

**FY 2001 Consolidated Appropriations Act
Information Related to the Department of Health and Human Services (HHS)**

On Friday, December 15, both the House, by a vote of 292-60, and the Senate, by unanimous consent, passed the H.R. 4577, the FY 2001 Consolidated Appropriations Act. The Consolidated Appropriations Act combines several pieces of legislation including the Labor, Health and Human Services, Education, and Related Agencies Appropriations Act, a Miscellaneous Appropriations Act, and the Medicare, Medicaid, and State Children's Health Insurance Program Benefits Improvement and Protection Act (BIPA). The President signed the bill into law (Public Law Number 106-554) on Thursday, December 21, thereby bringing the FY 2001 budget process to a belated but successful conclusion.

Together with the appropriations legislation previously signed by the President, the final budget agreement funds HHS at a total discretionary program level of \$53.5 billion. This represents an increase of +\$6.8 billion (+14.6 percent) over the FY 2000 enacted level and +\$3.7 billion (+7.5 percent) over the budget request. Every HHS Operating Division (OPDIV) received an increase over the FY 2000 enacted level, and every OPDIV except one (FDA) received an increase that exceeded the President's request. Many of the Department's high-priority discretionary programs also fared well during the FY 2001 budget process. Community Health Centers, Children's Hospital Graduate Medical Education, Ryan White HIV/AIDS, Health Care Access for the Uninsured, HIV/AIDS Prevention, Chronic and Environmental Disease Prevention, State Survey and Certification, and Bioterrorism were among the programs that received increases over both the requested and the FY 2000 enacted levels. A number of other programs including Child Care, HIV/AIDS in Minority Communities, and a new Family Caregiver program were funded at the levels requested by the President.

While the final appropriations package provides significant increases for the Department's discretionary activities, it also includes two financing offsets that will impact HHS programs. The Labor, Health and Human Services, Education, and Related Agencies Appropriations Act includes language that reduces the funds available for administrative expenses in HHS and in the Departments of Labor and Education by -\$25 million. Based on past experience, we estimate that HHS' share of this reduction could be as much as -\$18 million, but OMB has not yet provided information on the specific amount of the reduction or guidance on how to allocate it. The Miscellaneous Appropriations Act also includes a -0.22 percent across-the-board reduction, to be allocated pro rata to all discretionary programs, projects, and activities, except for military personnel accounts and those accounts funded in the Labor, Health and Human Services, Education, and Related Agencies Appropriations Act.

In addition to appropriations legislation, the Consolidated Appropriations Act includes the Benefits Improvement and Protection Act (BIPA), which provides a total of \$37.9 billion over five years for the Medicare, Medicaid, and SCHIP programs. The legislation includes \$35.1 billion over five years to restore Medicare reductions resulting from the 1997 Balanced Budget Act and to improve services to beneficiaries. In addition, the Act includes \$2.9 billion over five years to enhance coverage for Medicaid beneficiaries and to expand and improve the State Children's Health Insurance Program.

The Benefits Improvement and Protection Act also includes two legislative provisions that affect non-HCFA mandatory health funding. The Act contains language to increase mandatory Diabetes funding in IHS from \$30 million in FY 2000 to \$100 million in FY 2001, and to increase mandatory Diabetes funding at NIH and CDC from a combined total of \$30 million in FY 2000 to \$100 million in FY 2001. The act also includes a provision which, in conjunction with a separate provision in the Miscellaneous Appropriation Act, provides for mandatory funding for the Ricky Ray Hemophilia Relief Fund (this program was funded out of the discretionary budget in FY 2000). Combined, the two provisions increase total funding for the Ricky Ray program from \$75 million in FY 2000 to \$580 million in FY 2001.

A description of final appropriations action by OPDIV, and a summary of the major provisions of the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act, appears below:

THE BENEFITS IMPROVEMENT AND PROTECTION ACT OF 2000

The Benefits Improvement and Protection Act of 2000 includes a variety of provisions that affect the Medicare, Medicaid, and State Children's Health Insurance programs. The Office of the Actuary (OACT) estimates that these provisions will increase spending in these programs by +\$37.9 billion over five years (this is an initial estimate and may be revised later). A summary of these provisions follows below (please note that all cost estimates are over a five-year period).

Medicare

According to OACT five-year estimates, the bill will provide approximately \$10.3 billion for hospitals, \$9.2 billion for managed care plans, \$4.1 billion for nursing homes, \$1.5 billion for home health agencies, and \$4.2 billion for other providers over the next five years. The bill also provides approximately \$6.0 billion for Medicare beneficiary improvements.

- **Medicare Beneficiaries (+\$6.0 billion):** The bill establishes new nutrition therapy and glaucoma screening benefits and expands coverage of screening for colon and cervical cancer. It also provides permanent coverage for immunosuppressive drugs, accelerates the reduction in hospital outpatient coinsurance, extends immediate Medicare coverage to persons with Lou Gehrig's disease, and expands the Medicare homebound definition to include adult day care.
- **Hospitals (+\$10.3 billion):** The bill increases the inflation update for all hospitals, adjusts teaching hospital payments for indirect medical education, provides greater hospital bad debt reimbursement, raises prospective payments for hospital outpatient departments, improves rural hospital programs, and increases payments for PPS-exempt hospitals.
- **Managed Care Organizations (+\$9.2 billion):** The bill increases floor payments for Medicare+Choice plans, establishes a seven year phase-in schedule for risk adjustment, increases civil monetary penalties for plans that violate their contracts, changes provider

participation rules and quality standards, and implicitly raises managed care payments by increasing fee-for-service spending.

- **Nursing Homes (+\$4.1 billion):** The bill increases the inflation update for skilled nursing facilities, increases PPS payments to encourage hiring of more nurses, imposes an additional year's moratorium on payment caps for therapy services, and provides increases in payment for high-cost rehabilitation therapy.
- **Home Health (+\$1.5 billion):** The bill increase the inflation update for home health agencies, delays the BBA-required 15 percent payment cuts by one additional year, and provides a 10 percent add-on payment to rural home health agencies in 2001 and 2002.
- **Other providers (+\$4.2 billion):** The bill increases base payment rates for hospices by 5 percent, raises payments for renal dialysis by an additional 1.2 percent, and provides for a full CPI inflation update in 2001 for DME suppliers, a full CPI update for ambulance providers and a full market basket update in 2001 for orthotics and prosthetics suppliers.
- **Appeals reform:** BIPA makes several modifications to the Medicare appeals process. It requires that initial determinations must be concluded within 45 days from the date the Secretary receives a claim for benefits. Beneficiaries dissatisfied with the initial determination could request a redetermination, which must be completed within 30 days. Beneficiaries dissatisfied with the redetermination could request a reconsideration, which would be conducted by a qualified independent contractor (QIC). Appeal of a QIC decision would be heard by an ALJ. Expedited determinations would be available in specific circumstances. No funds were included in the HHS appropriation for implementing this new process. CBO estimates that the cost of implementation is \$44 million in FY 2001 and \$100 million annually thereafter; HCFA is working on an independent cost estimate which they believe will be higher.

Medicaid

There are four provisions in BIPA that will impact costs to the Medicaid program over the next five years according to OACT five-year estimates. The legislation creates the following Medicaid beneficiary provisions:

- **Enrollment of uninsured children (+\$320 million):** Many low-income uninsured children are eligible for Medicaid and S-CHIP but are not enrolled. This provision would allow states the option of enrolling uninsured children through schools, child support enforcement agencies, homeless shelters, program eligibility offices, and other sites.
- **Extends health care coverage program for those leaving welfare for work (+\$350 million):** Currently, in order to ensure that they have the supports necessary to become self-sufficient, persons leaving welfare for work continue to be eligible for

12 months of Medicaid coverage. This important program, which was scheduled to expire in 2001, has been extended for one year, so that it will now expire in 2002.

