

The Budget Control Act of 2011 and Global Health: Projecting the Human Impact of the Debt Deal

The Budget Control Act of 2011 requires Congress to identify at least \$1.2 trillion in spending reductions over the next decade. Through the establishment of the bipartisan Joint Select Committee on Deficit Reduction, 12 House and Senate Members are charged with proposing a plan for consideration by Congress by November 23, 2011. If this plan is not enacted by January 15 or if the agreed-upon reductions are less than \$1.2 trillion, an enforcement mechanism resulting in across-the-board reductions to both defense and non-defense spending via sequestration will be triggered.

A proportionate cut in U.S. Global Health Initiative (GHI) funding through the enforcement mechanism would have **minimal impact on deficit reduction**, representing only 0.42 percent of the total \$1.2 trillion required in deficit reduction (Figure 1). **Yet the human impact of such significant cuts in U.S. investments in global health would be devastating.** If the enforcement mechanism is

Cutting global health funding provides negligible deficit reduction but has significant human impact.

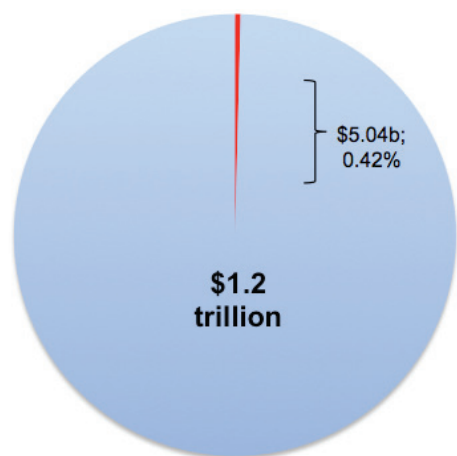


Figure 1. Nine-year cut in global health funding as a proportion of total deficit reduction

triggered, \$5.04 billion will be cut from global health spending over nine years.

This issue brief estimates the human impact of a sequestration in FY 2013. In the text box below, it also provides an estimate of the impact of a five percent cut to bilateral global health funding. Numbers are rounded to the nearest thousand.

For every five percent cut to bilateral global health funding...

- **69,000** fewer HIV-positive women will receive prevention of mother-to-child transmission (PMTCT) services, leading to **13,000** more infants infected with HIV annually and **4,000** more infant deaths (before the age of one) due to HIV-related causes.
- **189,000** orphans and vulnerable children will lose food, education, and livelihood assistance.
- Treatment funding for **182,000** people with HIV/AIDS will not be available, leading to **41,000** more HIV/AIDS-related deaths and **82,000** more orphans.
- **877,000** fewer insecticide-treated nets will be provided through the President's Malaria Initiative.
- **2.1 million** fewer people will receive ACT treatment for malaria through the President's Malaria Initiative.
- **20,000** fewer people with TB will receive treatment.
- For multilateral investments, **488,000** fewer pentavalent vaccines for children will be available through the GAVI Alliance, leading to **6,000** more deaths from diphtheria, tetanus, pertussis, *Haemophilus influenzae* type B (Hib), and hepatitis B.

Bilateral Investments

The Impact on Fighting the Global HIV/AIDS Epidemic

The President’s Emergency Plan for AIDS Relief (PEPFAR) has been one of the most successful international aid programs in history, saving millions of lives, preventing thousands of new HIV infections, and providing desperately needed care for orphans and other vulnerable children affected by the AIDS epidemic. Given the near flat funding levels of PEPFAR over the past three years, the program’s ability to continue expanding access to services has depended on finding cost savings and efficiencies (including broadening use of generic drugs and improving the efficiency and effectiveness of the medical supply chain).¹ These efficiency savings are not expected to grow at the same rate indefinitely, meaning that flat funding will have a significant impact on HIV/AIDS service delivery.

Preventing Infant HIV Infection: Today, nearly half of all women who need services to prevent vertical transmission of HIV (from a pregnant woman to her newborn) do not have access to them.² In FY 2010, 9.9 percent of PEPFAR’s funding for services was allocated to prevention of mother-to-child transmission (PMTCT) programs. In 2010, PEPFAR provided antiretroviral prophylaxis for PMTCT to more than 600,000 HIV-positive pregnant women, allowing more than 114,000 infants to be born without HIV.³ If the enforcement mechanism is triggered and PMTCT services funding changes proportionally with other programs, the following will occur:

