amfAR™ AIDS RESEARCH The Foundation for AIDS Research

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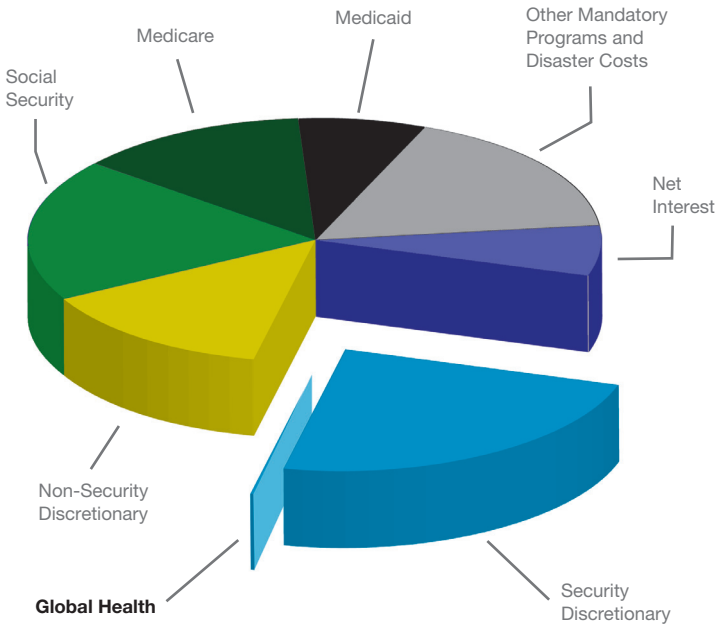
ISSUE BRIEF

Global Health Funding Cuts in H.R. 1: Projecting the *Human* Cost

In February 2011, the U.S. House of Representatives passed a Continuing Resolution (H.R. 1) to fund the federal government through the rest of the fiscal year. The legislation would cut more than $100 billion from the President's FY 2011 budget request and represents the largest spending reduction in Congressional history.

Global health programs represent a high-impact investment, advancing American security, diplomatic, and humanitarian objectives.

U.S. investments in global health account for only one-quarter of 1% of the U.S. budget and they save literally millions of lives each year. These global health programs (through the President's Global Health Initiative, bilateral AIDS funding for PEPFAR, and the Global Fund to Fight AIDS, Tuberculosis and Malaria) represent a high-impact investment, advancing American security, diplomatic, and humanitarian objectives. As



Global Health—One-quarter of 1% of Federal Spending

Lives at Stake:

The Potential Annual Human Impact of Reducing Funding to H.R. 1 Levels

- Funding for **AIDS treatment for 448,866 people** would be eliminated, resulting in a halt to treatment expansion and deeper cuts in HIV prevention and other areas in an effort to avoid removing current patients from lifesaving treatment.
- **299,294 orphans and vulnerable children** could lose their food, education, and livelihood assistance.
- **20,000 more infants could be infected with HIV** each year due to reductions in services to combat mother-to-child HIV transmission.
- **Nearly 3.9 million fewer people would be treated for malaria** and 2 million fewer insecticide-treated mosquito nets would be available, with increased loss of life from malaria felt overwhelmingly among children under five.
- **51,822 fewer people with tuberculosis** would receive lifesaving treatment, seriously endangering their lives as well as other people's due to the contagious nature of this illness.

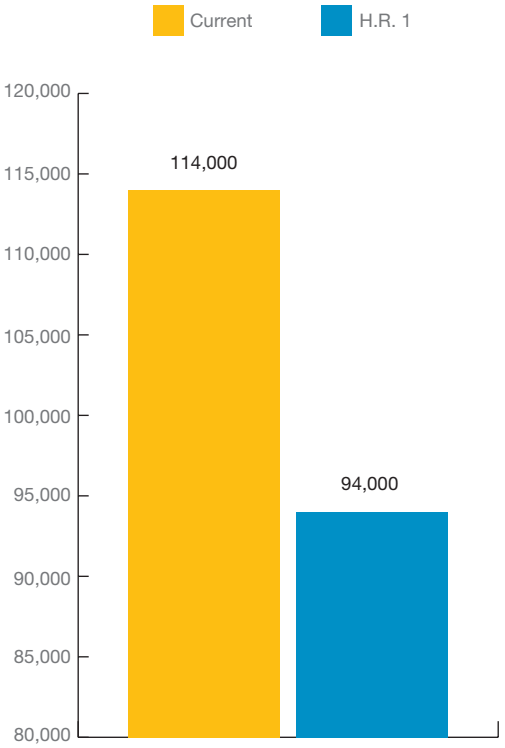
U.S. policy makers consider significant funding reductions for these programs, it is important to understand the human impact of global health spending.

A recent amfAR issue brief[1] detailed the potential human cost for global health if funding returned to FY 2008 levels, as detailed in the House Republicans' "Pledge to America" legislative agenda. **This brief projects the *human* cost of implementing H.R. 1 funding levels** by drawing on unit cost and budget information from various U.S. global health programs. This analysis only addresses the impact on bilateral global health programming. Larger cuts proposed by H.R. 1 in U.S. funding for the Global Fund would result in considerable additional human costs.