- **Increases Medicaid payments to safety net hospitals (+\$2 billion):** The Balanced Budget Act (BBA) set state-specific caps on total Medicaid disproportionate share hospital (DSH) payments. The allotments decrease from 1998-2002 and are increased by CPI in 2003. The Omnibus Budget and Reconciliation Act (OBRA) of 1993 also set hospital-specific limits so that DSH payments could not exceed 100 percent of a hospital's uncompensated care costs. This legislation provides relief to safety net hospitals by setting 2001 state-specific allotments at 2000 levels adjusted for inflation and setting 2002 allotments at 2001 levels adjusted for inflation. It also allows states to provide public hospitals DSH payments up to 175 percent of net uncompensated care costs for two years.
- **Closes Medicaid upper payment limit loophole (-\$500 million):** The legislation directs the Secretary of Health and Human Services to finalize the regulation eliminating a reimbursement loophole that threatens the fiscal integrity of the Medicaid program. The legislation also provides for a six-year transition period for States with payment arrangements in effect in 1992 that may violate the new regulation.
- **Establishes enhanced prospective payment system for community health centers:** The BBA phased out the Medicaid requirement to pay federally-qualified health centers (FQHCs) and rural health clinics (RHCs) based on cost by 2000. The Balanced Budget Refinement Act (BBRA) extended the phase-out to 2005. The legislation establishes a new prospective payment system for health centers starting in 2001 that is based on centers' FY 2000 reasonable costs. This ensures that FQHCs and RHCs receive adequate Medicaid reimbursement and continue to provide essential care to low-income and uninsured populations.
- **Simplifies enrollment for low-income Medicare beneficiaries:** Fewer than half of low-income seniors and people with disabilities who are eligible for Medicaid assistance with Medicare premiums and cost-sharing get it, in part due to complicated and burdensome application procedures. To address this, the legislation promotes the development and use of a simple, uniform application and encourages outreach efforts through Social Security.

State Children's Health Insurance Program (SCHIP)

BIPA also introduced the following changes to the SCHIP program.

- **Adjusts the SCHIP reallocation formula:** The BBA requires that states that do not use annual SCHIP allotments within three years must return all unused funds to the Federal government which would then redistribute the funds to states that have already exhausted their allotments. The legislation establishes a new reallocation formula for FY 1998 and 1999 allotments whereby States would be entitled to either redistributed funds or retain a

proportion of the unused funds through the end of FY 2002. States that retain a proportion of their FY 1998 funds may use up to 10 percent of the retained funds for outreach activities.

- **Fix Medicaid-SCHIP expansion double obligation problem:** This provision provides a technical accounting clarification requested by HCFA. It would authorize the payment of the costs of SCHIP Medicaid expansions from the SCHIP appropriation rather than from the Medicaid appropriation. It also authorizes that the costs States incurred during FY 1998, 1999, and 2000 to fund SCHIP Medicaid expansion programs be reimbursed to Title XIX by Title XXI.

ANNUAL APPROPRIATIONS LEGISLATION

For FY 2001, HHS is funded at a total discretionary program level of \$53.504 billion, an increase of +\$6.823 billion (+14.6 percent) over FY 2000 and +\$3.745 billion (+7.5 percent) over the request. A summary of appropriations action by OPDIV follows below. Please note that the information below does not reflect the effects of the -\$25 million reduction to salaries and expenses included in the Labor/HHS bill or the -0.22 percent across-the-board reduction for non-Labor/HHS programs, as these reductions have not yet been allocated.

Food and Drug Administration

Congress provided FDA with a total program level of \$1.293 billion. This includes increases of +\$112 million for initiatives in FDA; offset by the ending of the tobacco program (-\$34 million), and by financing FY 2001 needs with reprogrammed FY 2000 tobacco funds (-\$23 million). No action was taken by Congress on the proposed new user fees and seafood inspection transfer. In addition, the General Services Administration (GSA) received an additional +\$92 million for FDA's new consolidated headquarters at White Oak.

- **Drug Re-importation:** The Congress provided a conditional appropriation of \$23 million that would be available if the Secretary determined that the Medicine Equity and Drug Safety Act could be operated in a manner that reduced drug prices and posed no additional risk to the public's health and safety. The Administration has indicated that it does not believe that these conditions can be met, and, therefore, these funds will not be available to FDA.
- **Food Safety:** The conference provided the full \$30 million increase requested for food safety.
- **Los Angeles Laboratory:** The requested \$20 million was provided for the first phase of the construction on the new Los Angeles laboratory.

- **Medical Errors/Adverse Events:** \$7 million of the requested \$16 million increase was provided to begin this work. The conference report includes language indicating that these funds can only be used to improve adverse event reporting systems.
- **Pre-Market Review:** The conferees provided an increase of \$31 million in budget authority and PDUFA funds, which was \$4 million above the request. Congress did not act on the \$15 million in proposed law user fees for medical devices and food additives.
- **Internet Drugs:** FDA received \$5 million of the \$10 million requested by the President for internet drugs initiative.
- **Inspections:** FDA received \$9 million of the \$14 million requested to increase post-market safety inspections in areas outside of food safety (e.g. drugs, devices, etc.)
- **Bioterrorism:** FDA received \$5 million of the \$12 million requested for bioterrorism.
- **FDA White Oak Facility:** GSA received \$35 million in FY 2000 and \$92 million in FY 2001 for the first phase of a new consolidated headquarters. The first phase will provide office and lab space for the Center for Drug Evaluation and Review (CDER). The requested design funds for the next phase (Center for Devices and Radiological Health) were not provided for in the appropriation. The long term plan calls for an additional \$309 million in FY 2002-2006.

Health Resources and Services Administration

Final FY 2001 conference action included a total program level of \$6.229 billion, +\$1.370 billion (+28%) above the President's Budget and +\$1.511 billion (+32%) above FY 2000.

- **Ryan White HIV/AIDS Activities:** A total of \$1.8 billion was provided for the Ryan White HIV/AIDS activities. This is +\$214 million (+\$13%) above FY 2000. Included in this amount is \$589 million which is earmarked for the AIDS Drug Assistance Program (ADAP). This increase will provide services to nearly 21,000 persons through grants to cities and States, provide AIDS drugs to an additional +6,800 persons through ADAP, allow early intervention service programs to serve over +18,000 additional clients, and allow pediatric HIV/AIDS programs to serve an additional +5,600 clients. Funds are included to expand upon efforts to increase access to HIV/AIDS treatments within disproportionately impacted minority communities. On October 20, 2000, the Ryan White program was reauthorized. Some of the new provisions in the reauthorization include a supplemental ADAP grant program and a Title II grant program to emerging communities, municipal areas with at least 500 reported AIDS cases over the past five years, but not the 2,000 total that is necessary for areas to be eligible for a Title I grant.
- **Community Health Centers:** Funding totals \$1.169 billion, +\$150 million (+15%) above FY 2000 and +\$100 (+9%) million above the President's Budget request. In addition, the

recently passed Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act replaces the cost-based reimbursement system for Federally Qualified Health Centers (FQHCs) by establishing a new prospective payments system in FY 2001 that provides FQHCs with an inflation adjusted per visit payment for services based on the FQHC's average per visit cost in FY 1999-2000.

