



GAO

Accountability • Integrity • Reliability

United States Government Accountability Office
Washington, DC 20548

This correspondence was revised August 7, 2009 to correct the numbers that appear in three columns of the table in enclosure II. The columns in the table that have been corrected are, “Fiscal year 2009 funding,” “H.R. 3293: Estimated stop-loss,” and “H.R. 3293: Estimated fiscal year 2010 funding after applying stop-loss.”

August 3, 2009

The Honorable Michael B. Enzi
Ranking Member
Committee on Health, Education, Labor, and Pensions
United States Senate

Subject: *Ryan White CARE Act: Estimated Effect of Proposed Stop-Loss Provision in H.R. 3293 on Urban Areas*

You asked us to estimate the effect on Ryan White Comprehensive AIDS Resources Emergency Act of 1990 (CARE Act) funding to urban areas if a certain stop-loss provision is enacted. The CARE Act, administered by the Department of Health and Human Services’s (HHS) Health Resources and Services Administration (HRSA), was enacted to address the needs of jurisdictions, health care providers, and people with human immunodeficiency virus/acquired immunodeficiency syndrome (HIV/AIDS).¹ In December 2006, the Ryan White HIV/AIDS Treatment Modernization Act of 2006 (RWTMA) reauthorized CARE Act programs for fiscal years 2007 through 2009.² In July 2009, the House of Representatives passed H.R. 3293, the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriation Act, 2010, which contains a stop-loss provision covering CARE Act funding for urban areas that receive funding under the CARE Act.³ This bill has not been passed by the Senate.

Under the CARE Act, funding for urban areas—Eligible Metropolitan Areas (EMA) and Transitional Grant Areas (TGA)⁴—is primarily provided through three categories of grants: (1) formula grants that are awarded based on the case counts of people with HIV/AIDS in an

¹Pub. L. No. 101-381, 104 Stat. 576 (codified as amended at 42 U.S.C. §§ 300ff through 300ff-121). The 1990 CARE Act added title XXVI to the Public Health Service Act. Unless otherwise indicated, references to the CARE Act refer to current title XXVI.

²Pub. L. No. 109-415, 120 Stat. 2767. The CARE Act programs had previously been reauthorized by the Ryan White CARE Act Amendments of 1996 (Pub. L. No. 104-146, 110 Stat. 1346) and the Ryan White CARE Act Amendments of 2000 (Pub. L. No. 106-345, 114 Stat. 1319).

³H.R. 3293, 111th Cong. (2009). For purposes of this report, unless otherwise specified, we use the term H.R. 3293 to refer to the bill as passed by the House of Representatives.

⁴In this report, we use the term urban areas to refer to both EMAs and TGAs. An EMA is a metropolitan area with a population of 50,000 or more that had more than 2,000 AIDS cases reported in the most recent 5-year period. The 2,000 AIDS-case criterion does not include cases of HIV that have not progressed to AIDS. In fiscal year 2009, there were 24 EMAs according to HRSA. The RWTMA created a new program for TGAs. A TGA is a metropolitan area with a population of 50,000 or more, which had 1,000 to 1,999 AIDS cases reported in the most recent 5-year period. Under this program, urban areas that were eligible for EMA funding in fiscal year 2006 but that no longer meet the eligibility criteria for either EMAs or TGAs maintain their eligibility for funding and are considered TGAs until for 3 consecutive years they (1) fail to have at least 1,000 to 1,999 AIDS cases reported in the most recent 5-year period and (2) do not have more than 1,500 living cases of AIDS. In fiscal year 2009, there were 32 TGAs according to HRSA.

urban area; (2) supplemental grants that are awarded on a competitive basis based on an urban area's demonstration of need, including criteria such as HIV/AIDS prevalence; and (3) Minority AIDS Initiative (MAI) grants, which are supplemental grants awarded on a competitive basis for urban areas to address disparities in access, treatment, care, and health outcomes. Changes in grantees' characteristics and funding formulas can cause increases or decreases in grantees' funding.