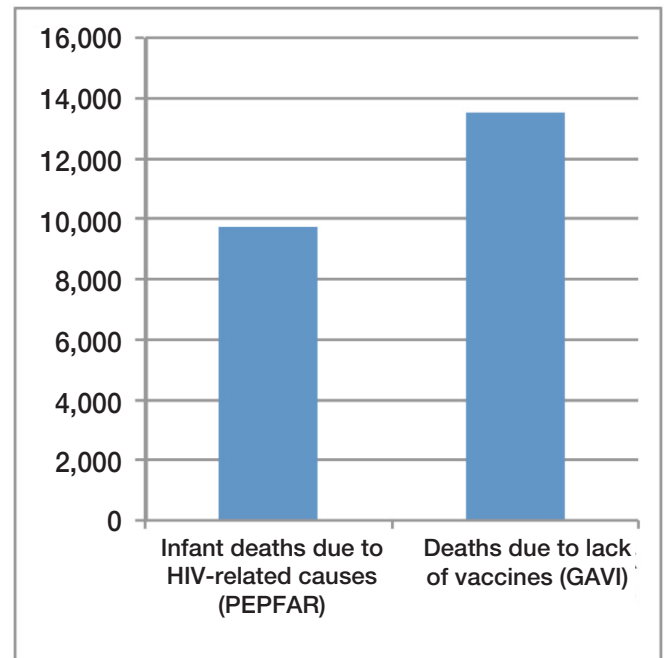
- FY 2013 Sequestration: **154,000** fewer HIV-positive women will receive PMTCT services, leading to **29,000** more infants infected with HIV annually and **10,000** more HIV/AIDS-related infant deaths before the age of one.

Children’s Care and Support Services: UNAIDS estimates that as of 2009, 16.6 million children had been orphaned because of HIV/AIDS.⁴ In FY 2010, 10.3 percent of PEPFAR services funding was allocated to the care and support of orphans and vulnerable children, resulting in service provision for 3.8 million children.³ If the enforcement mechanism is triggered and these services change proportionally with other programs, the following will occur:

- FY 2013 Sequestration: Funding for food, education, and livelihood assistance will not be available for **419,000** children.

HIV/AIDS Treatment: Results of an NIH trial published in August 2011 provided conclusive evidence that HIV/AIDS treatment not only saves the lives of those being treated but also prevents new infections,⁵ meaning that expanded access to treatment has become an essential strategy for reducing HIV incidence. Today, 10 million people in low- and middle-income countries, including nearly one million children, do not have access to the HIV/AIDS treatment they urgently need.⁴

Figure 2. Deaths due to FY 2013 sequestration of federal global health funding



In FY 2010, 37.6 percent of PEPFAR services funding was allocated to treatment, and in FY 2010, 3.2 million men, women, and children depended on PEPFAR for their HIV/AIDS treatment.³ According to PEPFAR estimates, the annual cost of treatment to PEPFAR is approximately \$436 per individual (including antiretroviral drugs, non-antiretroviral recurrent costs, and health system strengthening costs).⁶ If the enforcement mechanism is triggered and funding for treatment services is not taken from other areas, the following will occur:

- FY 2013 Sequestration: Treatment funding for **403,000** people will not be available, leading to **92,000** more HIV/AIDS-related deaths and **181,000** more children becoming orphans.

AIDS Research: Funding for AIDS research at the National Institutes of Health (NIH) has led to the development of lifesaving treatments for HIV/AIDS and recent breakthroughs in HIV prevention. AIDS research has also led to important advances in the treatment and prevention of a variety of other diseases, including cancer, cardiovascular disease, stroke, and Alzheimer’s disease. If the enforcement mechanism is triggered, the following will occur:

- FY 2013 Sequestration: AIDS research will lose **\$339 million** in funding.

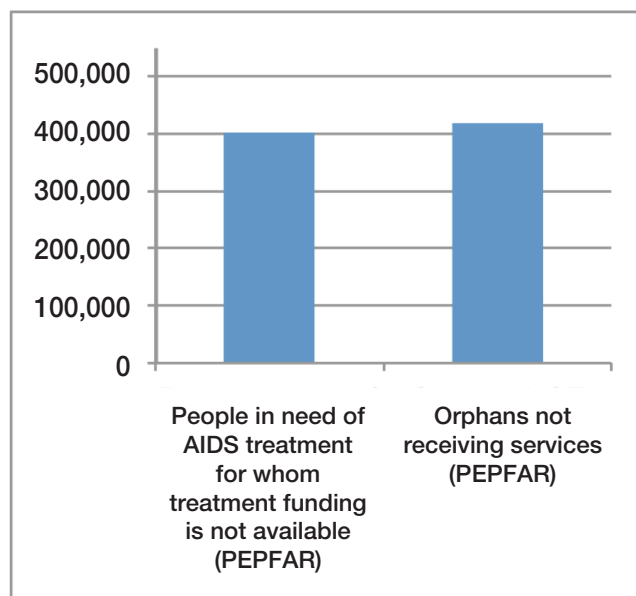
Cuts of this magnitude would halt investment in new research and force the NIH to make reductions in existing research. Such reductions in research funding would significantly set back American leadership in scientific research and innovation.