- **National Health Service Corp:** The conferees included \$125 million, +\$12 million above both FY 2000 and the President's Budget for the National Health Service Corp. The conferees recommended that national health service corps loan repayment awards continue to be made in areas of greatest need.
- **Family Planning:** Funding totals \$254 million, +\$15 million above FY 2000, which is expected to increase services to an estimated 150,000 to 200,000 women.
- **Health Care Access for the Uninsured:** A total of \$140 million was provided to continue efforts initiated last year to address the problem of uninsured workers. This includes \$125 million for the Community Access Program, which is +\$100 million above FY 2000. These funds will continue efforts in 23 communities to support infrastructure development and expand the program to an additional 40-60 communities. The total also includes \$15 million for State Planning Grants, to support grants to up to 10 new States to develop designs for providing access to health insurance coverage for all residents of the State, provide technical assistance to grantees, and provide limited supplemental funding to States funded in FY 2000.
- **Ricky Ray Hemophilia Relief Program:** The conferees provided \$580 million in mandatory funding, including \$475 million in the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000. Of this total, \$10 million is available, until expended, for program management. An estimated 5,700 claimants can be paid.
- **Children's Hospitals Graduate Medical Education:** Funding totals \$235 million, +\$195 million above FY 2000 and +\$155 million above the President's Budget request. Consistent with the legislation, these funds will be allocated on a per capita formula basis to all freestanding children's hospitals qualifying as graduate training centers.
- **Health Care Facilities:** The final bill included \$252 million for one-time only construction and renovation projects. While no funding had been requested, a list of specific projects is identified in the conference report.
- **Abstinence Education:** A total of \$20 million is available in FY 2001, and an advance appropriation of \$30 million is provided for FY 2002, for making abstinence education grants to communities which will be carried out under Maternal and Child Health Special Projects of Regional and National Significance. FY 2001 will be the first year of funding for this new activity.

- Newly Funded Programs:** The conferees provided funding for several new programs including Adoption Awareness (\$10 million), the Denali Commission (\$10 million), and Trauma Care (\$3 million). Funding for an adoption awareness program, which was authorized in the Child Health Act of 2000, will be used to make grants to national, regional, or local adoption organizations to develop and implement programs to train Section 330 health center staff and Title X family planning clinic staff in providing adoption information and referrals to pregnant women. The \$10 million provided for the Denali Commission will be used to plan, construct, and equip demonstration health, nutrition, and child care projects in hospitals, health care clinics, and mental health facilities. Funding for trauma care will be used to improve the nation's overall emergency medical system, including the joint efforts between HRSA and the National Highway Traffic Safety Administration to assess state systems and recommend improvements to the current system.
- Universal Newborn Hearing Screening:** Funding totals \$8 million, which is +\$5 million above FY 2000 and the President's Budget request. This program was recently authorized in the Children's Health Act.
- Critical Care Programs:** The final bill included \$39 million for critical care programs which is +\$19 million above FY 2000. This total included \$19 million for emergency medical services for children (to improve existing EMS systems and evaluate protocols for treating children); and \$20 million for Poison Control activities. Poison Control funds are provided to support activities authorized last February in the Poison Control Center Enhancement and Awareness Act.
- Rural Health and Telehealth Activities:** The conferees provided a total of \$137 million for rural health and telehealth activities which is +\$39 million above FY 2000 and +\$58 million above President's Budget request. Within this total, \$58 million is for rural outreach grants, \$13 million is for rural health research, \$36 million is for telehealth, and \$25 million is for rural hospital flexibility grants. This total includes \$58 million in specific project earmarks.
- Health Professions:** Funding totals \$353 million, which is +\$51 million above FY 2000 and +\$135 million above the President's Budget request. This increase was provided across the board to all health professions programs.
- Program Management:** The conferees included \$139 million for program management activities, +\$15 million above FY 2000 and the President's Budget. This total includes \$3.5 million in specific project earmarks.
- Bone Marrow Program:** The conferees provided \$22 million, +\$4 million above FY 2000. The conferees recognized the continuing need to increase minority representation in the national registry and support expansion of the National Marrow Donor Program's cord blood bank initiative.

Indian Health Service

The Congress provided IHS with a program level of \$3.194 billion, +\$336 million (+12%) above the FY 2000 appropriation and +\$84 million (+3%) more than the budget request. The total program level includes \$454 million in estimated insurance collections, an increase of \$22 million over the amount collected in FY 2000.

- **Contract Support Costs:** IHS received a total of \$249 million, +\$20 million more than FY 2000 but -\$20 million less than the budget request. Bill language limits contract support cost funding for new and expanded contracts to \$10 million. The conference compromise eliminated a House moratorium on new or expanded self-determination contracting in FY 2001.
- **Contract Health Services:** IHS received a total of \$447 million, +\$40 million (+10%) more than FY 2000, to purchase health care from non-IHS hospitals and health practitioners.
- **New Health Initiatives:** IHS received only \$1 million (for emergency medical services) of the \$30 million in additional funding requested to address areas of concern identified by Tribes during the consultation process. The budget requested funds for disease related conditions (e.g., diabetes, elder health), behavioral health problems (e.g., mental health), and preventive health (e.g., community health representatives, injury prevention).
- **Alcohol and Substance Abuse Prevention & Treatment:** IHS received an increase of +\$30 million for Alcohol and Substance Abuse Prevention and Treatment, with half of this increase provided to the Alaska Federation of Natives for its Sobriety and Alcohol Control Program. These funds were provided to IHS in the Consolidated Appropriations Act subsequent to the passage of the Interior Appropriations Act.
- **Indian Health Care Improvement Fund:** IHS received an increase of +\$30 million to provide additional health services to Tribes with the lowest current access to those services. IHS is required to report to the Appropriations Committees prior to distributing these funds.
- **Health Facility Construction:** IHS received a total of \$86 million for facility construction compared to a budget request of \$65 million. Funding above the budget request was provided primarily for new construction grants for small tribal facilities (\$10 million in total); for staff quarters for the Bethel (AK) hospital (+\$5 million), the highest ranking staff quarters project on IHS's Health Facility Construction Priority System; and for joint venture in which tribes build health facilities which IHS commits to staff/operate (+\$5 million).

- **Pay Costs:** IHS received an increase of +\$50 million for increased pay costs, consistent with the need presented to the Appropriations Subcommittee staffs.
- **Congressional Earmarks** – IHS received +\$6 million for six initiatives which were not included in the budget request. These initiatives, which may have been requested by individual Tribes, included \$2 million to assist the Hopi Tribe in financing construction of staff quarters for its new outpatient facility, \$1 million to reconfigure facilities in the Portland Area to make better use of exiting space, \$1 million to hire additional podiatrists, and \$1 million to provide additional dental services to urban Indians in Albuquerque, N.M.
- **Medicare Collections:** The Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act (BIPA) provides new authority for IHS health facilities to receive Medicare reimbursement for physician services under the same terms and conditions as non-IHS facilities. Reimbursement for physician services was one component of the Medicare demonstration project developed by IHS and HCFA and forwarded to OMB in December. In developing the demonstration project, HCFA estimated IHS would receive \$50 million annually for physician services (total IHS Medicare collections in FY 2000 were \$109 million).
- **Special Diabetes Programs for Indians:** BIPA also increased IHS funding for diabetes prevention and treatment grants to \$100 million annually through FY 2003, an increase of +\$70 million annually. Funding for these grants was originally provided by the Balanced Budget Act of 1997.