H.R. 3293, which was passed by the House of Representatives on July 24, 2009, contains a provision to ensure that decreases in total Part A funding for fiscal year 2009 for each EMA and TGA would not exceed levels specified in the bill.⁵ It would limit the total funding decrease for the 2009 fiscal year to no more than 7.6 percent of what the EMA or TGA received for the 2006 fiscal year.⁶ The funding necessary to limit the decreases to urban areas would be given as increases to supplemental grants for fiscal year 2010.

To provide you with technical assistance, we developed an estimate of fiscal year 2010 Part A CARE Act funding for EMAs and TGAs with the stop-loss provision in H.R. 3293.⁷ We also developed an estimate of such funding without that provision. We used data from HHS, H.R. 3293, and the report of the House Committee on Appropriations accompanying H.R. 3293 to estimate these amounts.⁸ In order to conduct these analyses, we made a number of assumptions. These assumptions are described in notes to the accompanying tables. See enclosure I for estimates of Part A CARE Act funding for EMAs with and without the stop-loss provision. See enclosure II for estimates of Part A CARE Act funding for TGAs with and without the stop-loss provision.

The objective of this work was to provide pertinent and timely information by showing the effect of the stop-loss provision on EMAs and TGAs for fiscal year 2010 that Congress can use in determining funding for CARE Act programs. We used data from agency reference documents to conduct our analyses. Because of time constraints, we did not conduct any additional analysis of the proposed provision. We performed our work in July and August 2009.

⁵Part A of the CARE Act covers funding to urban areas. Part B covers funding to states, territories and associated jurisdictions, and the District of Columbia.

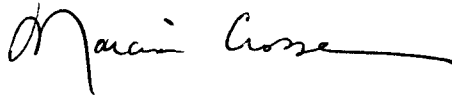
⁶The stop-loss provision in H.R. 3293 states that "within the amounts provided for Part A . . . , \$6,021,000 shall be available . . . for increasing supplemental grants for fiscal year 2010 to metropolitan and transitional areas that received grant funding in fiscal year 2009 . . . to ensure that an area's total funding under [Part A to an EMA or TGA] for fiscal year 2009, together with the amount of this additional funding, is not less than 92.4 percent of the amount of such area's total funding under Part A for fiscal year 2006." Because the provision would apply to an EMA's or TGA's "total funding" under Part A, we consider the total amount subject to the stop-loss provision to be formula, supplemental, and MAI grants made with Part A funds. MAI grants are authorized by 42 U.S.C. § 300ff-121, which specifically directs HHS to provide funding under Part A.

⁷We previously provided similar estimates for H.R. 1105. See GAO, *Ryan White CARE Act: Estimated Effect of Proposed Stop-Loss Provision on Urban Areas*, [GAO-09-472R](#) (Washington, D.C.: Mar. 6, 2009).

⁸H.R. Rep. No. 111-220 (2009).

We are sending copies of this letter to interested congressional committees. The letter will be available at no charge on GAO's Web site at <http://www.gao.gov>.

If you or your staff have any questions about this letter, please contact me at (202) 512-7114 or crossem@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this letter.

A handwritten signature in black ink that reads "Marcia Crosse". The signature is written in a cursive style with a long horizontal line extending to the right.

Marcia Crosse
Director, Health Care

Enclosures

Total Eligible Metropolitan Area Formula, Supplemental, and Minority AIDS Initiative Grants for Fiscal Year 2006, Fiscal Year 2009, and Projected Funding for Fiscal Year 2010 under Part A Funding Levels Identified in the Report of the House Committee on Appropriations Accompanying H.R. 3293

