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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

May 18, 1998
(House)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 1023 - Ricky Ray Hemophilia Relief Fund Act of 1998
(Rep. Goss (R) FL and 270 cosponsors)

The Administration is very concerned about the individuals with hemophilia and their families who suffered because of the transmission of HIV through blood and blood products in the 1980s. Although the National Academy of Sciences' Institute of Medicine (IOM) found no negligence on the part of U.S. Government officials, the IOM did conclude that the entire public health system, including both the private and public sectors, may have missed opportunities to further reduce the risk of HIV infection from blood products.

The Administration will be pleased to work with the Congress to develop an appropriate way to assist those infected with HIV through the use of blood and blood products in the 1980s. In developing a bipartisan program, such as H.R. 1023, a number of important issues of policy as well as numerous technical and statutory issues will need to be addressed, including the ramifications of the precedent that would be set and how to pay for the assistance. We look forward to working with Congress to address these issues.

Pay-As-You-Go-Scoring

H.R. 1023 would increase direct spending; therefore it is subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act of 1990. OMB's preliminary estimate is that the bill would increase direct spending by $1 million in FY 1998 and a total of $15 million during FYs 1998-2002. The bill does not contain provisions to offset the increased direct spending. Therefore, the Administration will work with Congress to develop appropriate offsets.

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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
LEGISLATIVE AFFAIRS

PHONE: 395-4790 / FAX: 395-3729

TO: Todd

DATE: 5-18

FROM:

____ CHUCK KIEFFER ____ CHUCK KONIGSBERG

____ LISA KOUNTOUPES X KATE DONOVAN

____ NANCY BRANDEL

Comments: Per my voicemail Friday - trying to clear today. Please call me at 5-9136 as soon as possible.

Thanks

FAX #: 6-2438 PAGES: 4
PHONE NUMBER: ____ (includes cover page)

verbal ok to Bob on 5/18/98

DRAFT – NOT FOR RELEASE

May 15, 1998
(House)

H.R. 1023 - Ricky Ray Hemophilia Relief Fund Act of 1998
(Rep. Goss (R) FL and 270 cosponsors)

The Administration is very concerned about the individuals with hemophilia and their families who suffered because of the transmission of HIV through blood and blood products in the 1980s. Although the National Academy of Sciences' Institute of Medicine (IOM) found no negligence on the part of U.S. Government officials, the IOM did conclude that the entire public health system, including both the private and public sectors, may have missed opportunities to further reduce the risk of HIV infection from blood products.

The Administration will be pleased to work with the Congress to develop an appropriate way to assist those infected with HIV through the use of blood and blood products in the 1980s. In developing a bipartisan program, such as H.R. 1023, a number of important issues of policy as well as numerous technical and statutory issues will need to be addressed, including the ramifications of the precedent that would be set and how to pay for the assistance. We look forward to working with Congress to address these issues.

Pay-As-You-Go-Scoring

H.R. 1023 would increase direct spending; therefore it is subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act of 1990. OMB's preliminary estimate is that the bill would increase direct spending by $1 million in FY 1998 and a total of $15 million during FYs 1998-2002. The bill does not contain provisions to offset the increased direct spending. Therefore, if the bill were enacted, its deficit effects could contribute to a sequester of mandatory programs.

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(Do Not Distribute Outside Executive Office of the President)

This Statement of Administration Policy was developed by the Legislative Reference Division (Pellicci) in consultation with Associate Director Mendelson, HLTH (per Clendenin/Agress) and HR (Green). HHS (per Sondra Wallace/in consultation with Kevin Thurm), Justice (per Greg Jones), and SSA (per David Warner) agree with the proposed position. Treasury and the AIDS Policy Office did not respond.

OMB/LA Clearance:________________________________

HHS and Justice advised that they would have no objection if a decision was made not to issue a SAP on H.R. 1023.

H.R. 1023 was reported by the House Committee on the Judiciary on March 25, 1998. To date, the Administration has not taken a position on H.R. 1023. When the 104th Congress considered similar legislation, HHS, Justice, and OMB (Rivlin) stated the Administration's willingness to work with Congress to develop an appropriate way to assist those infected with HIV through the use of blood and blood products in the 1980s. In developing a bipartisan program to assist these individuals, both HHS and Justice noted that "a number of important issues of policy as well as numerous technical and statutory issues will need to be addressed, including the ramifications of the precedent that would be set and how to pay for the benefits."

Summary of H.R. 1023

H.R. 1023 would authorize the appropriation of $750 million to be deposited in a newly established trust fund within the Treasury called the "Ricky Ray Hemophilia Relief Fund," from which compensatory payments would be made to qualified claimants. Eligible claimants include individuals with blood-clotting disorders who contacted HIV from a contaminated antihemophilic factor between July 1, 1982, and December 1, 1987. Spouses of these individuals also would be eligible, provided they demonstrate that they contracted HIV from their infected spouse. In addition, any children of these couples who contracted HIV perinatally could petition for payments. Claimants would have to submit medical documentation of their HIV status, a hemophilia diagnosis, and the date of the antihemophilic factor treatment. Certain survivors (i.e., spouse, children, or parents) of a deceased eligible claimant could file on the individual's behalf.

The Secretary of HHS would administer the trust fund, which would pay $100,000 to each approved claimant. (For tax purposes, payments from the fund would be considered damages received on account of personal injuries or sickness and, therefore, would not be taxable.) All claims would have to be filed within three years after the bill's enactment. The trust fund would terminate five years after the date of the bill's enactment. Under H.R. 1023, individuals accepting payments from the fund would have to agree not to pursue any further claim against the Federal Government.

H.R. 1023 would exempt any settlement payments from consideration as income or resources in determining eligibility for Medicaid or SSI benefits. Although the Balanced Budget Act of 1997 already exempted such settlement payments from Medicaid eligibility determinations, it did not contain such an exemption for SSI eligibility determinations. H.R. 1023 would preserve SSI eligibility for those individuals who would otherwise become ineligible. This provision results in the pay-as-you-go costs identified in this SAP.

Pay-As-You-Go Scoring

According to HR (Green) and HLTH (Agress), H.R. 1023 would increase direct spending as discussed above. Therefore, it is subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act of 1990. CBO estimates that the bill would increase direct spending by $1 million in FY 1998 and a total of $15 million during FYs 1998-2002.

LEGISLATIVE REFERENCE DIVISION DRAFT
May 15, 1998 - 5 p.m.