Centers for Disease Control and Prevention

The Labor/HHS conference agreement appropriated \$3.868 billion in discretionary budget authority for CDC. CDC also received \$181 million in bioterrorism funding from the Public Health and Social Services Emergency Fund (PHSSEF), \$75 million from the EPA Superfund Allocation included in the VA/HUD appropriation for ATSDR and \$72 million in one-percent evaluation funds for Health Statistics. CDC's total program level is \$4.201 billion, an increase of +\$667 million (+19%) over the President's Budget and +\$860 million (+26%) over the FY 2000 level. Highlights of the CDC appropriation include:

- **HIV/AIDS:** Total program level is \$893 million, an increase of +\$97 million (+12%) above the President's Budget and +\$163 million (+22%) above the FY 2000 level. The appropriation includes \$105 million for the President's Global AIDS initiative, an increase of +\$44 million (+72%) above the President's Budget. Also included is \$88 million for the initiative on HIV/AIDS in minority communities.
- **Infectious Diseases (including food safety):** Total program level is \$265 million, an increase of +\$65 million (+32%) above the President's Budget and +\$88 million (+50%) above FY 2000. The bill fully funded the +\$10 million increase requested for food safety,

and the +\$25 million increase requested for emerging infectious diseases. Also included is \$25 million for a pilot program for combating antimicrobial resistant diseases.

- **Bioterrorism:** Total program level is \$181 million. This represents an increase of +\$33 million (+21%) above the President's Budget and +\$8 million (+5%) above FY 2000. This includes the full \$52 million requested for the National Pharmaceutical Stockpile, \$32 million for the Health Alert Network, and \$18 million for anthrax vaccine evaluation studies.
- **Immunization:** Total program level is \$588 million, an increase of \$59 million (+11%) above the President's Budget and +\$78 million (+15%) above FY 2000. This includes \$182 million, an increase of +\$42 million (+30%) over FY 2000 for State and local infrastructure and operations; \$210 million, +\$20million (+11%) over FY 2000 for vaccine purchases; and the requested \$91 million, an increase of +\$5 million (+5%) over FY 2000 for global polio activities.
- **Buildings and Facilities:** CDC received \$175 million, +\$48 million (+38%) above the President's Budget, for their building plans. This is the first increment of funding that CDC recommended in their Master Plan for completion of priority construction projects over the next five years.
- **Chronic and Environmental Disease:** Total program level is \$498 million, an increase of +\$113 million (+29%) above the President's Budget and +\$123 million (+33%) above FY 2000. CDC received \$103 million, an increase of +\$5 million, to fully fund the President's request for prevention of youth smoking. CDC's environmental health lab biomonitoring program received \$47 million, an increase of +\$29 million (+161%) over the FY 2000 level. In addition, Congress provided increases above the President's Budget for CDC prevention programs, including +\$24 million for cancer programs, +\$18 million for asthma, +\$10 million for cardiovascular diseases, +\$10 million for a nutrition and physical activities, +\$7 million for diabetes, +\$7 million for fetal alcohol syndrome, +\$6 million for autism, +\$3 million for infant hearing and +\$2 million for epilepsy.
- **Eliminating Racial and Ethnic Disparities:** Total program level is \$38 million, an increase of +\$3 million (+8%) over the President's Budget, and +\$8 million (+26%) above FY 2000. Thirty-two community-based demonstration projects were planned with funds provided in FY 1999, and fifteen to twenty began implementation with FY 2000 funding. The President's Budget proposed to increase the number of community-based projects being implemented by two, and included funds for planning grants targeting Native American populations.
- **Injury Prevention:** Total program level is \$102 million, an increase of +\$7 million (+7%) above the President's Budget and +\$12 million (+13%) above FY 2000. This includes the full +\$5 million increase requested for CDC's support of the Violence Against Women Initiative, as well as an increase above the President's Budget of +\$3 million for

prevention of child abuse and neglect, and \$2 million to work with the Consumer Product Safety Commission to identify products that contribute to common injuries.

- **Sexually Transmitted Diseases:** Total program level is \$163 million, an increase of +\$12 million (+8%) above the President's Budget and +\$27 million (+20%) above FY 2000. This includes increases above FY 2000 of +\$15 million for syphilis elimination and \$6 million for chlamydia.
- **Breast and Cervical Cancer:** Total program level is \$185 million, an increase of +\$13 million (+8%) above the President's Budget and +\$18 million (+11%) above FY 2000. The bill maintains a statutory authority to use up to \$10 million for the WISEWOMAN program and to expand the program from 6 to 15 States.
- **Epidemic Services:** Total program level is +\$232 million, an increase of +\$147 million (+171%) over the President's Budget and +\$128 million (+124%) over FY 2000. This includes \$125 million for a new National Campaign to Change Children's Health Behaviors. This program was envisioned by Chairman Porter and represents his view that CDC will involve all health agencies in structuring a major media campaign.
- **Health Statistics:** Total program level is \$116 million, an increase of +\$6 million (+6%) above the President's Budget and +\$11 million (+11%) over FY 2000. Congress maintained the approximate historical shares of BA and one-percent evaluation funding.
- **Occupational Safety and Health:** Total program level is \$252, an increase of +\$32 million (+15%) above the President's Budget, and +\$37 million (+17%) above FY 2000. The Department of Labor also will transfer to National Institute for Occupation Safety and Health (NIOSH) more than half of the \$60 million included in its appropriation for the implementation of the new Energy Employees Occupational Illness Compensation Act of 2000. NIOSH will use these funds to conduct scientific reviews of compensation claims made by former Department of Energy workers employed at nuclear weapons manufacturing facilities.
- **Tuberculosis:** Total program level is \$134 million, an increase of +\$6 million (+5%) above the President's Budget and the FY 2000 level. This includes additional funds to continue to combat global TB and fight drug-resistant strains internationally and domestically.
- **Prevention Centers:** Total program level is \$25 million, an increase of +\$10 million (+70%) above the President's Budget and +\$7 million (+41%) above FY 2000.
- **Preventive Health Block Grant:** Total program level is \$179 million, the amount requested in the President's Budget.

- **Program Administration:** The conferees, for the first time, provided a combined \$669 million line-item for CDC intramural spending on staffing and to conduct technical assistance, public health research, surveillance and investigations of outbreaks. This is a decrease of -\$24 million, (-3%) below the President's Budget and an increase of +\$21 million (+3%) above the FY 2000 level. This includes \$38 million in funds requested for the Office of Director.
- **Agency for Toxic Substances and Disease Registry (ATSDR):** On October 27, the President enacted the FY 2001 Veterans Affairs, Housing and Urban Development, and Independent Agencies Appropriations Bill which includes appropriations ATSDR. The bill provided \$75 million for ATSDR, an increase of +\$11 million (+17%) more than the President's request and +\$5 million (+7%) over FY 2000. Further, the bill appropriates funding directly to HHS for ATSDR, which has historically been funded through EPA. This means that ATSDR will now be submitting budget requests to the Department.

National Institutes of Health

A total of \$20.307 billion was provided to NIH, an increase of +\$1.5 billion (+7.9%) over the President's Budget, and an increase of +\$2.5 billion (+14.0%) over the FY 2000 level (this does not include funding provided to NIEHS by the VA/HUD committee). This represents the third year of the Congress' announced plan to double the NIH budget over five years. The bottom line figure for NIH reflects the transfer of \$5.8 million out of the NIH appropriation to support directly in OPHS the recently transferred and renamed Office for Human Research Protections.