The Impact on Addressing the Threats of Malaria and Tuberculosis

Malaria: Malaria claims 781,000 lives each year, 90 percent of them children under the age of five.⁷ Launched in 2005, the President’s Malaria Initiative (PMI) has played a significant role in scaling up malaria prevention and treatment across the world. Around 70 percent of bilateral commitments for malaria are through PMI. These programs have contributed to a substantial decrease in mortality among children under the age of five. In 2010, PMI procured more than 41 million artemisinin-based combination therapy (ACT) treatments and more than 17 million insecticide-treated nets (ITNs).⁸ If the enforcement mechanism is triggered and PMI support for ACT and ITNs changes proportionally with other programs, the following will occur:

- FY 2013 Sequestration: **1.9 million** fewer insecticide-treated nets will be available, leading to **5,000** more deaths due to malaria; **4.5 million** fewer people will receive treatment.

Figure 3. Treatments and services not provided due to FY 2013 sequestration of federal global health funding



Such crippling cuts would erase the significant progress that has been made and deepen the social and economic burden of malaria in Africa.

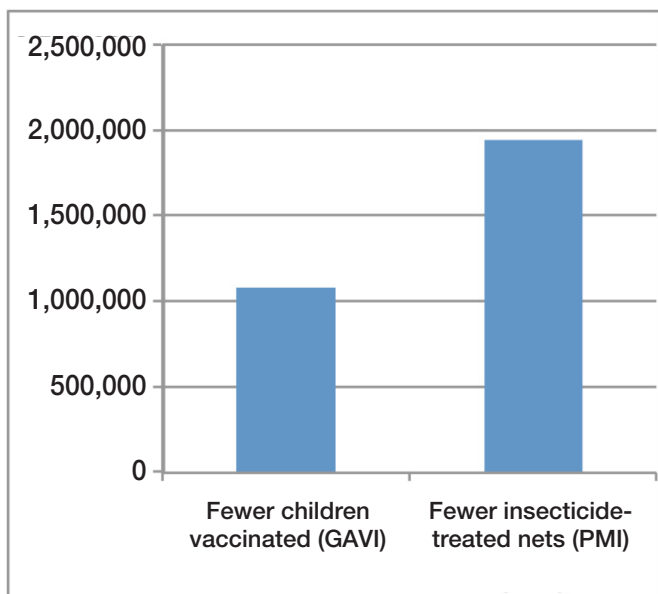
Tuberculosis: Tuberculosis (TB), a contagious disease, claims 1.5 million lives each year, and 8.8 million people were newly diagnosed worldwide with TB in 2010.⁹ Further complicating the TB epidemic is its deadly interaction with HIV/AIDS. Among people with HIV/AIDS, TB is the leading cause of death. A major goal of U.S. government bilateral TB programming through USAID is to halve the number of TB deaths by 2014. In FY 2009, 56 percent of the TB budget was allocated to the treatment of TB patients and an additional 18 percent was allocated to treating multidrug-resistant TB (MDR-TB).¹⁰ If the enforcement mechanism is triggered and TB funding changes proportionally with other foreign assistance programs, the following will occur:

- FY 2013 Sequestration: **44,000** fewer people with TB will receive treatment, leading to **5,000** more deaths due to TB; **450** fewer people with MDR-TB will receive treatment.

The Impact on Fighting Childhood Diseases

Historically, the U.S. has been the world leader in responding to global health issues. Through USAID, the U.S. government's Vitamin A distribution program has saved more than 500,000 children's lives each year since 1997.¹¹ Additionally, in collaboration with other partners, U.S. funding for maternal and child health has yielded dramatic public health successes: almost a billion episodes of child diarrhea are treated each year, reducing child deaths from diarrheal disease by more than 50 percent; more than 100 million children receive a set of basic immunizations each year; and more than 75 million children receive treatment for pneumonia annually.¹¹

Figure 4. Fewer vaccines and bed nets due to FY 2013 sequestration of federal global health funding



Multilateral Investments

The GAVI Alliance is a public-private partnership dedicated to saving the lives of children and improving people's health by increasing access to immunization in low-income countries. Since its launch in 2000, GAVI has helped to prevent more than five million premature deaths and has contributed to the immunization of 288 million children.

