

July 10, 2024

TO: NASTAD Members

FR: Stephen Lee, Emily Schreiber, and Julio Contreras

RE: Update: FY2025 Appropriations

On July 10, the House Appropriations Committee (HAC) [approved](#) the Labor, Health and Human Services, Education, and Related Agencies (LHHS) Subcommittee [spending bill](#) and released an [accompanying report](#) for fiscal year 2025 (FY2025), which begins on October 1, 2024. The LHHS bill proposes major cuts to health programs across the Department of Health and Human Services (HHS), totaling a decrease of 7% compared to FY2024 enacted levels.

These cuts include the elimination of the Centers for Disease Control and Prevention (CDC) component of the *Ending the HIV Epidemic Initiative* (EHE) and a \$190 million cut to the Health Resources and Services (HRSA) Ryan White HIV/AIDS Program (RWHAP).

Notably, the subcommittee proposed a \$10 million increase for the CDC hepatitis program and a \$6.1 million increase for the infectious disease and opioids program.

This is a step in the appropriations process and does not mean that these cuts or increases will be realized. HAC Ranking Member Rosa DeLauro (D-CT-03) [panned](#) the proposal, calling on Republicans to reject partisan cuts and work with Democrats to develop a bipartisan spending proposal that can pass both chambers. Senate Democrats are currently drafting the text of their spending bills and will [markup](#) the proposals in July. The Senate and House spending bills must be reconciled before they can become law. NASTAD will continue to advocate for the highest possible funding levels for programs.

A detailed breakdown of the spending bill and report is below and attached is a chart detailing the funding proposal.

Department of Health and Human Services

Centers for Disease Control and Prevention

The CDC is facing the steepest cut in the bill at a 22% decrease proposed for FY2025. The subcommittee funded the CDC National Center for HIV, Hepatitis, STI, and TB Prevention (NCHHSTP) at \$1.77 billion, a decrease of \$213.9 million from FY2025.

Division of HIV Prevention

The breakdown of funding in the House bill is below:

| Budget Activity | Final FY2024 Appropriation | House Committee FY2025 |
|---|-----------------------------------|---------------------------------|
| Division of HIV Prevention Total | \$1.014 b | \$793.7 m (-\$220 m) |
| <i>HIV Prevention by Health Departments</i> | <i>\$755.6 m</i> | <i>\$755.6 m</i> <i>(0)</i> |
| <i>EHE Initiative</i> | <i>\$220 m</i> | <i>\$0</i> <i>(-\$220 m)</i> |
| <i>School Health</i> | <i>\$38.1 m</i> | <i>\$38.1 m</i> <i>(0)</i> |

Division of Viral Hepatitis

The House proposed an increase of \$10 million dollars for the Viral Hepatitis Program at CDC. The following language is included in the report on the intent of the increase:

Viral Hepatitis.—The Committee provides \$53,000,000 for Viral Hepatitis, an Increase of \$10,000,000 from fiscal year 2024. This increase will support health departments conducting viral hepatitis outbreak response and surveillance, support viral hepatitis elimination planning and implementation in target jurisdictions, and work with health clinics and community organizations to promote awareness and uptake of updated national viral hepatitis testing and vaccination recommendations.

Division of Sexually Transmitted Diseases

The Division of Sexually Transmitted Diseases received a \$10 million cut. The House released the following report language explaining the cut:

Sexually Transmitted Infections.—The Sexually Transmitted Infections programs included \$10,000,000 in both fiscal years 2023 and 2024 to advance the grant period. For fiscal year 2025, the Committee provides \$164,310,000, which will allow the program to operate at the same fiscal level and grant year as provided for fiscal year 2024.

Division of Tuberculosis Elimination

The Division of TB Elimination received flat funding at \$137 million in both the House and Senate bills.

Infectious Diseases and Opioid Epidemic

The House proposed to increase the CDC Infectious Diseases and the Opioid Epidemic Program (IDO) by \$6.1 million, for a total of \$29.1 million.

1. **Health Resources and Services Administration (HRSA)**

Ryan White Program

The breakdown of funding in the House bill is below:

| Budget activity | Final FY2024 Appropriation | House Committee FY2025 |
|--|-----------------------------------|-----------------------------------|
| Ryan White | \$2.581 b | \$2.381 b (-\$190 m) |
| <i>Part A</i> | <i>\$680.8 m</i> | <i>\$680.8 m</i> <i>(0)</i> |
| <i>Part B</i> | <i>\$464.6 m</i> | <i>\$464.6 m</i> <i>(0)</i> |
| <i>Part B ADAP</i> | <i>\$900.3 m</i> | <i>\$900.3 m</i> <i>(0)</i> |
| <i>Part C</i> | <i>\$209 m</i> | <i>\$209.0 m</i> <i>(0)</i> |
| <i>Part D</i> | <i>\$77.9 m</i> | <i>\$77.9 m</i> <i>(0)</i> |
| <i>AIDS Education & Training Centers (AETCs)</i> | <i>\$34.5 m</i> | <i>\$34.5 m</i> <i>(0)</i> |
| <i>Part F Dental</i> | <i>\$13.6 m</i> | <i>\$13.6</i> <i>(0)</i> |
| <i>Part F SPNS</i> | <i>\$25.0 m</i> | <i>\$0</i> <i>(-\$25.0 m)</i> |
| <i>Ryan White EHE</i> | <i>\$165 m</i> | <i>\$0 m</i> <i>(-\$165 m)</i> |

The following language is included in the report on the Ryan White HIV/AIDS Program:

Ryan White Formula Funding.—The Committee is concerned that the Ryan White Part A funding formula, which is calculated based on jurisdiction of diagnosis, disadvantages jurisdictions that experience increasing population sizes due to

incoming new residents. When HRSA last studied this issue in 2019, it found jurisdictions were over- and under-represented in the funding formula by up to 50 percent. The Committee urges HRSA to renew its analysis on discrepancies between where Ryan White patients are diagnosed and where they currently reside. The Committee requests an update in the fiscal year 2026 congressional justification on these findings and potential courses of action and considerations for a residence-based formula.