- **Distribution by Institute:** Most Institutes received increases of about +13-14% over FY 2000. A few (Alcohol, Nursing, and Fogarty) were provided increases in the +16-17% range. Other significant exceptions were for the National Center for Complementary and Alternative Medicine (+29%) and the National Center for Research Resources (+21%).
- **Minority Health and Health Disparities Research:** Conference action accommodated the recent statutory establishment of a National Center on Minority Health and Health Disparities (NCMHD) at NIH, and funded it at \$130 million. NIH will combine into MCMHD the resources for the predecessor Office of Research on Minority Health with those of the Minority Health Initiative, both of which had been funded out of the Office of the Director. The \$130 million appropriated for FY 2001 represents a increase of \$13 million (+11%) over the President's request and \$33 million (+33%) over the comparable FY 2000 level.
- **Institutional Development Awards (IDeA) Program:** Congress provided \$100 million in FY 2001 for the IDeA program within the National Center for Research Resources (NCRR), dramatically increasing this program for the second year in a row. Funding was \$10 million in FY 1999 and \$40 million in FY 2000; no further increase had been requested in the President's budget. This program is intended to broaden the geographic

distribution of NIH awards by enhancing the competitiveness of research institutions in States which historically have had low rates of success in obtaining funding.

- **Neuroscience Center Construction:** Congress provided the requested first phase of construction funding (\$47 million) for the initial part of NIH's National Neuroscience Research Center facility. Instead of also providing the requested advance appropriation of \$26 million for the second phase of this building, Congress included bill language authorizing NIH to contract for the full scope of the project even with only partial funding provided. Congress also provided that the building will be named for the retiring Labor/HHS Appropriations Subcommittee Chairman John Edward Porter.
- **AIDS Research:** The conference report indicated its understanding that within the overall 14.0% increase in FY 2001, NIH intended to provide an increase of 12.0% (+\$241 million) over FY 2000 for AIDS research, for a total of over \$2.2 billion. Following past practice, Congress included resources for AIDS research within each Institute, but without specific earmarked amounts. This was inconsistent with the President's request to consolidate AIDS dollars within a separate Office of AIDS Research appropriation. NIH was again provided limited authority to transfer up to three percent of AIDS funds between Institutes, if necessary.
- **Stem Cell Research:** Congress did not alter the existing prohibitions on Federal funding of human embryo research, which should not impair NIH's plans to support research that uses human pluripotent stem cells as long as they are derived through non-Federal funds and follow the requirements of the recently published Stem Cell Research Guidelines.
- **Return on Investment in Research:** The conference report included language directing NIH to prepare a plan by July 2001 to ensure that taxpayers' interests are protected in securing an appropriate return on the NIH investment in basic research related to FDA-approved therapeutic drugs with annual U.S. sales of at least \$500 million and which received NIH funding in their development. This compromise language had been negotiated between NIH and Senator Ron Wyden.
- **NIH Bayview Leased Facilities:** Congress included bill language authorizing GSA to enter into a long-term lease to allow construction of new research facilities to replace those currently used by two NIH Institutes (Drug Abuse and Aging) at the Bayview campus of Johns Hopkins University in Baltimore, Maryland.
- **Children's Environmental Health Longitudinal Study:** The conference report stated that the Appropriations Committees were supportive of NICHD's plans to conduct a national longitudinal study of environmental influences on children's health and that the budget included funds to support this initiative in FY 2001.
- **Chimpanzee Care Contract:** The conference report included bill language that waived the matching requirement for the contract to manage and care for the 288 chimpanzees

acquired by NIH from the Coulston Foundation. It also required that the contractor either be accredited by the Association for the Accreditation of Laboratory Animal Care International or have a Public Health Services assurance.

- **NIH/SAMHSA Grantee Salary Cap:** Congress again raised the cap on salaries that can be paid to NIH and SAMHSA grantees out of grant awards to Executive Level I (now \$161,200). Congress last year had raised this cap from Executive Level III (previously \$130,200) to Executive Level II (previously \$141,300).
- **New Loan Repayment Program:** The conferees modified existing law to allow extramural researchers to be included in the clinical research loan repayment program for individuals from disadvantaged backgrounds. This loan repayment program had previously been limited to intramural researchers.
- **Acting NIH Director:** The conferees included a provision that would allow Dr. Ruth Kirschstein to serve as the official Acting Director of NIH until a new Director is confirmed by the Senate.
- **Plaza Commemoration for Paul G. Rogers:** The conferees also urged NIH to designate the plaza in front of the James Shannon Building (also known as “Building 1”) on the NIH campus as the Paul G. Rogers Plaza and to commemorate it in his honor.
- **Biomedical Imaging and Bioengineering Institute:** After the Appropriations agreements were concluded, the Senate passed, under unanimous consent, legislation the House had earlier passed to establish a new National Institute of Biomedical Imaging and Engineering in NIH. The President signed the bill on December 29th. Appropriations action, though, did not reflect this legislation.
- **NIEHS Superfund-Related Activities:** In the FY 2001 VA/HUD Appropriations bill, Congress provided \$63 million to the National Institute of Environmental Health Sciences (NIEHS) to support environmental health research (\$40 million) and worker training programs in hazardous substance clean-up (\$23 million). This was an increase of \$3 million (+5.0%) over FY 2000, and +\$15 million more than requested by the President. These funds have historically been budgeted through EPA’s Hazardous Substance Superfund budget, but were appropriated directly to NIEHS for the first time in the FY 2001 bill. This will mean that NIEHS will now be submitting budget requests for funding through the VA/HUD Appropriations Bill to the Department, instead of to EPA, effective FY 2002. In FY 2001, about 11 percent of the total NIEHS budget will come from the VA/HUD Appropriations bill.
- **Type I Diabetes Research:** BIPA also increased the mandatory funding for type I diabetes research from \$30 million to \$100 million a year beginning in FY 2001. NIH and CDC will need to develop a revised interagency research plan for these additional funds, as was originally done in 1997 under NIH’s leadership.

Substance Abuse and Mental Health Services Administration

The FY 2001 final conference agreement included a program level of \$2.958 billion for substance abuse and mental health services, an increase of +\$307 million (+12%) over FY 2000. This level is +\$123 million (+4%) above the President's FY 2001 request.

Mental Health: The conferees provided \$782 million for Mental Health services in FY 2001, an increase of +\$151 million (+24%) over FY 2000 and +\$51 million (+7 %) above the President's request.

- **Mental Health Block Grant:** The agreement provided \$420 million for the Mental Health Block Grant, an increase of +\$64 million (+18%) over FY 2000.
- **Mental Health Knowledge Development and Application:** The agreement provided \$204 million for the Mental Health KDA, an increase of +\$67 million (+49%) over FY 2000. This level is +\$37 million (+22%) above the President's request. It is intended that \$90 million is for youth violence prevention activities that are jointly administered by the Departments of Education and Justice.
- **Children's Mental Health Services:** FY 2001 funding totals \$92 million, an increase of \$9 million (+11%) over the FY 2000 and +\$5 million (+6%) above the budget request.
- **PATH Homeless Formula Grant:** The FY 2001 Conference funding level is \$37 million for grants to States for the homeless. This amount is +\$6 million (+19%) above the FY 2000 amount.
- **Protection and Advocacy:** The FY 2001 funding level is \$30 million, which is +\$5 million (+20%) over the FY 2000 level and +\$4 million (+16%) above the President's FY 2000 request.

