
ILLINOIS	$8,962,396	$3,139,193	$12,101,589	$5,000,000	$3,139,193	na	$3,139,193	$8,139,193	$0	$5,000,000	=
INDIANA	$2,377,428	$832,721	$3,210,141	$937,500	na	$416,361	$416,361	$1,353,861	$0	$937,500	=
IOWA	$489,543	$171,459	$661,012	$0	na	$85,735	$85,735	$85,735	$85,735	$85,735	
KANSAS	$928,876	$325,351	$1,254,227	$0	na	$162,676	$162,676	$162,676	$162,676	$162,676	
KENTUCKY	$1,277,832	$447,577	$1,725,409	$100,000	na	$223,789	$223,789	$323,789	$123,789	$223,789	+ $ 123,7
LOUISIANA	$4,768,647	$1,670,279	$6,438,926	$16,000,000	$1,670,279	na	$0	$6,438,926	$0	$6,438,926	- $ 9,561,0
MAINE	$357,743	$125,304	$483,047	$69,040	na	$62,652	$62,652	$122,692	$2,612	$62,652	+ 26
MARYLAND	$9,759,047	$3,067,967	$11,827,014	$600,000	$3,067,967	na	$3,067,967	$3,667,967	$2,467,967	$3,067,967	+ $ 2,467,9
MASSACHUSETTS	$5,563,213	$1,948,586	$7,511,799	$6,300,000	$1,948,586	na	$1,948,586	$8,248,586	$0	$6,300,000	=
MICHIGAN	$4,157,347	$1,456,163	$5,613,510	$0	$1,456,163	na	$1,456,163	$1,456,163	$1,456,163	$1,456,163	
MINNESOTA	$1,368,209	$479,233	$1,847,442	$75,000	na	$239,617	$239,617	$314,617	$164,617	$239,617	+ $ 164,6
MISSISSIPPI	$1,806,704	$562,768	$2,169,472	$400,000	na	$281,384	$281,384	$681,384	$0	$400,000	=
MISSOURI	$3,326,379	$1,165,107	$4,491,486	$600,000	$1,165,107	na	$1,165,107	$1,765,107	$565,107	$1,165,107	+ $ 565,1
MONTANA	$125,524	$43,966	$169,490	$0	na	$21,983	$21,983	$21,983	$21,983	$21,983	
NEBRASKA	$412,973	$144,649	$557,622	$0	na	$72,325	$72,325	$72,325	$72,325	$72,325	