Health Centers

The House mark includes \$5.8 billion for health centers. It is unclear how the funding for Ending the HIV Epidemic PrEP initiative is included. The following language is included in the report:

Testing for Hepatitis C.—The Committee recognizes the value of point of care testing for the hepatitis C virus and supports efforts by HRSA to adopt practices and policies to test for the hepatitis C virus. The Committee further encourages HRSA to ensure that health centers have access to and utilize available point of care diagnostic tests to adequately test the populations they serve.

Vaccination.—The Committee encourages HRSA to redouble efforts to support health center grantees to adopt the necessary practices and policies to comply with the November 2021 Advisory Committee on Immunization Practices recommendation that all adults between 19 and 59 be vaccinated and the March 2023 CDC recommendation that all adults in the U.S. be screened for hepatitis B. The Committee further encourages HRSA to provide guidance to health centers about screening and immunization for patients in the 19–59 age cohort.

Office of Pharmacy Affairs

The bill includes flat funding for the Office of Pharmacy Affairs to implement the 340B Drug Pricing Program. The report includes the following language:

This office administers the 340B drug pricing program, which was designed to help safety-net providers maintain, improve, and expand patient access to health care services. The program lowers the cost of outpatient drugs to health clinics and nonprofit and public hospitals that serve a disproportionate share of low-income and rural patients. The Committee recognizes that 340B is a critical lifeline to safety-net providers, including children’s hospitals, Ryan White HIV/AIDS clinics, safety-net hospitals, health centers, and other providers. These covered entities reinvest 340B savings to reach more patients and provide more services. The Committee is concerned with some manufacturers who may not be in full

compliance with the 340B statute. Several manufacturers have implemented limits on access to 340B pricing, limiting the ability of covered entities to access these drugs. The Committee is pleased that HRSA continues to take steps to enforce the 340B statute, to refer violations of the statute to the HHS Office of Inspector General, and to appeal litigation in these matters. The Committee encourages HRSA to continue to use its authority and other appropriate measures to implement the program consistent with Federal law.

Minority AIDS Initiative

The bill reduces funding for the Minority HIV/AIDS Fund by \$15 million, bringing the total to \$45 million. It also includes the following language:

Tribal Set Aside.—The Committee notes that according to the CDC, HIV-positive status among Native Americans is increasing and nearly one-in-five HIV-positive Native Americans is unaware of their status. In addition, only three-in-five receive care and less than half are virally suppressed. To increase access to HIV/AIDS testing, prevention, and treatment, the Committee increases the Tribal set aside within the MHAF to \$6,000,000, which is \$1,000,000 above the fiscal year 2024 enacted level.

National Institutes of Health

The bill calls for a reorganization of the National Institutes of Health and requests \$47 billion, an increase of \$280 million. The report also includes the following language:

Microbicides.—The Committee recognizes that NIH research has shown that microbicides and pre-exposure prophylaxis products work to prevent HIV. The Committee supports NIH efforts to advance microbicide development efforts to produce next generation solutions for HIV prevention.

Office of AIDS Research.—While great advancements have been made in HIV prevention, health care, and treatment over the last 30 years, more must be done to improve the lives of the more than one million people with HIV in the U.S. and prevent the more than 31,000 new infections each year. The targeted HIV/AIDS research funding at the NIH is needed to develop improved access to health care and services for those with HIV, better prevention for at-risk populations from transmission, more effective treatments, and ultimately a cure for HIV.

SAMHSA

The report includes the following language that would prevent SAMHSA from utilizing overdose prevention funding for harm reduction programming.

Harm Reduction.—The Committee is concerned that SAMHSA has confused the normalization of illegal drug use with its mission to support prevention and recovery in relation to substance use disorder. The Committee continues to support the availability and provision of naloxone to reduce overdose deaths; however, the Committee provides no funding to support harm-reduction activities related to supporting the continued misuse of controlled substances.

Screening, Brief Intervention, and Referral to Treatment.—The Committee provides no funding for the Screening, Brief Intervention, and Referral to Treatment program. The Committee notes that SAMHSA has labeled the program as supporting “harm reduction” activities. The Committee further notes that following the decriminalization of drugs for personal use in Oregon in 2021, overdose deaths increased almost 50 percent.

Additionally, the bill includes the following language that maintains the ban on the use of federal funding to purchase syringes and expands the ban to include a prohibition against the use of funds for overdose prevention centers.

SEC. 525. Notwithstanding any other provision of this Act, no funds appropriated in this Act shall be used to purchase sterile needles or syringes for the hypodermic injection of any illegal drug: Provided, That such limitation does not apply to the use of funds for elements of a program other than making such purchases if the relevant State or local health department, in consultation with the Centers for Disease Control and Prevention, determines that the State or local jurisdiction, as applicable, is experiencing, or is at risk for, a significant increase in hepatitis infections or an HIV outbreak due to injection drug use, and such program is operating in accordance with State and local law: Provided further, That none of the funds appropriated in this Act may be used for the operation of a supervised drug consumption facility that permits the consumption onsite of any substance listed in schedule I of section 202 of the Controlled Substances Act (21 U.S.C. 812).

Department of Housing and Urban Development

HOPWA

The HAC also approved flat funding (\$505 million) for the Housing Opportunities for Persons With AIDS (HOPWA) Program within the Transportation, Housing and Urban Development, and Related Agencies Subcommittee bill.

Please contact the [PLA team](#) if you have any questions.

Attachment (1)

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