Substance Abuse: The FY 2001 program level of \$2.1 billion is +\$135 million (+7%) above FY 2000 and \$53 million (+3%) above the President's request. The Conference agreement provided \$53 million for targeted service expansion and capacity building to minority community-based substance treatment programs and \$32.1 million to implement programs that strengthen substance prevention capacity in communities of color disproportionately impacted by the HIV/AIDS epidemic. Overall drug treatment funding will enable SAMHSA to provide services to an estimated 410,000 individuals in FY 2001, an increase of +12,000 over FY 2000.

- **Substance Abuse Block Grant:** The FY 2001 conference funding level is \$1.7 billion, +\$65 million (+4%) above FY 2000 and an increase of +\$34 million (+2%) over the President's budget.

- **Substance Abuse Treatment Knowledge Development and Application (KDA) and Targeted Capacity Expansion (TCE):** The FY 2001 funding level of \$256 million is +\$42 million (+20%) over FY 2000. Within the total provided, \$10 million is to initiate grants to local non-profit and public entities for the purpose of developing and expanding substance abuse services for homeless persons.
- **Substance Abuse Prevention KDA and TCE:** The FY 2001 funding level of \$175 million is +\$29 million (+19%) above the FY 2000 level and \$33 million (+23%) above the President's request. This level included \$15 million to carry out the fetal alcohol syndrome prevention and services program.
- **Program Management:** The agreement provided \$79 million for Program Management an increase \$20 million (+34%) over FY 2000. It is intended that \$12 million be used in conjunction with the National Household Survey.

Agency for Healthcare Research and Quality

The conferees provided a total program level of \$270 million for AHRQ, an increase of +\$20 million (+8%) above the President's budget and +\$66 million (+33%) over FY 2000.

- **One-Percent Evaluation:** The conferees increased by +86 percent (+\$76 million) the amount of one-percent evaluation funding used to finance AHRQ activities.
- **Medical Errors:** Congress has directed AHRQ to spend \$50 million "to determine ways to reduce medical errors" in response to the recent Institute of Medicine study, and an additional \$10 million on research to investigate the impact of the health care workplace on medical errors and the quality of care provided to patients.

Health Care Financing Administration

Congress appropriated \$2.246 billion for HCFA's Program Management account. Of this amount, HCFA's Research, Survey and Certification, Federal Administration, and Medicare Contractor sub-accounts totaled \$2.194 billion, +\$108 million above the President's Budget request. Congress's total appropriation for the National Medicare Education Program is estimated at \$70 million (HCFA's Office of the Actuary will estimate the total amount of user fees authorized at a later date). This amount is \$80 million below what was proposed in the President's budget.

- **Research:** Congress appropriated \$139 million for research, +\$84 million more than requested in the President's Budget. The increase is for a number of earmarked research projects that were included in appropriations bill language. This includes \$70 million for Medicaid research and demonstration projects. There is also \$20 million appropriated for the Nursing Home Transition Initiative, to continue demonstration projects on Medicaid coverage of community-based attendant care services for people with disabilities.

Congress also incorporated \$50 million into the research and demonstration line for Real Choice Systems Change grants, similar to Section IV of the Medicaid Community Attendant Services Supports Act (MiCASA). This will fund initiatives that provide specific “action steps and timetables” to achieve systems improvements in the provision of long term care services and supports.

- **Survey and Certification:** Congress appropriated \$244 million, +\$10 million more than the President’s Budget request in the Survey and Certification budget to supplement nursing home enforcement activities.
- **Federal Administration:** Congress appropriated \$505.9 million, +\$10 million more than the President’s Budget request.
- **Medicare Contractors:** Congress appropriated \$1.305 billion, an additional +\$4 million above the President’s Budget request. Congress did not enact legislation proposed in the President’s Budget to move provider enrollment and overpayment recovery functions from HCFA’s Medicare Contractors discretionary account to the Medicare Integrity Program, leaving Medicare contractor oversight activities underfunded by \$14 million.
- **National Medicare Education Program:** The Congress ignored the President’s Budget proposal to repeal the lowered amount of managed care contractor user fees authorized in the Balanced Budget Refinement Act of 1999 (BBRA) and authorize \$150 million in user fees; instead they complemented BBRA’s reduced user fees of \$18 million with an additional \$52 million in discretionary budget authority. Combining these amounts with base program management and PRO funding of \$53 million provides for a total of about \$123 million in FY 2001 for the NMEP.
- **Unbudgeted Costs:** The challenge during the coming year will be to identify funding for those HCFA costs that have arisen since the President’s budget was submitted. These include (1) costs associated with larger-than-expected beneficiary increase in the fee-for-service program due to Medicare+Choice plans either dropping out of the program or reducing their service areas, (2) clinical trials activities costs, and (3) the additional costs of administering the newly enacted Benefits Improvement and Protection Act of 2000.

Administration for Children and Families

The final conference agreement included a total discretionary program level of \$12.149 billion for ACF, an increase of +\$451 million (+3.9%) above the President's Budget and +\$3.040 billion over the FY 2000 level. Among these funds, \$1.4 billion of the Head Start appropriation is an advance appropriation available October 1st, 2000, and \$300 million is for the LIHEAP Emergency Contingency Fund, which the President released on December 30th.

- **Head Start:** The conferees provided an additional +\$934 million above the FY 2000 level, for a total of \$6.2 billion for Head Start. Of these funds, \$1.4 billion is advance funding, to become available on October 1, 2001. At this funding level, Head Start will provide services to 916,000 children (+50,000 over FY 2000), including +9,900 additional Early Head Start children. Of the increase, \$356 million is for Quality activities including training and development and reduction of staff turnover, \$179 million is for cost of living adjustments to help retain qualified staff, and \$373 million is to expand services to the 60,000 additional children.
- **Child Care and Development Block Grant (CCDBG):** The conference agreement provided a total of \$2.0 billion, an increase of +\$817 million over FY 2000. This is the full amount requested in the President's Budget. Included in these funds are earmarks for child care research (\$10 million), child care resources and referral and school-aged child care activities (\$19 million), and quality improvements (\$273 million). Of the increase for quality, \$100 million is to improve infant and toddler child care quality; this is +\$50 million more than the request. Breaking from past practice, the conferees did not include the requested FY 2002 advance funding for the CCDBG. A total of 2.2 million children in FY 2001 will benefit from Federal childcare support, both through the CCDBG and the entitlement portion of the Child Care and Development Fund.
- **Early Learning Fund:** The conferees provided \$20 million in discretionary funds for the new Early Learning Fund. The President's Budget had requested \$600 million in mandatory funds. The Fund, also authorized in the appropriations bill, is designed to improve the quality of child care for children from birth-to-five through challenge grants to communities to design and monitor their own plans for promoting early childhood development.
- **Low Income Home Energy Assistance Program (LIHEAP):** The Conferees added \$300 million in regular funding to the \$1.1 billion enacted a year ago, for a total of \$1.4 billion in FY 2001 funding. The Conferees also provided the requested \$300 million in emergency contingency funds, which the President released on December 30. When combined with the \$556 million in FY 2000 emergency contingency funding released for use this winter, States will have \$2.26 billion to assist families with this winter's energy bills. However, Congress did not provide the requested advance appropriation of \$1.1 billion for FY 2002.

