

HEALTH PROGRAMS GET FUNDING BOOST

New Federal Funds Available for Prevention, Treatment, and Research

In its rush to adjourn last month, the 105th Congress passed a catch-all appropriations bill for fiscal year 1999 which includes some of the largest increases in health spending in recent memory. Although the National Institutes of Health (NIH) appears to be the biggest winner in this year's budget, virtually every federal health program, even some that have been perennially targeted to be zeroed out, received a boost (see Table 1). And while it is technically taboo to "legislate" as part of an appropriations bill, the final funding package includes a number of policy statements that go beyond funding levels.

This edition of *Issue Focus* analyzes the most recent funding levels and congressional directives for programs ranging from biomedical research to community-based primary care. These developments should be of interest to grantmakers concerned about how their efforts can complement government initiatives or how they might alert states or community organizations about obtaining matching funds to access federal dollars. Changes in federal commitments for prevention, treatment, and research also provide opportunities for foundations to leverage their own resources or to refocus strategic initiatives or grants in response to the availability of federal dollars for new purposes.

HIGHLIGHTS

Funding for prevention and treatment of HIV/AIDS was one of the big stories of this appropriations cycle. The omnibus spending bill includes \$110 million for new initiatives to fight the epidemic in the African American community, \$261 million in additional funding for the Ryan White AIDS Care Act (see Table 2), almost \$186 million more in funding for research, an increase of \$225 million for the Housing Opportunities for People with AIDS Program, and \$297 million more for substance abuse treatment and prevention. The so-called Baby AIDS program, authorized two years ago but never funded, received \$10 million for state efforts to develop counseling and outreach programs for pregnant women at high risk of HIV and for states that enact a voluntary HIV testing program for pregnant women or mandatory testing for newborns. The Ryan White Act increase includes \$175.5 mil-

lion for state AIDS drug assistance programs in recognition of the increased needs related to new protease inhibitor drugs.

TABLE 1. Funding For Major Health and Human Services Agencies, Fiscal Year 1999

PROGRAM	FY99 FUNDING LEVEL	CHANGE FROM FY 98
Administration on Children and Families.	\$18.9 billion	+\$2.9 billion
Administration on Aging.	\$882 million	+11 million
Agency for Health Care Policy and Research	\$171 million	+\$25 million
Centers for Disease Control and Prevention	\$2.6 billion	+\$225 million
Health Care Financing Administration	\$168 billion	+11.6 billion
Health Resources and Services Administration	\$4.1 billion	+\$503 million
National Institutes of Health.	\$15.6 billion	+1.9 billion
Substance Abuse and Mental Health Services Administration	\$2.5 billion	+\$341 million

The appropriations bill also provides funding support for the President's initiative to eliminate racial and ethnic disparities in health. Important provisions fund \$10 million for health disparities demonstrations by the Centers for Disease Control (CDC) as well as the major effort to fight HIV/AIDS in the African American community. In addition, the bill directs the NIH to mount a comprehensive initiative to assist in minority cancer control, prevention, and treatment and to enhance support for minority health centers focusing on environmental health issues.

The CDC will also have additional funds for a variety of prevention and surveillance activities including a \$16 million increase for breast and cervical cancer screening (although a \$20 million effort for breast cancer treatment did not make it into the final bill), \$82 million more for chronic and environmental diseases, almost a \$13 million increase for sexually transmitted diseases, and \$22 million in additional funding for childhood immunizations.

Funding for community and migrant health centers serving the uninsured and underinsured jumps \$100 million in fiscal year

TABLE 2. Funding For Selected Federal Health Programs, Fiscal Year 1999

Breast and Cervical Cancer Screening	\$159 million	+\$16 million
Childhood Immunization	\$421 million	+\$11 million
Community and Migrant Health Centers	\$925 million	+\$100 million
Community Services Block Grant	\$500 million	+\$10 million
Health Professions Training	\$304 million	+\$12 million
Indian Health Service	\$2.2 billion	+\$141 million
Maternal and Child Health Block Grant	\$700 million	+\$19 million
Preventive Health Services Block Grant	\$150 million	+\$1 million
Ryan White AIDS Programs	\$1.4 billion	+\$262 million
Substance Abuse Block Grant	\$1.6 billion	+275 million
Violence Against Women Act	\$156 million	+\$12.2 million

1999 for a 12 percent increase. Of this amount, \$10 million is targeted to help health centers meet start-up and planning expenses related with organizing managed-care networks.

Just two years ago, the Agency for Health Care Policy and Research was under cloud of controversy after developing practice guidelines perceived as threatening by certain interests within the medical profession. This year, the Agency got a 17 percent increase in funding, now that its focus has shifted in part to acting as a clearinghouse for evidence-based medicine.

The NIH reaped the benefits of budgeteers keen on making investments in all forms of scientific research, with increases across most of the major institutes (see Table 3). In addition, the Office of Alternative Medicine will become a Center under the conference agreement, increasing its status within the agency. In addition to this organizational change, funding is made available for the Center to make peer-reviewed research grants and contracts.

Although entitlement programs like Medicare and Medicaid are generally funded outside the appropriations process, the bill provides additional funding to the Health Care Financing Administration for important initiatives to protect beneficiaries of these programs and enhance access to care. About \$4 million is provided to improve the current process for surveying and certifying nursing homes to ensure compliance with quality of care standards. In addition, \$25 million is available to support the Medicare Rural Hospital Flexibility Grants program authorized under the 1997 Balanced Budget Act. This program will provide grants to states to help improve access in rural communities by developing

and implementing rural health networks, designating critical access hospitals, and improving rural emergency medical services. These grants will also allow rural hospitals to downsize without losing their eligibility for Medicare payment.

OTHER POLICY DEVELOPMENTS

As typically happens at the end of a congressional spending process, the omnibus appropriations bill also contained a number of provisions that are not strictly related to the level of federal spending for a particular program. These include policies that:

- mandate that women who have a mammogram automatically receive a written summary of the radiologist’s report in terms easily understood by a layperson. This new law replaces a six-year old provision requiring radiologists to provide test results to a woman’s physician.
- delay for one year new federal regulations to change organ transplant allocation rules. Existing rules allow for organs to stay within a geographic area and have been criticized for not ensuring organs go to the sickest patients nationwide. In the meantime, the Institute of Medicine is charged with examining critical issues around organ allocations with a report due in May.
- entitle federal employees to contraceptive coverage under the Federal Employees Health Benefits Program (FEHBP) with exemptions for religiously affiliated plans and doctors with moral objections. This move is viewed as significant because FEHBP is often a bellweather of innovation among health insurance plans.

For more information, contact Anne Schwartz at GIH at 202/452-8331. Details about the omnibus appropriations bill can be found on the Internet at the Library of Congress’s Thomas website (thomas.loc.gov).

TABLE 3. Funding Levels For Selected NIH Institutes, Fiscal Year 1999

PROGRAM	FY99 FUNDING LEVEL	CHANGE FROM FY 98
Aging	\$596 million	+\$78 million
Allergy and Infectious Diseases	\$1.6 billion	+\$221 million
Cancer	\$2.9 billion	+\$385 million
Child Health and Human Development	\$751 million	+\$77 million
Diabetes and Digestive and Kidney Diseases	\$994 million	+\$121 million
Heart, Lung and Blood	\$1.8 billion	+\$211 million