

**TESTIMONY OF REPRESENTATIVE NANCY PELOSI
BEFORE THE HOUSE BUDGET COMMITTEE
March 8, 2001**

Mr, Chairman, Ranking Member Spratt, thank you for this opportunity to testify today. As a Member of the Appropriations Committee, I will be closely following the development of the Budget Resolution in the hope that we will be provided with the resources necessary to meet the priorities of all American families. Today, I will focus on the AIDS epidemic.

For nearly a decade, new HIV infections in our nation have remained steady at approximately 40,000 each year. It is estimated that of these new infections, half occur in young people under the age of 25. In addition, people of color now represent the majority of new AIDS cases and the proportion of new AIDS cases among women has grown from 11% in 1990 to 23% in the most recent statistics. Internationally, the extent of the HIV/AIDS epidemic is staggering. In 2000, an estimated 5.3 million were newly infected and 3 million people died from AIDS, the highest annual total of AIDS deaths ever.

The recent investments that have been made, domestically and internationally, in HIV care, treatment, prevention, and research have significantly strengthened our ability to combat this global pandemic and dramatically improved the lives of the millions of people who are living with HIV and AIDS. It is imperative that we do not abandon this important commitment.

Domestically, the substantial increase in funding for the National Institutes of Health (NIH) contained in the President's budget outline is an important part of that investment. Research at the National Institutes of Health (NIH) has yielded great results. AIDS research has doubled the survival time of a person with AIDS and vastly improved the quality of life for thousands of Americans and their families. By advancing scientific knowledge of the immune system and viral infections, HIV/AIDS research has also yielded significant benefits for people living with other diseases such as cancer and hepatitis.

Research is a good investment. However, we have received estimates from Mr. Spratt that non-NIH discretionary health spending will need to be cut by 5.4 percent to account for President Bush's tax cut and the other spending priorities that are presented in the Bush budget outline. Given the significant level of unmet need in the areas of HIV/AIDS care, treatment, prevention, and housing, cuts of this magnitude – in fact, any cuts at all – would be disastrous.

The investment in NIH research must be matched with a similar investment in our nation's public health infrastructure in order to ensure that the knowledge that we gain through NIH research is translated into improved health care for people living with HIV/AIDS and stronger HIV prevention efforts. The Health Resources and Services Administration and the Centers for Disease Control and Prevention are the NIH's essential public health partners in the effort to combat HIV/AIDS. Unfortunately, President Bush's budget outline did not emphasize the need for strong investments in the HIV/AIDS programs administered by HRSA and the CDC. These investments are a vital complement to NIH research, and I urge my colleagues on the Budget Committee to include substantial increases for these programs in the budget resolution.

The Ryan White CARE Act, administered by HRSA, was modeled on the system of community-based care that San Francisco developed to face the AIDS crisis in the 1980s. Today, CARE Act

programs provide the foundation for care and treatment for low income individuals with HIV and AIDS. The recent declines we have seen in AIDS deaths are a direct result of the therapies and services that have been made more widely available through the CARE Act to large numbers of uninsured and under-insured people with HIV and AIDS.

Although great strides have been made, there is much more to be done. The combination therapies that have brought so much hope are still not reaching all of those in need. And the changing nature of the HIV/AIDS epidemic, along with the continuing impact of HIV/AIDS in traditionally affected communities, has created new challenges for the CARE Act.

In addition, new HIV infections have remained constant at 40,000 per year. These new infections combined with the decline in AIDS deaths means that more individuals than ever before are living with HIV and in need of treatment regimens that are costly, complicated and lifelong. As a result, the demands on HIV care providers have grown.

The changing nature of the HIV/AIDS epidemic, along with the continuing impact of HIV/AIDS in traditionally affected communities, has created new challenges for our HIV prevention efforts. And increases in the number of people living with HIV/AIDS mean that there are more opportunities for transmission of the virus. Although we have made HIV/AIDS research a high priority in recent years, a cure or vaccine is still many years away. As a result, HIV prevention efforts take on an even greater importance for helping stem the tide of this epidemic.