- **Runaway and Homeless Youth:** A total of \$69 million was provided for Runaway and Homeless Youth programs. This is +\$5 million over FY 2000, but -\$5 million below the President's request.
- **Refugee and Entrant Assistance:** A total of \$433 million was provided for Refugee and Entrant Assistance. In addition, \$60 million in prior-year funds are available for use in FY 2001. The FY 2001 funding level provides assistance and services to an estimated 115,000 refugees (including 19,000 asylees) and \$10 million for victims of torture, the President's request. The conferees included language that will allow ACF to expend funds for a new certification program to verify eligibility for benefits to victims of trafficking, established by the recently enacted Victims of Trafficking and Violence Protection Act.
- **Adoption Incentives:** The conferees provide \$43 million for adoption initiatives as requested in the President's Budget. The conferees included language that will allow funds for this program to be used to fully fund prior year bonuses.
- **Social Services Research:** Funding totals \$38 million for social services and income maintenance research activities, +\$10 million above FY 2000. The conferees earmarked \$5 million of the increase to be transferred to the Census Bureau for continued data collection on the Survey of Income and Program Participation and an additional \$5.2 million for other special earmarked projects.
- **Developmental Disability:** A total of \$134 million was provided for the Developmental Disabilities program, +\$11 million above the FY 2000 level and the President's Budget. Funding increases are directed to Protection and Advocacy (+\$3 million), Basic State Grants (+\$6 million), and University Affiliated Programs (+\$2 million).
- **Native American Programs:** The conferees provided \$46 million for Native American programs. This funding level is +\$11 million above the FY 2000 level, and +\$2 million above President's Budget request. This funding level includes \$1.6 million for special earmarked projects. As part of the Administration's FY 2001 Tribal Initiative request for Native American Programs, increases will be directed with special attention to energy development and creation of tribal codes and ordinances.
- **Community Service Programs:** A total of \$683 million was provided for community services programs. This funding level is +\$88 million above FY 2000, and +\$142 million above the President's Budget request. Included in this amount is \$600 million for Grants to States for community service programs, a +\$72 million increase over FY 2000. Funding also included \$25 million for individual development accounts which matched the request. The conferees provided funding for several programs which were not requested in the President's Budget including: community economic development (\$30 million), rural community facilities (\$5 million), community food and nutrition (\$6 million), and national youth sports (\$16 million).

- **Family Violence Programs:** The President's full request of \$134 million was provided for Family Violence programs, an increase of +\$16 million over FY 2000. This funding level will expand the current network of over 2,000 shelters and safe-houses, providing services to +30,000 additional survivors of domestic and sexual violence and increase the capacity of the National Domestic Violence Hotline.
- **Program Administration:** The conferees provided \$164 million for Federal Administration, an increase of +\$16 million above FY 2000, and nearly matching the President's Budget request. The increase will support activities including child welfare monitoring reviews, assisting Tribes with TANF and Child Support Enforcement activities, managing increases in the number of new Head Start and Early Head Start grantees, and implementing the Administration's Child Care Initiative.

Administration on Aging

The final agreement included a budget authority total of \$1.103 billion for AoA, +\$170 million (+18%) above the FY 2000 appropriation and +\$20 million (+2%) above the request.

- **Family Caregivers:** The conferees provided the full \$125 million requested for the new Family Caregivers initiative authorized in the recently enacted Older Americans Act Amendments of 2000. Of the \$125 million, \$5 million is reserved for Native American caregiver programs.
- **Supportive Services:** The final Appropriation provided the additional +\$15 million included in the budget request for core supportive services (e.g., transportation, homemaker and personal care services and adult day care) for a total of \$325 million.
- **Meals Programs:** The conferees provided an increase of +\$9 million for a total of \$530 million, sufficient to provide an estimated 282 million meals. The budget request straight-lined funding for both meals programs (congregate and home delivered) at their FY 2000 levels.
- **Grants for Native Americans:** A total of \$23 million was provided, including the +\$5 million increase for additional meals and supportive services for Native American grantees sought in the budget request. The \$5 million increase is sufficient to provide an additional +307,000 meals.
- **State and Local Innovations:** The conferees provided a total of \$38 million, +\$6 million above the FY 2000 level. The conference report specifically earmarks \$18 million of this amount for 35 separate earmarked projects. Funds were not provided for the +\$5 million increase requested as part of the Department-wide mental health initiative.
- **Preventive Health:** The appropriation provided a total of \$21 million, and increase of +\$5 million (+31%) over the FY 2000 level. The additional funds are for medication

management, screening and education to prevent incorrect medication and adverse drug reaction.

- **Alzheimer's Disease:** The Appropriation provided a total of \$9 million, an increase of +\$3 million (+50%) over the FY 2000 level. In FY 2000, AoA awarded Alzheimer's Disease Demonstration Grants to 17 States.
- **Program Administration:** The Conferees provided a total of \$17 million, the same as the budget request, and an increase of \$774,000 (+5%) over the FY 2000 level. The additional funds will allow AoA to annualize the cost of the 20 new staff added in FY 2000, fully cover increased pay costs for existing staff, and meet other increased operating costs.

General Departmental Management

The conferees provided a total of \$297 million in discretionary budget authority for GDM, an increase of +\$11 million (+4%) above the comparable FY 2001 President's Budget request and +\$21 million (+7%) above the comparable FY 2000 level. This total includes \$132 million for basic departmental management operating expenses, including increases for FY 2001 pay-related costs. This level is -\$0.5 million below the President's Budget request and +\$5 million (+4%) above the FY 2000 level.

- **HIV/AIDS Prevention and Treatment:** The conference committee moved \$50 million for HIV/AIDS prevention and treatment activities in minority communities from the Public Health and Social Services Emergency Fund into the GDM appropriation. This is the full amount requested in the President's Budget, and the same funding level as in FY 2000.
- **Office for Human Research Protection:** The conference committee approved the transfer of the Office for Human Research Protection from NIH to GDM, at the full requested level of \$6 million, a +\$4 million increase (+160%) over the FY 2000 level.
- **Office of Minority Health:** The conferees provided \$49 million, +\$10 million (+27%) above the President's request and +\$11 million (+30%) over the FY 2000 funding level. However, virtually all of this increase is earmarked for 15 specific projects.
- **Adolescent Family Life:** The conferees provided \$24 million, +\$17 million (+219%) over the request and +\$5 million (+26%) above the FY 2000 level. The increase restores proposed reductions and funds new care programs for pregnant and parenting teens.
- **Office on Women's Health:** The agreement appropriated \$17 million, +\$1 million (+5%) over the President's request and +\$2 million (+11%) above FY 2000. Included in this total is an earmark of \$0.4 million for the African-American Women's Health and Wellness Project at Spelman College. The Conferees also support OWH funding a complementary adolescent bone health initiative with the National Osteoporosis Foundation.

- **Office of Emergency Preparedness:** The conference committee provided \$12 million is the same as the President's Budget request and +\$2 million (+21%) over the FY 2000 funding level. This level funds OEP's routine non-bioterrorism related activities.
- **US-Mexico Border Health Commission:** The conferees provided \$2 million for continuation of this Commission, an increase of +\$0.5 million (+36%) above both the President's Budget request and the FY 2000 level.
- **President's Council on Physical Fitness and Sports:** The conference level of \$1 million is the same as the FY 2000 level and slightly below the President's Budget request.
- **Youth Violence Initiative:** The final conference agreement reduced funding for continuation of the Surgeon General's Youth Violence Initiative to \$0.4 million, or slightly below both the President's request and the FY 2000 funding level of \$0.5 million.
- **Other Activities:** The conference report included funds for several directed projects:
 - ▶ \$0.8 million for continuation of the human services transportation grant;
 - ▶ \$0.5 million for a new contract with the National Academy of Sciences, to evaluate children's health and safety;
 - ▶ \$0.6 million for the ARCH National Resource Center on Respite and Crisis Services in Chapel Hill, NC;
 - ▶ \$0.5 million for continued development of the Center for Integrative Medicine at the Thomas Jefferson University Hospital in Philadelphia;
 - ▶ \$0.5 million for the Glaucoma Caucus Foundation to provide glaucoma screening and outreach activities;
 - ▶ \$0.4 million for a study on the feasibility of tribe compacting for the operation of Departmental programs, as required by the Tribal Self-Governance Amendments of 2000;
 - ▶ \$0.2 million for the Briarpatch Transitional Living Program in Madison, WI;
 - ▶ \$0.1 million for public service announcements regarding abstinence education for Bucks County, PA.