Never Contributed Before

WHAT IF MATCHING REQUIREMENTS FOR ADDITIONAL ADAP FUNDING - COMPARISONS

January 13, 1998

State	FEDERAL FUNDING: FY99 ADAP Grant Estimate	FY 1999 ADAP Add-on grant	Potential Total ADAP Grant	State Funds: FY 1997 State Contributions	ESTIMATED MATCH Federal:State 1:1	2:1	OMB PROPOSAL: Additional State Match	Total State Contribution	HRSA PROPOSAL: Additional State Match	Total State Contribution
[redacted]	$1,728,462	$605,416	$2,333,878	$0	na	$302,708	$302,708	$302,708	$302,708	[redacted]
NEW HAMPSHIRE	$350,211	$122,666	$472,877	$30,000	na	$61,333	$61,333	$91,333	$31,333	$61,333
NEW JERSEY	$16,226,455	$5,683,522	$21,909,977	$700,000	$5,683,522	na	$5,683,522	$6,383,522	$4,983,522	$5,683,522
NEW MEXICO	$749,122	$262,039	$1,010,161	$343,200	na	$131,020	$131,020	$1,074,220	$0	$943,200
NEW YORK	$51,291,513	$17,965,503	$69,257,016	$10,291,109	$17,965,503	na	$17,965,503	$28,256,603	$7,674,403	$17,965,503
NORTH CAROLINA	$3,838,516	$1,344,489	$5,183,005	$750,000	$1,344,489	na	$1,344,489	$2,094,489	$594,489	$1,344,489
[redacted]	$45,189	$15,828	$61,017	$0	na	$7,914	$7,914	$7,914	$7,914	[redacted]
OHIO	$4,305,465	$1,508,044	$5,813,509	$2,406,316	$1,508,044	na	$1,508,044	$3,914,360	$0	$2,406,316
OKLAHOMA	$1,281,597	$448,896	$1,730,493	$206,000	na	$224,448	$224,448	$430,448	$18,448	$224,448
[redacted]	$1,879,091	$658,175	$2,537,266	$0	na	$329,088	$329,088	$329,088	$329,088	[redacted]
PENNSYLVANIA	$9,074,112	$3,178,323	$12,252,435	$4,057,000	$3,178,323	na	$3,178,323	$7,235,323	$0	$4,057,000
PUERTO RICO	$9,284,908	$3,245,152	$12,510,060	$7,262,008	na	$1,622,576	$1,622,576	$8,884,584	$0	$7,262,008
[redacted]	$817,160	$296,221	$1,103,381	$0	na	$143,111	$143,111	$143,111	$143,111	[redacted]
SOUTH CAROLINA	$3,618,850	$1,267,548	$4,886,398	$450,000	$1,267,548	na	$1,267,548	$1,717,548	$817,548	$1,267,548
[redacted]	$61,507	$21,543	$83,050	$0	na	$10,772	$10,772	$10,772	$10,772	[redacted]
[redacted]	$3,205,877	$1,122,899	$4,328,776	$0	$1,122,899	na	$1,122,899	$1,122,899	$1,122,899	[redacted]
TEXAS	$19,651,898	$6,883,362	$26,535,260	$6,797,736	$6,883,362	na	$6,883,362	$13,681,098	$885,626	$6,883,362
UTAH	$884,704	$239,616	$923,720	$114,600	na	$119,808	$119,808	$234,808	$5,008	$119,608
VERMONT	$154,394	$54,079	$208,473	$200,000	na	$27,040	$27,040	$227,040	$0	$200,000
VIRGINIA	$5,015,929	$1,756,693	$6,772,622	$687,200	$1,756,693	na	$1,756,693	$2,444,093	$1,069,693	$1,756,693
WASHINGTON	$3,527,217	$1,235,453	$4,762,670	$3,650,000	$1,235,453	na	$1,235,453	$4,885,453	$0	$3,650,000
WEST VIRGINIA	$430,548	$150,804	$581,350	$40,000	na	$75,402	$75,402	$115,402	$35,402	$75,402
WISCONSIN	$1,355,656	$474,836	$1,830,492	$361,400	na	$237,418	$237,418	$598,818	$0	$361,400
[redacted]	$69,039	$24,181	$93,219	$0	na	$12,091	$12,091	$12,091	$12,091	[redacted]
GUAM	NA	na	$0	na	na	na	na	na	na	na
VIRGIN ISLANDS	NA	na	$0	na	na	na	na	na	na	na
Total	$285,500,000	$100,000,000	$385,500,000	$101,545,750	$66,490,477	$6,754,762	$91,574,960	$183,559,636	$36,313,731	$128,288,407

Office of HIV/AIDS Policy

Office of Public Health & Science
Offfice of the Secretary
200 Independence Avenue, S.W., Room 736-E
Washington, D.C. 20201

Deliver To: Todd

Fax: (____)____-____

Phone: (____)____-____

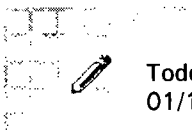
From: Deborah von Zinkernagel
Senior Policy Analyst
Phone: (202) 690-5560
Fax: (202) 690-7560
E-mail: DvonZinkernagel@osophs.dhhs.gov

Date: 1/ 1/

This fax contains 3 page(s) + cover

If transmission problems occur, please call: Shellie Abramson @ (202) 690-5560

Comments: Hats will be calling
her own. I'm not sure
the right sequence for you
to be informed or supportive, if



Todd A. Summers
01/12/98 06:26:27 PM

Record Type: Record

To: Joshua Gotbaum/OMB/EOP

cc: Sandra Thurman/OPD/EOP, Richard J. Turman/OMB/EOP, Gordon P. Agress/OMB/EOP
Subject: URGENT - Clarification of Discussion on Use of ADAP Funds

Sandy and I just received a copy of the full text of the language being proposed for the ADAP program and have concern about it. She asked that I relay that concern to you.