Prevention is important not only from a public health perspective, but also from an economic perspective. The CDC estimates that there are 600,000-900,000 people living with HIV in the US. The lifetime medical cost of treating each person infected with HIV is estimated at \$155,000. So each HIV infection that we prevent saves our health care system a great deal of money, in addition to preventing other costs including loss of earnings due to premature death from AIDS. Prevention is clearly a cost-effective investment.

HIV transmission, like many health problems, is the product of many factors. In order to reach as many people at-risk as possible, HIV prevention programs at the CDC are addressing these factors through a community planning process that allows localities to guide HIV prevention efforts in their neighborhoods and communities.

CDC programs are reaching individuals and helping them change risky behaviors. Studies have shown that the availability of counseling and testing has a direct impact on the spread of this epidemic, particularly among young people. The CDC recently reported that 90 percent of young people changed their sexual behaviors after discovering they had HIV. When HIV is diagnosed, people do take action to protect themselves and others. Unfortunately, current resources do not allow counseling and testing programs to reach all those in need, and one-third of the HIV infections in this country still go undiagnosed.

There is also a significant link between substance abuse and the HIV epidemic. Over two-thirds of all reported AIDS cases among women, nearly two-thirds of the cases among children, and nearly one-third of all cases among men are associated with substance abuse. In addition to the dangers associated with needle sharing and injection drug use, individuals who abuse alcohol, cocaine, or other non-injected drugs are more likely to contract HIV than the general population because of the link between drug use and unprotected sex.

The Substance Abuse and Mental Health Services Administration (SAMHSA) supports HIV/AIDS prevention and outreach through demonstration programs and the HIV/AIDS set-aside in the Substance Abuse Prevention and Treatment Block Grant. Numerous studies have demonstrated the effectiveness of drug and alcohol treatment and education. SAMHSA's HIV programs must be strengthened in order to address the dual epidemics of AIDS and substance abuse found in many communities.

Significant progress has been made in the effort to develop the capacity to combat HIV/AIDS within communities of color through the Minority HIV/AIDS Initiative. While African Americans make up approximately 12% of the total U.S. population, they account for nearly 37% of AIDS cases. In addition, nearly two-thirds of all women living with AIDS are African American. Hispanic Americans are also disproportionately impacted. Hispanic Americans represent 13% of the total U.S. population, but account for 20% of all new AIDS cases.

These demographic changes have created many challenges for our nation's response to the epidemic. The Minority HIV/AIDS Initiative provides the funding needed to enhance existing systems of HIV/AIDS care in communities of color and to develop the service and infrastructure capacity that these communities need to effectively fight AIDS. Nearly all of the areas that I have discussed today are impacted by the resources provided to this important initiative because we must strengthen all aspects of HIV/AIDS programs in communities of color, including prevention, care, and substance abuse treatment.

The need for housing assistance for people living with HIV/AIDS through the Department of Housing and Urban Development's Housing Opportunities for People with AIDS (HOPWA) program is greater now than ever. The new treatments that are extending so many lives involve a complicated regimen of medications, requiring certain medications to be taken at certain times, certain medications to be taken after eating, and still others on an empty stomach. This makes adherence very difficult, and nearly impossible without stable housing.

As the number of people living with HIV/AIDS increases, so do the number of cities and states qualifying for HOPWA formula grants. At the same time, the rising costs of housing across the country, particularly in urban areas where a large proportion of people living with HIV/AIDS live, make it difficult for HOPWA to maintain current services without funding increases. Increases in the number of eligible jurisdictions means that without a significant increase in HOPWA funds, the funding available for each HOPWA jurisdiction will be cut. I urge the Budget Committee to include the resources necessary to meet this growing need in the budget resolution.