U.S. contributions to GAVI help supply pentavalent vaccine (among others) to the world's poorest children. The use of this vaccine, which protects against diphtheria, tetanus, pertussis, *Haemophilus influenzae* type B (Hib), and hepatitis B, is cost-efficient and highly effective. It takes three doses of pentavalent vaccine to constitute full coverage for each child. In 2011 through 2015, pentavalent vaccine is predicted to be GAVI's largest cost driver.¹² GAVI estimates that its average weighted price for this vaccine is \$2.47.¹² If the enforcement mechanism is triggered and vaccine funding changes proportionally with other programs, the following will occur:

- FY 2013 Sequestration: **1.1 million** fewer pentavalent vaccines for children will be available through GAVI, leading to **14,000** more deaths from diphtheria, tetanus, pertussis, *Haemophilus influenzae* type B (Hib), and hepatitis B.

The Impact on Services Through the Global Fund to Fight AIDS, Tuberculosis and Malaria

The Global Fund to Fight AIDS, Tuberculosis and Malaria is a collaborative and highly successful effort to combat these three major causes of human mortality. Since it was founded in 2002, the Global Fund has financed programs that have provided 3.2 million AIDS patients with antiretroviral medications, treated 8.2 million cases of tuberculosis, distributed 190 million insecticide-treated nets, and administered treatments for 210 million cases of malaria.¹³ The U.S. is the leading contributor to the Global Fund. If the enforcement mechanism is triggered, the following will occur:

- FY 2013 Sequestration: **2.7 million** fewer insecticide-treated nets will be available, leading to **7,000** more malaria deaths; **96,000** fewer people with TB will receive treatment, leading to **11,000** more deaths due to TB; **107,000** people will not be treated for HIV/AIDS.

The U.S. has pledged \$4 billion to the Global Fund for 2011 through 2013.¹⁴ Because U.S. law stipulates that the international community must contribute at least two dollars for every U.S. dollar contributed to the Global Fund, decreasing U.S. contributions would significantly reduce the Global Fund's ability to leverage other countries'

investments. This would result in a total loss of funding that could be three times greater than the original U.S. funding reduction, with devastating health consequences.

The Impact on National Security

The **health security of the U.S. population** is tied to the health of people in other countries.¹⁵ Infectious diseases found abroad continue to represent real threats to the U.S.¹⁶ The National Intelligence Council (NIC) has examined the connection between global health and **U.S. national security**.¹⁷ An NIC report released in 2008 noted the likelihood of infectious diseases slowing economic growth in developing countries of strategic importance to the U.S., potentially disrupting the process of democratization and affecting regime stability. The report also raised concerns about the exposure of American forces to disease outbreaks in developing countries.

President Obama said at the United Nations General Assembly in September 2011, “To stop disease that spreads across borders, we must strengthen our systems of public health. We will continue the fight against HIV/AIDS, tuberculosis, and malaria. We will focus on the health of mothers and children. And we must come together to prevent and detect and fight every kind of biological danger — whether it’s a pandemic like H1N1 or a terrorist threat or a treatable disease.”¹⁸

Conclusion

The savings achieved from cutting global health has only a negligible impact on deficit reduction but will adversely affect the lives of men, women, and children worldwide, resulting in substantial human suffering and squandering opportunities to build on successes in U.S. global health programming.

Methodology and Assumptions

The estimates in this issue brief are based on publicly available information or direct communications with agencies and organizations on unit costs of services, federal spending, and the impact of various health interventions. The analysis compares current operating budget levels, FY 2011, with projected funding under the Budget Control Act of 2011. The Center on Budget and Policy Priorities estimates a 9.3 percent reduction in funding from the FY 2013 cap on new appropriations for non-exempt programs under the nondefense discretionary category (including global health) if the enforcement mechanism is triggered. This automatic cut would represent an 11.07 percent reduction from the FY 2011 baseline. Where specific allocations are not known for programs under the International Affairs (Function 150) Budget, it is assumed that all programs under the budget line would be altered proportionately. This analysis uses publicly available unit-cost data to calculate the number of people who could be affected by proposed funding cuts. Where unit-cost data was not available, total program funding was divided by the most recent reported units of service to estimate the impact on HIV/AIDS and other global health programs. Public health outcomes were derived from publicly available estimates of the impact of programs or personal communications from the agencies responsible for those programs. The figures here are intended only to illustrate the possible human impact and costs of implementing various FY 2012 funding levels. It is understood that Congress and/or U.S. governmental agencies will have a range of budgetary options at their disposal and may choose to fund particular global health programs at higher or lower levels than those assumed in this brief.

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Data Sources

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