There were two concerns expressed by ONAP that you have addressed: (1) need for funding for viral load testing and other medical expenses related to the new treatments; and (2) need to allow states some flexibility to use their ADAP funds so that they could purchase insurance coverage that would provide benefits equivalent to their ADAP formulary but at a reduced cost.

The increase in Title II (non-ADAP) adequately addresses the first concern. Broadening the use of ADAP funds to include "medical services directly related to AIDS drugs" is overly broad and inadvisable.

To correct this problem, and to address the second issue we raised, we suggest that the words "medical services directly related to" be stricken.

Please call or page either myself or Sandy if you have any questions. We very much appreciate your responsiveness to ONAP's comments and concerns!

Todd

Author: <rfunston@os.dhhs.gov> at INTERNET
Date: 1/12/98 5:46 PM
Priority: Normal
TO: Deborah Von Zinkernagel at -OPHS_DC, <BHeil@HRSA.DHHS.GOV> at INTERNET, <CFranklin@HRSA.DHHS.GOV> at INTERNET, <KDonovan@HRSA.DHHS.GOV> at INTERNET
Subject: fwd: Draft Language at This Time

Here is Gordon's latest on the language. He also left me a message that resolution must be done by noon Tuesday. What do people think?

Original Text
From: Gordon_P._Agress@oa.eop.gov, on 1/12/98 4:51 PM:
To: <rfunston@os.dhhs.gov>

Message Creation Date was at 12-JAN-1998 16:51:00

Here is the language we are looking at right now. Please note the language on "medical services directly related to AIDS" -- we are trying to accomodate at the last minute an ONAP concern about the flexibility of ADAP funds for viral load testing and ~~insurance~~ continuation.

Please let me know your views on this language by tomorrow noon; I cannot delay moving it forward after that point.

"Provided further, That $385,500,000 shall be for States AIDS Drug Assistance Programs authorized by section 2616 of the Public Health Service Act and for providing medical services directly related to AIDS drugs in the most inexpensive manner possible, of which $100,000,000 to remain available until expended shall be only for grants to those States which increase spending on AIDS drugs as follows: States required by Section 2617 (d) (3) to match Federal Grants under Title II of the Ryan White CARE Act must increase such spending by the amount of the grant from such funds, and States which are not so required must increase such spending by half the amount of the grant from such funds) without reducing other activities on behalf of people with AIDS (though no State shall be required to spend more than the total Federal grant for AIDS Drug Assistance Programs to be eligible for these funds),"

Author: <rfunston@os.dhhs.gov> at INTERNET
Date: 1/12/98 5:46 PM
Priority: Normal
TO: Deborah Von Zinkernagel at ~OPHS_DC, <BHeil@HRSA.DHHS.GOV> at INTERNET, <CFranklin@HRSA.DHHS.GOV> at INTERNET, <KDonovan@HRSA.DHHS.GOV> at INTERNET
Subject: fwd: Draft Language at This Time

Here is Gordon's latest on the language. He also left me a message that resolution must be done by noon Tuesday. What do people think?

Original Text
From: Gordon_P._Agress@oa.eop.gov, on 1/12/98 4:51 PM:
To: <rfunston@os.dhhs.gov>

Message Creation Date was at 12-JAN-1998 16:51:00

Here is the language we are looking at right now. Please note the language on "medical services directly related to AIDS" -- we are trying to accomodate at the last minute an ONAP concern about the flexibility of ADAP funds for viral load testing and ~~insurance~~ continuation.