Eligible Metropolitan Area (EMA)	Fiscal year 2006 funding	92.4 percent of fiscal year 2006 funding ^a	Fiscal year 2009 funding	H.R. 3293: Estimated fiscal year 2010 funding before applying stop-loss ^b	H.R. 3293: Estimated stop-loss	H.R. 3293: Estimated fiscal year 2010 funding after applying stop-loss	Estimated fiscal year 2010 funding without H.R. 3293 stop-loss provision in place
Atlanta, Ga.	\$18,869,561	\$17,435,474	\$18,443,431	\$19,707,774	\$0	\$19,707,774	\$20,111,240
Baltimore, Md.	20,628,895	19,061,099	22,804,651	25,146,942	0	25,146,942	25,668,616
Boston, Mass.	13,339,141	12,325,366	13,325,857	14,826,513	0	14,826,513	15,112,210
Chicago, Ill.	25,044,633	23,141,241	27,410,446	30,399,044	0	30,399,044	31,030,149
Dallas, Tex.	13,196,377	12,193,452	14,491,860	16,135,491	0	16,135,491	16,461,969
Detroit, Mich.	8,428,477	7,787,913	8,811,003	9,649,668	0	9,649,668	9,847,320
Ft. Lauderdale, Fla.	14,963,638	13,826,402	15,225,814	16,723,935	0	16,723,935	17,082,041
Houston, Tex.	19,953,520	18,437,052	20,280,028	21,759,462	0	21,759,462	22,212,613
Los Angeles, Calif.	34,895,377	32,243,328	38,596,755	42,753,540	0	42,753,540	43,664,418
Miami, Fla.	23,999,914	22,175,921	26,268,588	28,295,403	0	28,295,403	28,886,672
Nassau-Suffolk, N.Y.	6,148,307	5,681,036	6,063,346	6,133,107	0	6,133,107	6,261,448
New Haven, Conn.	6,684,594	6,176,565	6,486,178	6,427,638	0	6,427,638	6,554,241
New Orleans, La.	7,434,812	6,869,766	7,715,228	8,372,305	0	8,372,305	8,546,858
New York, N.Y.	120,423,326	111,271,153	111,058,281	111,399,388	212,873	111,612,261	112,851,459
Newark, N.J.	14,752,254	13,631,083	14,294,358	14,957,651	0	14,957,651	15,263,596
Orlando, Fla.	8,561,273	7,910,616	8,184,316	9,102,265	0	9,102,265	9,276,330
Philadelphia, Pa.	22,384,551	20,683,325	23,627,921	25,849,435	0	25,849,435	26,384,731
Phoenix, Ariz.	6,519,338	6,023,868	7,891,520	8,817,069	0	8,817,069	9,003,693
San Diego, Calif.	9,269,256	8,564,793	11,406,079	12,701,493	0	12,701,493	12,969,540
San Francisco, Calif.	27,964,864	25,839,534	20,682,998	20,800,605	5,156,537	25,957,142	21,094,812
San Juan, P.R.	13,470,347	12,446,601	13,303,840	13,353,898	0	13,353,898	13,521,736
Tampa-St. Petersburg, Fla.	9,571,830	8,844,371	9,618,021	10,283,094	0	10,283,094	10,499,803
Washington, D.C.	26,923,066	24,876,913	29,292,798	32,484,738	0	32,484,738	33,151,677
West Palm Beach, Fla.	8,276,018	7,647,041	8,594,359	8,632,210	0	8,632,210	8,755,423
Total	\$481,703,369	\$445,093,913	\$483,877,677	\$514,712,668	\$5,369,409^c	\$520,082,078	\$524,212,595

Source: GAO analysis of HHS data, H.R. 3293, and the Report of the House Committee on Appropriations Accompanying H.R. 3293.

Notes: The projected fiscal year 2010 funding in this table is based on the funding amount for urban areas identified in the Report of the House Committee on Appropriations Accompanying H.R. 3293. We assumed that the percentage of Part A funding allotted to EMAs and the percentage allotted to Transitional Grant Areas (TGA) in fiscal year 2010 would be the same as the percentage allotted to each in fiscal year 2009.

Because updated human immunodeficiency virus/acquired immunodeficiency syndrome (HIV/AIDS) case counts were not available, we used the HIV/AIDS case counts that the Health Resources and Services Administration (HRSA) used to determine fiscal year 2009 funding.