The Impact on Fighting the Global HIV/AIDS Epidemic

The President's Emergency Plan for AIDS Relief (PEPFAR) has been one of the most successful international aid programs in history, saving millions of lives, preventing thousands of new HIV infections, and providing desperately needed care for orphans and other vulnerable children affected by the AIDS epidemic. Given the near flat funding levels of PEPFAR over the past three years, the program's ability to continue expanding access to services has depended on finding cost savings and efficiencies (including broadening use of generic drugs and improving the efficiency and effectiveness of the medical supply chain).[2] These savings are expected to run out in the near future, meaning that flat funding will have a significant impact on HIV/AIDS service delivery.

Preventing Infant HIV Infection: Today, nearly half of all women who need services to prevent mother-to-child transmission (PMTCT) of HIV do not have access to these highly effective services.[3] In FY 2009, 6.9% of PEPFAR's funding for services was allocated to vertical transmission (or PMTCT) programs. As of September 2010, PEPFAR had directly supported PMTCT services that enabled more than 450,000 babies to be born without HIV.[4] If PMTCT services were cut proportionally with other programs to H.R. 1 levels, funding would be reduced by $30.1 million. The Office of the Global AIDS Coordinator, which administers the PEPFAR program, has estimated these cuts would result in 100,000 fewer HIV-positive pregnant women receiving these services, and ***20,000 fewer infant infections averted annually***.[5]

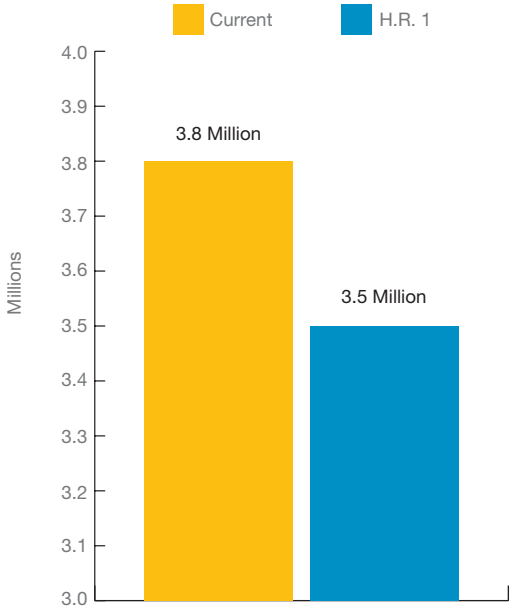


Infant HIV Infections Prevented

Pediatric and Orphan Services: UNAIDS estimates that as of 2009, 16.6 million children had been orphaned because of HIV/AIDS.[6] In FY 2009, 9.7% of PEPFAR services funding was allocated to the care and support of orphans and vulnerable children. As of September 2010, PEPFAR was supporting 3.8 million children.[4] If these services were cut proportionally with other programs to H.R. 1 levels, funding would be reduced by $42.4 million, meaning that approximately ***299,294 children, or 7.9% of the caseload, could be removed from receiving food, education, and livelihood assistance.***

Treatment: Today, 10 million people in low- and middle-income countries, including nearly one million children, cannot get the HIV/AIDS treatments they urgently need.[3] In FY 2009, 44.8% of PEPFAR services funding was allocated to treatment, and as of September 2010, 3.2 million men, women, and children depended on PEPFAR for their AIDS treatments.[4] According to PEPFAR estimates, the annual cost of AIDS treatment to PEPFAR is approximately $436 per individual (including antiretroviral drugs, non-antiretroviral recurrent costs, and health system strengthening costs).[7] PEPFAR has pledged not to remove individuals from treatment once they have initiated use of antiretroviral therapy. However, if treatment funding were cut proportionally with other programs to H.R. 1 levels, it would be reduced by $196 million, meaning that ***funding for treatment of 448,866 people, or 14% of those under treatment for HIV, would no longer be available.*** Maintaining current patients on treatment would thus require steeper cuts in other programs, such as PMTCT, other HIV prevention services, and programs for orphans and other children.

Research: Funding for AIDS research at the National Institutes of Health (NIH) has led to the development of lifesaving treatments for AIDS and recent breakthroughs in HIV prevention. AIDS research has also led to important advances in the treatment and prevention of a variety of other diseases, including cancer, heart attack, stroke, and Alzheimer's. ***A reduction in funding to H.R. 1 levels would cut $157 million, or 5.1%, from AIDS research support at NIH. Not only would a cut of this magnitude halt investment in new research, it would force NIH to make reductions in existing research projects.*** Such a reduction in research funding would significantly set back American leadership in scientific research and innovation.