Please let me know your views on this language by tomorrow noon; I cannot delay moving it forward after that point.

"Provided further, That $385,500,000 shall be for States AIDS Drug Assistance Programs authorized by section 2616 of the Public Health Service Act and for providing [redacted] AIDS drugs in the most inexpensive manner possible, of which $100,000,000 to remain available until expended shall be only for grants to those States which increase spending on AIDS drugs as follows: States required by Section 2617 (d) (3) to match Federal Grants under Title II of the Ryan White CARE Act must increase such spending by the amount of the grant from such funds, and States which are not so required must increase such spending by half the amount of the grant from such funds) without reducing other activities on behalf of people with AIDS (though no State shall be required to spend more than the total Federal grant for AIDS Drug Assistance Programs to be eligible for these funds),"

SANDY

Gordon P. Agress

01/09/98 03:10:58 PM

Record Type: Record

To: Todd A. Summers/OPD/EOP

cc: Richard J. Turman/OMB/EOP
Subject: Language

Per our conversation, I've drafted the following. Call me if you have questions.

This tries to implement the policy we've agreed on, to wit:

- States required to match Title II grants must match the new ADAP funds in cash at 100%;
- States currently not required to match Title II grants must match the new ADAP funds in cash at 50%;
- No State is required to spend more than the total ADAP grant to qualify for the new ADAP funds.

", of which $100,000,000 to remain available until expended shall be only for grants to those States which increase spending on AIDS drugs as follows: States required by Section 2617 (d) (3) to match Federal Grants under Title II of the Ryan White CARE Act must increase such spending by the amount of the grant from such funds, and States which are not so required must increase such spending by half the amount of the grant from such funds) without reducing other activities on behalf of people with AIDS (though no State shall be required to spend more than the total Federal grant for AIDS Drug Assistance Programs to be eligible for these funds),"

Our General Counsel may modify/improve this.

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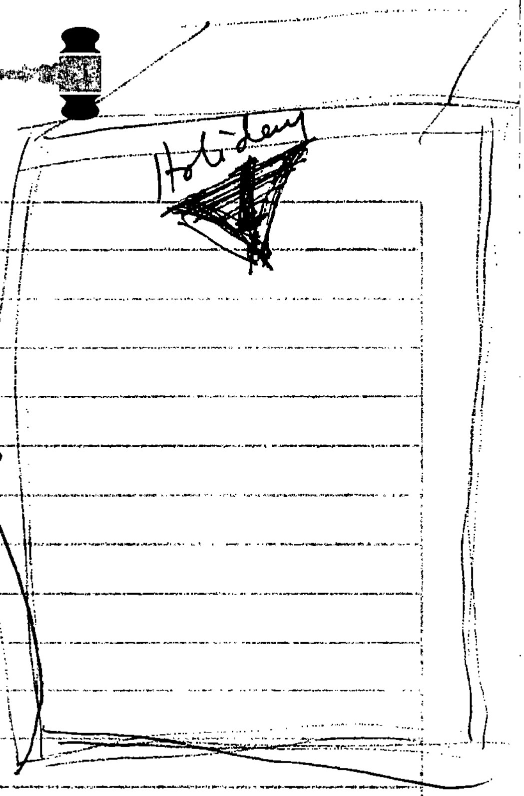

100 ADAP
25 I
27 II
10 III
3 IV

Scott
Tom Henderson
Alexander
Ronald Johnson
Debra
Nick
Bob

Brad -
Wes Hamilton
State of WA
- he's talking about set-aside do
documents ok
going
- he's

Date: 1/12/98

FAX

Health Division

Office of Management and Budget
Executive Office of the President
Washington, D.C. 20503

To: TODD SUMMERS
Fax:
Phone:

From: Ann Kendall

Number of Pages (not including cover):

Subject: Per your request to Tom Reilly. Here is the ONDCP response

Please call if there are any problems with this transmission:

