



Highlights of [GAO-06-332](#), a report to congressional requesters

Why GAO Did This Study

Among federal efforts to address the HIV/AIDS epidemic are the CARE Act of 1990 and the Housing Opportunities for Persons with AIDS program (HOPWA) administered by the Departments of Health and Human Services (HHS) and Housing and Urban Development (HUD), respectively. Both use formulas based upon a grantee's number of AIDS cases, rather than HIV and AIDS cases, to distribute funds to metropolitan areas, states, and territories. HIV cases must be incorporated with AIDS cases in CARE Act formulas not later than fiscal year 2007.

GAO was asked to examine (1) how CARE Act and HOPWA funds are allocated among types of services, (2) the extent of funding distribution differences among CARE Act and HOPWA grantees, and how funding formula provisions contribute to these differences, and (3) what distribution differences could result from incorporating HIV case counts in CARE Act and HOPWA funding formulas.

What GAO Recommends

If Congress wishes CARE Act and HOPWA funding to more closely reflect the distribution of persons living with AIDS, it should consider taking actions that lead to more comparable funding per case by revising the funding formulas. HHS and HUD generally agreed with GAO's identification of issues in the funding formulas.

www.gao.gov/cgi-bin/getrpt?GAO-06-332.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Marcia Crosse at (202) 512-7119 or crossem@gao.gov.

HIV/AIDS

Changes Needed to Improve the Distribution of Ryan White CARE Act and Housing Funds

What GAO Found

CARE Act and HOPWA grants are allocated by grantees for health care, housing assistance, and a variety of services for people with HIV/AIDS. These grants provide services for persons who have been diagnosed with HIV that has not progressed to AIDS as well as those for whom it has. In fiscal year 2003, more than half of Title I CARE Act funds awarded to eligible metropolitan areas (EMAs) were allocated for health care services such as outpatient care and home health services, and over two-thirds of Title II CARE Act funds awarded to states and territories were allocated for medications. Two-thirds of HOPWA funds were used for direct housing costs for people with HIV/AIDS and their families.

Multiple provisions in the CARE Act and HOPWA grant funding formulas as enacted result in funding not being comparable per AIDS case across grantees. First, both the CARE Act and HOPWA use measures of AIDS cases that do not accurately reflect the number of persons living with AIDS. For example, the statutory funding formulas require the use of cumulative AIDS case counts, which could include deceased cases. Second, AIDS cases within EMAs are counted once for determining funding under Title I of the CARE Act for EMAs and again under Title II for determining funding for the states and territories in which those EMAs are located. As a result, states with EMAs receive more total funding per case than states without EMAs. Third, CARE Act hold-harmless provisions under Titles I and II and the grandfather clause for EMAs under Title I sustain the funding and eligibility of CARE Act grantees on the basis of a previous year's measurements of the number of AIDS cases in these jurisdictions. For example, under Title I's hold-harmless provision, one EMA continues to have deceased AIDS cases factored into its allocation because its hold-harmless funding dates back to the mid-1990s when formula funding was based on a count of AIDS cases from the beginning of the epidemic.

If HIV case counts had been incorporated along with AIDS case counts in allocating fiscal year 2004 CARE Act and HOPWA grants, funding would have shifted among jurisdictions. Grantees in the South and the Midwest generally would have received more funding, although there would have been grantees that would have received increased funding and grantees that would have received decreased funding in every region of the country. Although CARE Act and HOPWA grantees have established HIV case reporting systems, differences between these systems—in their maturity and reporting methods, for instance—would impact the appropriateness of using HIV case counts in distributing CARE Act and HOPWA funding. GAO found that CARE Act and HOPWA fiscal year 2004 funding would have shifted to jurisdictions with more mature HIV reporting systems.