I would also like to add that Medicaid expansion for HIV positive asymptomatic individuals is the next critical step in meeting the treatment needs of the communities that are disproportionately impacted by this epidemic. Medicaid must play an expanded role in HIV care. With the advent of powerful new therapies, it is unconscionable that people cannot become eligible for Medicaid until they have lost the opportunity for early and effective treatment of HIV. Representative Gephardt and I introduced the Early Treatment for HIV Act in the last Congress, and CBO estimated a first year implementation cost of \$100 million. I urge you to include funding for this expansion of Medicaid to include people with HIV in the budget resolution.

Now, to turn to the global epidemic. Over the course of the past year, the world has finally, albeit belatedly, started taking notice of the global AIDS pandemic and the havoc it is creating in the developing world. I respectfully urge the Members of the Budget Committee to provide the highest possible funding levels to combat global HIV/AIDS, which is the world's most deadly infectious disease ever. The social, economic, security and human costs of this crisis are devastating entire nations. Increased funding for global AIDS programs must be provided as part of a renewed commitment to a comprehensive and adequately funded development assistance strategy addressing the new challenges facing the developing world as a result of HIV/AIDS.

The United States must take the lead. Our investment in the fight against the global AIDS pandemic not only has a direct impact, but it also leverages significant funds from other countries and multilateral institutions. Non-governmental organizations working to fight global AIDS believe that the U.S. funding for global AIDS programs should be doubled this year, to a total across all U.S. agencies and programs of \$464.5 million. Just to put this number in perspective for you, the Joint United Nations Programme on HIV/AIDS (UNAIDS) estimates that \$3 BILLION is needed annually for Africa alone to provide minimal care, anti-viral drugs, and HIV prevention. Estimates of costs for an effective response to the epidemic worldwide start at \$7 BILLION annually.

In FY 2001, Congress and the Administration significantly expanded funding for global HIV/AIDS efforts with the LIFE (Leadership and Investment in Fighting an Epidemic) initiative. The Foreign Operations Appropriations Subcommittee, on which I have served as the Ranking Democrat, succeeded in our effort to dramatically increase funding for global AIDS at the United States Agency for International Development. Programs which last year received \$190 million for international prevention, care, and education efforts, including programs to prevent mother-to-child transmission and address the needs of the growing population of AIDS orphans, will receive \$315 million in the current fiscal year.

So much more needs to be done.

Comprehensive prevention efforts have turned around HIV epidemics in Uganda and Thailand, and averted an epidemic in Senegal. We know that prevention and education programs work. The United States must now demonstrate leadership in providing needed funding so that effective programs can be expanded and replicated.

We must also invest in the efforts to develop a vaccine. Vaccines are our best hope to bring this epidemic under control, and we must do all we can to facilitate cooperation between the public and private sectors in order to bring together the necessary resources and expertise.

Unfortunately, these challenges are only the beginning. India already has more infected people than any other nation, over 3.5 million. Experts are predicting that without significant efforts to treat those with HIV and prevent new infections the number of people living with HIV/AIDS in India could surpass the combined number of cases in all African countries within two decades. Asia already accounts for one out of every four infections worldwide. The Newly Independent States in the former Soviet Union are also seeing significant increases in their HIV infection

rates. There has been a six-fold increase in the number of HIV infections in Eastern Europe and Central Asia in the last four years.

Developing nations will be unable to turn the tide on this epidemic if even the most basic health care is unavailable or out of reach for most of their citizens. Yet despite such scarcity, community-based organizations in villages are doing much with little. People must be educated about HIV and how to prevent its spread. Increased testing and counseling opportunities are desperately needed. Basic care and treatment that can be delivered in homes or makeshift clinics is essential. And the need for support for the growing number of children orphaned by AIDS looms large.

We are attacking HIV on many fronts: primary prevention and surveillance through the CDC, strengthened health infrastructure in developing countries through USAID, care and treatment provided through the Ryan White CARE Act, adequate housing through HOPWA, a strong commitment to research at the NIH, and substance abuse treatment programs through SAMHSA. I hope that the budget resolution will include adequate funding for each of these vital areas of public health.

Thank you again for the opportunity to testify today. I look forward to working with you as the Budget process moves forward to provide sufficient resources to move quickly towards the ultimate goal that we all share, the end of the AIDS epidemic.