Health Division (Front Office)	202/395-4922
Health & Human Services Unit	202/395-4925
Health Programs & Services Branch	202/395-4926
Health Financing Branch	202/395-4930

Fax Numbers:

Health Division (Front Office)	202/395-3910
Health Division (Room 7001)	202/395-7840

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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF NATIONAL DRUG CONTROL POLICY
Washington, D.C. 20503
January 6, 1998

MEMORANDUM FOR THOMAS REILLY, CHIEF, HEALTH AND HUMAN SERVICES UNIT, OMB

FROM: JANET CRISP, CHIEF OF STAFF, ONDCP

SUBJECT: Recommended Needle Exchange Language for the FY 1999 Budget Appendix

Thank you for the opportunity to review the recommended language.

ONDCP concurs with the OMB recommendation to establish one set of criteria for the use of Federal funds for needle exchange programs. However, ONDCP favors the criteria now in place for the SAMHSA Block Grant: reduction in the transmission of HIV; and reduction in drug use (among participants).

ONDCP also concurs in the OMB recommendation that the Secretary of HHS should determine whether criteria are satisfied.

ONDCP does not support the establishment of criteria for such programs by the Secretary of HHS. This would connote demonstrated program effectiveness and the existence of an established orthodoxy.

Finally, ONDCP recommends that any discussion of continuing review of the research clearly indicate that studies addressing both criteria are underway and that HHS will continue to review the science regarding the satisfaction of both criteria not simply the matter of drug use. The criterion regarding the spread of HIV cannot be considered finally satisfied while studies with negative results continue to be published.

Enclosed, for your reference, is a recent letter from Director McCaffrey to NIDA Director, Dr. Alan Leshner that expresses the ONDCP position in more detail and includes a set of questions for additional research.

I hope you find this information helpful.

Enclosure

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF NATIONAL DRUG CONTROL POLICY
Washington, D.C. 20503

December 4, 1997

Alan Leshner, PhD
Director
National Institute on Drug Abuse
5600 Fishers Lane
Rockville, Maryland 20857

Dear Dr. Leshner:

Last August 22, following your visit to discuss the research on needle exchange programs and its implications for drug policy, my Chief of Staff Janet Crist provided you with additional research questions which we believe would help to further inform federal policy on this important issue. Since our August discussion, we have become even more convinced that additional research is needed if we are to arrive at a federal policy that is humane, effective, and consistent with the goals and objectives of the *National Drug Control Strategy*. The research now underway does not address the questions we have outlined. Need to restate some of our concerns about Federal support for needle exchange programs, and to urge you and the national research community to seek answers to the questions we pose.

The drugs/AIDS nexus presents an enormous tragic challenge. The dramatic reduction in overall American drug use during the past 15 years (50 percent) is offset by increases in youth heroin and cocaine use and deterioration in youth attitudes toward drugs in general. Similarly, a general reduction in new AIDS cases masks increases among minority and female populations and among drug users, especially intravenous drug users, and their sexual partners and children.

It is the judgement of ONDCP that we should not endorse the use of Federal funds (including CDC funds) to support needle exchange programs. Effective drug treatment offers the better long-term policy for both drug control and AIDS prevention. Lifting the ban on Federal funding for needle exchange programs at this time would present serious and complex issues regarding drug use and drug control policy. There is the troubling question of how such a message would be received by our young people during this period of rising heroin and methamphetamine use. In addition, ONDCP is concerned that needle exchange programs might be considered as a low cost substitute for much needed drug treatment. Finally, we are opposed to diverting Federal drug treatment resources to states and communities that are not prohibited from operating their own programs with non-Federal funds. More than 100 communities already support needle exchange programs without Federal funding.