Policy Research

The conference agreement provided \$17 million for Policy Research, the same as both the President's Budget request and the FY 2000 level. Included in this total is an earmark of \$7 million to continue the study of welfare reform outcomes.

Office of Inspector General

The conference report provided the OIG with \$34 million in discretionary funding, equal to the President's budget request and +\$3 million (+7.9%) over the FY 2000 enacted level. This level will ensure that the OIG can continue to expand and strengthen its work in critical non-

Medicare/non-Medicaid areas, including public health issues, children and family programs (including child support enforcement), aging programs and department-wide management work.

Office for Civil Rights

The conference report provided OCR with \$28 million, an increase of \$0.6 million over the President's Budget request and +\$6 million (+24%) over the FY 2000 enacted level. This level will ensure that the OCR can begin its technical assistance activities related to the Privacy Rule that will help covered entities understand how to comply with the new regulations. It also will help support critical civil rights enforcement initiatives, including reducing racial disparities in health, as proposed in the President's Budget.

Public Health and Social Services Emergency Fund

The conferees provided a total of \$241 million for PHSSEF, +\$47 million (+24%) above the comparable FY 2001 President's Budget request and -\$115 million (-32%) below the FY 2000 level. This year the Conference Committee designated all of the funds in the PHSSEF for Bioterrorism activities:

- **CDC Bioterrorism:** The conference report provided \$181 million for CDC bioterrorism, including \$32 million for the Health Alert Network, \$18 million for the second year of a collaborative research program with the Department of Defense on the anthrax vaccine, \$2 million to continue research into anti-infective agents to combat emerging diseases, and \$130 million for all other activities;
- **Office of Emergency Preparedness:** The appropriators provided \$30.1 million for OEP activities, including \$17 million to establish 25 new Metropolitan Medical Response Systems (MMRS) and add the bioterrorism component to 20 existing MMRS; and
- **Vaccine Research and Development:** The agreement included \$30 million for research and development of improved vaccines for anthrax and smallpox (last year these funds were allocated by the Department to CDC and FDA).

General Legislative Provisions

New Provisions: The following new general provisions were included in the Labor/HHS appropriations act:

- **Across-the-Board Administrative and Related Expenses Reduction:** The conference language provided for a -\$25 million pro-rata cut for administrative and related expenses of the Departments Labor, Health and Human Services, and Education.
- **Organ Procurement Organizations:** The language amended the recertification process for Organ Procurement Organizations. The conferees direct the Secretary to promulgate regulations by January 1, 2002 that require recertifications to occur not more than once every four years, to be based upon multiple outcome and process performance measures from the Organ Procurement Organizations, and to provide for an appeal process in the case of a decertification.
- **CDC International HIV/AIDS Activities:** The conference report included authority to support CDC's efforts to carry out international HIV/AIDS and other infectious and chronic disease activities abroad. The bill language allows CDC to operate in the short-term through the award of personal services contracts in situations where other options, such as the use of existing staff, are ineffective and impractical. Report language directs HHS to work with OMB, and Congressional committees as appropriate, to consider effective long-term solutions for addressing these types of needs. The conference also ensures that the Department of State can provide necessary support services for CDC's international health programs, including the purchase of necessary lab equipment and the lease, repair and renovation of laboratory and other facilities.
- **Human Papillomavirus:** The language amends the Public Health Services Act to require the CDC to conduct surveillance of the Human Papillomavirus (HPV), provide a progress report on the surveillance to the Congress no later than one year after the effective date of this section, conduct prevention research on HPV, provide a progress report on the prevention research one year later and a final report three years after the effective date of this section, and prepare and distribute educational materials on HPV. The language requires the Secretary to reexamine existing condom labels to determine if the labels are medically accurate regarding the effectiveness in preventing STDs, including HPV.
- **Saccharin Labeling:** The conference repeals the mandated saccharin warning label.
- **Evaluation of Abstinence Education Programs:** The language extends the funding available for evaluations of abstinence education State programs to 2005 and provides for an interim report not later than January 1, 2002.
- **Abstinence Education Grants:** The conference report prohibits the awarding of abstinence education grants to communities authorized in the Emergency Supplemental Act, 2000 until March 1, 2001.
- **Office for Human Research Protections Transfer:** The language directs a transfer of \$5.8 million from NIH to the GDM account to support the newly established Office for

Human Research Protections. Report language directs that future funding for the office will be requested within the Office of the Secretary.

- **State Supplementary Payments:** The conference accelerates the effective date of current law requiring a State that has entered into an agreement with the Social Security Administration for Federal administration of State supplementary payments be required to remit payments and fees no later than the business day preceding the SSI payment from September, 2009 to September, 2001.
- **Purpose for the National Institute of Child Health and Human Development:** The language amends the Public Health Service Act to revise the purpose of the Institute to include gynecologic health.

Existing Provisions: The following general provisions were maintained in their existing form or preserved with some modifications:

- **Transfer of Discretionary Funds:** The separate transfer authorities for the Secretary and the Director of the National Institutes of Health remain unchanged from FY 2000. However, in report language, the conferees require a letter of reprogramming to the appropriation committees and a written response from the committees prior to a transfer of funds to CDC.
- **Withholding of Substance Abuse Funds:** The conference adjusted the FY 2000 language regarding the withholding of substance abuse funds. This year's language prohibits the Secretary from withholding a State's substance abuse block grant funds if that State is not in compliance with the requirements of the Synar Amendment but certifies it will commit additional State funds to prevent the sale of tobacco products to minors. The provision also prohibits the Secretary from withholding substance abuse funding from a territory that receives less than \$1 million.
- **Prohibition on Distribution of Sterile Needles:** The prohibition of using any funds to carry out a program distributing sterile needles and syringes for the hypodermic injection of any illegal drug remains unchanged from FY 2000.
- **Hyde Language:** The language prohibiting the use of appropriated funding for health benefits coverage that includes coverage of abortions remains unchanged from FY 2000.
- **Human Embryo Research:** The language prohibiting the use of appropriated funding for creating a human embryo or performing research on a human embryo remains unchanged from FY 2000.
- **Unique Health Identifier:** The prohibition of using any appropriated funding to promulgate or adopt a final standard for providing a unique health identifier remains unchanged from FY 2000.

- **Medicare Competitive Pricing Demonstrations:** As was the case in FY 2000, no funds may be used to administer or implement the Medicare Competitive Pricing Demonstration Project in Arizona or Kansas City.
- **Physicians Comparability Allowances:** The conference extends the authority of physicians comparability allowances for five years through FY 2007.
- **NIH and SAMHSA Salary Cap:** Congress raised the limit NIH and SAMHSA may pay an individual, through a grant or other extramural mechanism, from Level II of the Executive Schedule (as provided in the FY 2000 appropriation) to Level I for FY 2001.
- **Fifth Quarter:** The Administration proposed and the Congress agreed to strike the provision that allows salaries and expenses funding that is unobligated at the end of the fiscal year to remain available for three additional months. The Department has never used this authority.