Children Receiving Care and Support Services

The Impact on Addressing the Malaria and Tuberculosis Threats

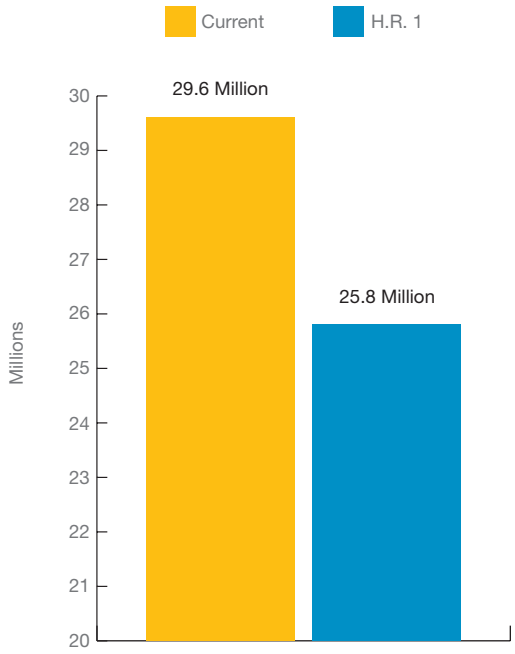
Malaria: Malaria claims 900,000 lives each year, 90% of them children under five years old.[8] Launched in 2005, the President's Malaria Initiative (PMI) has played a significant role in scaling up malaria prevention and treatment measures across the world. Around 70% of bilateral commitments for malaria are through the PMI. These programs have contributed to a substantial decrease in mortality for children under the age of five. A reduction in funding to H.R. 1 levels would cut $64.8 million, or 13%, from PMI intervention funding. If PMI funding for artemisinin-based combination therapy and insecticide-treated mosquito nets were cut proportionally with other programs to H.R. 1 levels, resources to treat 3,850,124 people and to deliver 1,961,739 nets would be unavailable.[9] ***Such crippling cuts would erase the significant progress that has been made and deepen the social and economic burden of malaria in Africa.***

Tuberculosis: Tuberculosis (TB) claims 1.3 million lives[10] each year, and 9.4 million people[11] were newly diagnosed with TB in 2009. Further complicating the epidemic is its treacherous interaction with HIV/AIDS. Among people with HIV/AIDS, TB is the leading cause of death. A major goal of U.S. government TB programming through USAID is to reduce the number of deaths from TB in half by 2014. In FY 2009, 57% of the TB budget was allocated to the treatment of TB patients and an additional 18% was allocated to treating multidrug-resistant TB cases.[10] The estimated annual cost of TB treatment is $350 per person, and $11,000 for multidrug-resistant TB treatment.[12] If TB funding were cut proportionally with other PEPFAR programs to H.R. 1 levels, funding for TB and multidrug-resistant TB treatment would be reduced by $18 million and $5.7 million, respectively. These reductions could mean that approximately 51,306 fewer people with TB and 516 fewer people with multidrug-resistant TB would receive treatment. ***Because TB can be highly infectious, cuts in TB treatment could have severe consequences on efforts to control the disease worldwide.***

Implications for Financing Global Health

It is widely accepted that low- and middle-income country governments should play an increasing role in helping fund health services for their own people. "Increasingly, countries with heavy HIV burdens are assuming their responsibilities to resource the response to the degree that their means permit," according to a recent assessment by UNAIDS.[6] Indeed, in low- and middle-income countries, the majority (52%) of funds spent on the HIV/AIDS response comes from their own domestic resources.[6]

U.S. investments in global health yield impressive results and help to significantly advance American humanitarian, diplomatic, and security goals. ***At a time when U.S. policy makers are closely examining the impact of spending across the federal budget, global health stands out as a highly effective investment.***



People Receiving Malaria Treatment

References and Notes

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10 USAID. Report to Congress: Building Partnerships to Control Tuberculosis, October 2010.

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12 USAID. Personal Communication, February 2011.

Data Sources

Data sources: Kaiser Family Foundation's U.S. Federal Funding for HIV/AIDS: The President's FY 2011 Budget Request Fact Sheet, February 2010; NIH Office of AIDS Research FY 2011 Congressional Budget Justification, January 2010; NIH Office of AIDS Research FY 2010 Congressional Budget Justification, January 2009; U.S. President's Emergency Plan for AIDS Relief's Making a Difference: Funding, October 2010; U.S. President's Emergency Plan for AIDS Relief's Sixth Annual Report to Congress on PEPFAR Program Results, March 2010. USAID's The President's Malaria Initiative: Sustaining Momentum Against Malaria: Saving Lives in Africa, Fourth Annual Report, April 2010. USAID's Fiscal Year 2009 Report to Congress: Building Partnerships to Control Tuberculosis, October 2010.

Methodology and Assumptions

The analysis in this issue brief compares current operating (FY 2010) budget levels with projected funding under H.R. 1. Where multiple programs are included in a single budget item, it is assumed that all programs under that budget line would be cut proportionately. This analysis uses publicly available unit cost data to calculate the number of people who could be affected by proposed funding cuts. Where unit cost data was not available, total program funding was divided by the most recent reported units of service to estimate the impact on HIV/AIDS and other global health programs. The figures here are intended only to illustrate the possible human impact and costs of implementing H.R. 1 funding levels. It is understood that Congress and/or U.S. governmental agencies will have a range of budgetary options at their disposal and may choose to fund global health programs at higher, or lower, levels than those assumed in this brief. If global health programs in this brief are spared the reductions indicated, deeper cuts would need to be made in other discretionary programs.