Many health and law enforcement professionals are concerned about the narrow logic that would focus on needles or injecting drug use behavior as the essence of the problem. This perspective fails to take into account the complex human drug behavior involved. NIDA research demonstrates that drug addiction changes and trains the brain, creating a web of destructive and high risk behaviors. The resulting unemployment, crime, illness, social erosion, and frequently agonizing deaths flow from the compulsive behaviors associated with addiction, not just from the act of injecting. The provision of clean needles will not alone contain or alter this destructive lifestyle. Federal resources to provide a free 20 cent needle will not change the reckless, compulsive drug behavior that accompanies a $200 a day heroin, cocaine or methamphetamine habit. The only proven answer lies in effective drug treatment -- comprehensive in scope, intensive in application, and adequate in capacity.

The real challenge America faces is the more than 60 percent shortfall in drug treatment capacity for our 3.6 million addicted. Research sponsored by NIDA has shown that untreated opiate addicts die at a rate between 7 and 8 times higher than patients with similar characteristics in methadone programs. We also know that needle sharing rates have been reduced by more than two-thirds among injecting drug users during treatment. The positive role and record of drug treatment are clear. ONDCP strongly supports the outreach models developed by NIDA to bring injecting drug users into treatment. In particular, we must develop a greatly increased drug treatment capability for the drug dependent among the 1.6 million Americans currently behind bars at the local, state, and Federal levels.

SAMHSA's soon to be released report of findings from the Services Research Outcome Study (SROS) found significant and sustained reductions in drug use and criminal behavior following drug treatment. This is the first study of treatment outcomes to be based on a national probability sample, and its findings mirror other national treatment outcome studies, such as DATOS and NTIES.

NIDA's Drug Abuse Treatment Outcome Study (DATOS) demonstrated that participants in outpatient methadone treatment reduced heroin use by 70 percent and illegal activity by 57 percent. Treatment participation increased their full time work by 24 percent. Equally impressive, participants in long-term residential treatment reduced heroin use by 71 percent, cocaine use by 68 percent, and illegal activity by 62 percent. Full time work among this group more than doubled.

SAMHSA'S National Treatment Improvement Evaluation Study (NTIES) determined extremely positive results for substance abuse treatment among predominately poor, inner-city populations. Use of illicit drugs dropped an average of 50

percent, drug selling by 78 percent, and arrests by 64 percent. Exchange of sex for money or drugs dropped by 56 percent, homelessness by 43 percent, and receipt of welfare income by 11 percent. Employment increased 19 percent.

Drug treatment has a solid record. It saves lives, reduces crime and health costs, and saves taxpayer money. Yet only enough capacity is available at this time to treat less than half of those in severe need. Methadone capacity is sufficient for only 25 percent of the estimated 600,000 American heroin addicts. Methadone regulation reforms, thankfully now being developed by HHS, will have a significant impact and have the strong support of ONDCP. However, more resources will be required for needed drug treatment capacity expansion. The requirement to increase drug treatment capacity should continue to be a key part of our Administration message until the shortfall has been remedied. In fiscal year 1998, the Congress under-funded the prevention and treatment block grant by $10 million. Congress must be persuaded to join us in supporting the critical role of drug treatment in the long-term *National Drug Control Strategy.*

We share a common view that our efforts to expand drug treatment must be based on a broader, consistent message of "no use." Visits to youth treatment programs around the country have made some things painfully clear to me. The importance of the drug prevention message we send to young Americans cannot be overstated. Heroin use has taken a terrible upward turn among our young people. We note recent press accounts of the deaths of 11 young people from heroin overdoses in a wealthy suburb of Dallas, Texas. Strongly agree that the message to our children must be an unambiguous "no use" message. If they should become ensnared by compulsive drug using behavior we should offer them a way out through drug treatment -- not a means to continue their addiction through needle exchange.

Clearly we need to know more about the treatment of compulsive drug behavior. A copy of our previous research questions on drug use and needle exchange programs is attached for consideration by your research team. ONDCP appreciates your outstanding leadership and contribution to the science base for drug abuse treatment and prevention.