Enclosure I

We cannot determine the exact effect of the stop-loss provision on total funding for each EMA for fiscal year 2010. It is not possible to determine exactly how each EMA would be affected by the 7.6 percent stop-loss for EMAs because it is not known how HRSA will award fiscal year 2010 supplemental and Minority AIDS Initiative (MAI) grants and because the case counts on which formula grants will be based are not yet available.

To estimate fiscal year 2010 supplemental funding for EMAs, we calculated the percentage of fiscal year 2009 total funding that each area's fiscal year 2009 supplemental funding represented. We then multiplied that percentage by the estimated total supplemental funding to be available for distribution in fiscal year 2010. For example, if an EMA received 2 percent of the total supplemental funding available for distribution to EMAs in fiscal year 2009, then we estimated that area's supplemental funding in fiscal year 2010 to be 2 percent of the amount of supplemental funding available for distribution to EMAs.

We developed our estimate of fiscal year 2009 MAI funding for EMAs by applying the percentage increase in MAI funding from 2008 to 2009 at the EMA level.

We developed our estimate of fiscal year 2010 MAI funding for EMAs by applying the percentage increase in MAI funding from 2008 to 2010 at the EMA level.

^aUnder the stop-loss provision in H.R. 3293, an EMA is ensured that its total formula, supplemental, and MAI grants for fiscal year 2009 would not be less than 92.4 percent of what it received for fiscal year 2006.

^bThe total funding that an EMA would receive in fiscal year 2010 with the stop-loss provision in place can be found by adding the amount in this column to the amount in the column titled "H.R. 3293: Estimated stop-loss."

^cWe estimate the funding needed to satisfy the H.R. 3293 stop-loss provision for both EMAs and TGAs to be \$6,083,536. However, the amount specified in H.R. 3293 to cover the stop-loss provision is \$6,021,000, a difference of \$62,536.

Total Transitional Grant Area Formula, Supplemental, and Minority AIDS Initiative Grants for Fiscal Year 2006, Fiscal Year 2009, and Projected Funding for Fiscal Year 2010 under Part A Funding Levels Identified in the Report of the House Committee on Appropriations Accompanying H.R. 3293