Sincerely,

Barry R. McCaffrey
Director

Attachment

cc: Dr. Harold Varmus, Director, National Institutes of Health
Ms. Sandra Thurman, Director, Office of National AIDS Policy

August 21, 1997

ONDCP QUESTIONS FOR RESEARCH CONSIDERATION REGARDING THE EFFECT OF NEEDLE EXCHANGE PROGRAMS ON DRUG USE

1. The Anti-drug message. The overriding concern of ONDCP, as reflected in Goal 1 of the *National Drug Control Strategy*, is reducing youth drug use. Preliminary data from the most recent National Household Survey are a source of continuing worry regarding marijuana and heroin use by youth, and a source of renewed concern regarding future cocaine use. A consistent "no use" message must remain an integral part of Federal efforts to reduce youth drug use.

What light does the research shed on the consequences of mixed messages to youth? What does the research tell us regarding the perception by American youth of local government provision of needles for the injection of illegal drugs?

2. Monitoring drug use. Measures of the impact of needle exchange programs on the level of drug use have relied on macro indicators of drug use (e.g. DUF) and its consequences (e.g., DAWN). Some suggest that, had such macro indicators been used to measure HIV transmission, it would have been virtually impossible to reach any conclusions. ONDCP shares the concern expressed by the Institute of Medicine (IOM) that the long-term impact of needle exchange on community drug use patterns is uncertain. The continuous monitoring of local NEPs called for by the IOM will be essential, especially if local needle exchange programs increase in number.

How will existing and future research monitor and report on local drug use at the community level?

3. The specific impact of needle exchange. NIH-funded research has strongly established the effectiveness of drug treatment in reducing HIV transmission and of outreach in getting heavy users to enter treatment. However, it appears that much of the research supporting needle exchange programs seems to focus on a collection of services that includes needle exchange rather than on needle exchange effectiveness itself.

What credible local research addresses the impact of a needle exchange programs that are not combined with other services? If no such research exists, is it possible to isolate the specific impact of needle exchange from the research on multiple services?

More specifically, will research permit the development of relative cost/effectiveness measures for needle exchange programs, for outreach programs (without needle exchange), and for drug treatment?

4. The significance of contrary findings. Research is not universally positive regarding needle exchange. Some studies seem to indicate increases in injecting, increases in drug use, and increases in HIV transmission.

What relative weight should be given to these negative studies? How should research track these possible increases in destructive, compulsive drug behavior?

5. Alternative approaches to making sterile equipment available. There is evidence of a reported reduction in needle sharing in Connecticut after state drug paraphernalia and prescription practices were modified.

What does the research say about the rates of HIV transmission among states with differing legal and practical restrictions on access to sterile needles? In other words, what does the research tell us about the relative impact of access to sterile needles compared to free provision of sterile needles? Do the Connecticut data, where needle exchange programs preceded the statewide changes, offer insights into the relative impact of each?

6. The impact of compulsive, injecting drug use on compliance with HIV medical regimes. There appears to be a basis for serious danger that HIV-infected drug users would be less compliant with complex medications regimes. Many are concerned that addicts would be more subject to accelerating illness, increased contagiousness, and potential mutation of a partially-treated virus. Does the research shed any light on this?

7. The impact of continued, injecting drug use on risk behaviors. There appears to be a serious basis for concern that continued injecting drug use would increase the likelihood of risk behaviors including needle sharing. What does the research tell us?

Recommendation:

HHS agrees with initiating a new matching funding policy that works with States to create a funding partnership for ADAP. However, HHS wants to ensure that States that have been contributing are not penalized and that the cost of participating is not too steep to prohibit smaller States to begin to commit their own funds. These issues are complex and cannot be resolved in the time frame available for publishing the President's Budget without potentially creating unintended adverse outcomes. We propose working jointly within the Administration and with the community and the Congress to develop

appropriate legislation to address these concerns. The FY 1999 budget would express the intent to initiate a new matching policy and commit to developing a legislative proposal to fulfill the specific matching policy.