Transitional Grant Area (TGA)	Fiscal year 2006 funding	92.4 percent of fiscal year 2006 funding^a	Fiscal year 2009 funding	H.R. 3293: Estimated fiscal year 2010 funding before applying stop-loss^b	H.R. 3293: Estimated stop-loss	H.R. 3293: Estimated fiscal year 2010 funding after applying stop-loss	Estimated fiscal year 2010 funding without H.R. 3293 stop-loss provision in place
Austin, Tex.	\$3,719,076	\$3,436,426	\$4,329,840	\$4,519,204	\$0	\$4,519,204	\$4,560,116
Baton Rouge, La.	.	.	3,911,761	4,076,689	0	4,076,689	4,113,182
Bergen-Passaic, N.J.	4,485,650	4,144,741	4,301,488	4,484,236	0	4,484,236	4,524,341
Caguas, P.R.	1,648,356	1,523,081	1,363,379	1,418,137	159,702	1,577,839	1,430,471
Charlotte-Gastonia, N.C.-S.C.	.	.	5,362,616	5,587,907	0	5,587,907	5,637,621
Cleveland, Ohio	3,349,096	3,094,565	4,466,289	4,654,743	0	4,654,743	4,696,212
Denver, Colo.	4,283,042	3,957,531	8,049,378	8,411,822	0	8,411,822	8,489,556
Dutchess County, N.Y.	1,367,584	1,263,648	1,365,972	1,422,476	0	1,422,476	1,435,007
Fort Worth, Tex.	3,409,819	3,150,673	4,128,320	4,310,233	0	4,310,233	4,349,412
Hartford, Conn.	4,666,281	4,311,644	3,925,802	4,093,472	385,842	4,479,315	4,130,073
Indianapolis, Ind.	.	.	3,917,484	4,088,912	0	4,088,912	4,126,162
Jacksonville, Fla.	4,913,816	4,540,366	5,536,454	5,771,055	0	5,771,055	5,822,477
Jersey City, N.J.	5,145,142	4,754,111	5,156,330	5,370,359	0	5,370,359	5,417,646
Kansas City, Mo.	2,916,485	2,694,832	4,576,239	4,782,134	0	4,782,134	4,825,967
Las Vegas, Nev.	4,323,627	3,995,031	5,752,723	6,005,835	0	6,005,835	6,060,917
Memphis, Tenn.	.	.	6,552,332	6,817,556	0	6,817,556	6,877,281
Middlesex-Somerset-Hunterdon, N.J.	2,595,663	2,398,393	2,560,831	2,664,756	0	2,664,756	2,688,640
Minneapolis-St. Paul, Minn.	3,046,512	2,814,977	5,383,400	5,619,313	0	5,619,313	5,670,330
Nashville, Tenn.	.	.	4,425,521	4,621,449	0	4,621,449	4,663,632
Norfolk, Va.	4,414,760	4,079,238	5,955,970	6,208,726	0	6,208,726	6,264,379
Oakland, Calif.	5,735,837	5,299,913	6,247,360	7,133,337	0	7,133,337	7,197,747
Orange County, Calif.	4,858,579	4,489,327	5,510,768	6,399,695	0	6,399,695	6,457,970
Ponce, P.R.	2,391,444	2,209,694	2,060,941	2,143,591	148,753	2,292,345	2,162,452
Portland, Ore.	3,401,956	3,143,407	3,594,591	4,104,575	0	4,104,575	4,143,000
Riverside-San Bernardino, Calif.	7,074,521	6,536,857	7,428,352	8,551,314	0	8,551,314	8,630,571

Enclosure II

Transitional Grant Area (TGA)	Fiscal year 2006 funding	92.4 percent of fiscal year 2006 funding ^a	Fiscal year 2009 funding	H.R. 3293: Estimated fiscal year 2010 funding before applying stop-loss ^b	H.R. 3293: Estimated stop-loss	H.R. 3293: Estimated fiscal year 2010 funding after applying stop-loss	Estimated fiscal year 2010 funding without H.R. 3293 stop-loss provision in place
Sacramento, Calif.	2,778,729	2,567,546	2,547,716	2,910,176	19,830	2,930,006	2,937,012
San Antonio, Tex.	3,325,881	3,073,114	4,498,708	4,691,215	0	4,691,215	4,733,379
San Jose, Calif.	2,304,762	2,129,600	2,624,926	3,031,684	0	3,031,684	3,059,273
Santa Rosa, Calif.	1,028,634	950,458	1,169,829	1,330,617	0	1,330,617	1,342,865
Seattle, Wash.	5,445,484	5,031,627	7,222,731	7,551,142	0	7,551,142	7,620,959
St. Louis, Mo.	4,502,572	4,160,377	6,017,700	6,265,481	0	6,265,481	6,321,480
Vineland-Millville-Bridgeton, N.J.	849,715	785,137	822,767	855,056	0	855,056	862,594
Total	\$97,983,023	\$90,536,313	\$140,768,518	\$149,896,898	\$714,127^c	\$150,611,025	\$151,252,725

Source: GAO analysis of HHS data, H.R. 3293, and the Report of the House Committee on Appropriations Accompanying H.R. 3293.

Notes: The projected fiscal year 2010 funding in this table is based on the funding amount for urban areas identified in the Report of the House Committee on Appropriations Accompanying H.R. 3293. We assumed that the percentage of Part A funding allotted to Eligible Metropolitan Areas and the percentage allotted to TGAs in fiscal year 2010 would be the same as the percentage allotted to each in fiscal year 2009.

Because updated human immunodeficiency virus/acquired immunodeficiency syndrome (HIV/AIDS) case counts were not available, we used the HIV/AIDS case counts that the Health Resources and Services Administration (HRSA) used to determine fiscal year 2009 funding.

We cannot determine the exact effect of the stop-loss provision on total funding for each TGA for fiscal year 2010. It is not possible to determine exactly how each TGA would be affected by the 7.6 percent stop-loss provision for TGAs because it is not known how HRSA will award fiscal year 2010 supplemental and Minority AIDS Initiative (MAI) grants and because the case counts on which formula grants will be based are not yet available.

To estimate fiscal year 2010 supplemental funding for TGAs, we calculated the percentage of fiscal year 2009 total funding that each area's fiscal year 2009 supplemental funding represented. We then multiplied that percentage by the estimated total supplemental funding to be available for distribution in fiscal year 2010. For example, if a TGA received 2 percent of the total supplemental funding available for distribution to TGAs in fiscal year 2009, then we estimated that area's supplemental funding in fiscal year 2010 to be 2 percent of the amount of supplemental funding available for distribution to TGAs.

We developed our estimate of fiscal year 2009 MAI funding for TGAs by applying the percentage increase in MAI funding from 2008 to 2009 at the TGA level.

We developed our estimate of fiscal year 2010 MAI funding for TGAs by applying the percentage increase in MAI funding from 2008 to 2010 at the TGA level.

^aUnder the stop-loss provision in H.R. 3293, a TGA is ensured that its total formula, supplemental, and MAI grants for fiscal year 2009 would not be less than 92.4 percent of what it received for fiscal year 2006.

^bThe total funding that a TGA would receive in fiscal year 2010 with the stop-loss provision in place can be found by adding the amount in this column to the amount in the column titled "H.R. 3293: Estimated stop-loss."

^cWe estimate the funding needed to satisfy the H.R. 3293 stop-loss provision for both EMAs and TGAs to be \$6,083,536. However, the amount specified in H.R. 3293 to cover the stop-loss provision is \$6,021,000, a difference of \$62,536.

Enclosure III

GAO Contacts and Staff Acknowledgments

For information about this letter, please contact Marcia Crosse, Director, Health Care, who can be reached at (202) 512-7114 or crossem@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this letter. Major contributors to this letter were Thomas Conahan, Assistant Director; Robert Copeland, Assistant Director; Martha Kelly, Assistant Director; Helen Desaulniers; Rachel Svoboda; Jennifer Whitworth; and Suzanne Worth.

(290808)

This is a work of the U.S. government and is not subject to copyright protection in the United States. The published product may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.

GAO's Mission

The Government Accountability Office, the audit, evaluation, and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through GAO's Web site (www.gao.gov). Each weekday afternoon, GAO posts on its Web site newly released reports, testimony, and correspondence. To have GAO e-mail you a list of newly posted products, go to www.gao.gov and select "E-mail Updates."

Order by Phone

The price of each GAO publication reflects GAO's actual cost of production and distribution and depends on the number of pages in the publication and whether the publication is printed in color or black and white. Pricing and ordering information is posted on GAO's Web site, <http://www.gao.gov/ordering.htm>.

Place orders by calling (202) 512-6000, toll free (866) 801-7077, or TDD (202) 512-2537.

Orders may be paid for using American Express, Discover Card, MasterCard, Visa, check, or money order. Call for additional information.

To Report Fraud, Waste, and Abuse in Federal Programs

Contact:

Web site: www.gao.gov/fraudnet/fraudnet.htm

E-mail: fraudnet@gao.gov

Automated answering system: (800) 424-5454 or (202) 512-7470

Congressional Relations

Ralph Dawn, Managing Director, dawnr@gao.gov, (202) 512-4400
U.S. Government Accountability Office, 441 G Street NW, Room 7125
Washington, DC 20548

Public Affairs

Chuck Young, Managing Director, youngc1@gao.gov, (202) 512-4800
U.S. Government Accountability Office, 441 G Street NW, Room 7149
Washington, DC 20548