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RYAN WHITE CARE ACT

Program Changes Affecting Minority AIDS Initiative and Part D Grantees

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Highlights

Highlights of GAO-09-1027T, a testimony before the Subcommittee on Health, Committee on Energy and Commerce, House of Representatives

Why GAO Did This Study

Under the Ryan White Comprehensive AIDS Resources Emergency Act of 1990 (CARE Act) federal funds are made available to assist those affected by human immunodeficiency virus/acquired immunodeficiency syndrome (HIV/AIDS). The Health Resources and Services Administration (HRSA) awards CARE Act grants to states, territories, metropolitan areas, and others. The Ryan White HIV/AIDS Treatment Modernization Act of 2006 (RWTMA) reauthorized CARE Act programs for fiscal years 2007 through 2009. The CARE Act's Minority AIDS Initiative (MAI) provides for grants through five parts (A, B, C, D, and F) with the goal of reducing HIV-related health disparities among minorities. RWTMA changed how HRSA awards MAI grants under Part A and Part B from a formula based on the demographics of the grantee to a competitive process. Part D provides for grants for services to women, infants, children, and youth with HIV/AIDS and their families. RWTMA capped Part D administrative expenses at 10 percent. GAO was asked to testify about CARE Act changes resulting from RWTMA. This testimony discusses (1) the implementation of the MAI provisions and (2) grantees' experiences under the Part D administrative expense cap. This testimony is based on two GAO reports, *Ryan White Care Act: Implementation of the New Minority AIDS Initiative Provisions*, GAO-09-315, and *Ryan White Care Act: First-Year Experiences under the Part D Administrative Expense Cap*, GAO-09-140.

View GAO-09-1027T or key components.
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What GAO Found

The new competitive process for awarding MAI grants altered funding for grantees, increased administrative requirements for grantees, and resulted in continued funding for existing initiatives. The new competitive application process for Part A grantees—metropolitan areas—and Part B grantees—states and territories and associated jurisdictions—altered MAI grants from what they would have been under the old formula-based process. In determining the award amounts under the new process, HRSA considered the number of minorities with HIV/AIDS living in the grantee jurisdiction, along with the MAI applications grantees were required to file. The new competitive grant applications sometimes resulted in considerable differences in grantees' share of MAI funds from what they would have received under the old process. For example, in fiscal year 2007, Phoenix received $127,578 (39.8 percent) less than it would have received under the old formula, while Houston received $154,018 (10.9 percent) more. In addition, Part A and B grantees that received MAI funding told GAO that the administrative requirements increased significantly because of the new process. These included a new MAI grant application and reporting requirements. All Part A and B grantees that applied for MAI funding received it, but some Part B grantees decided that the administrative requirements, including a separate application for MAI funds, were not worth the amount of funds that they expected to receive and therefore chose not to apply. Moreover, grantees said that they generally funded the same service providers and initiatives to reduce minority health disparities as they had in prior years. MAI grantees continued to fund a range of core medical services, which include essential medical care services, and support services, which are services needed for individuals with HIV/AIDS to achieve their medical outcomes.

In a survey of Part D grantees, GAO found that grantees provide a range of services to clients, and the majority of these grantees reported that they have not made changes to services in response to the administrative expense cap implemented in fiscal year 2007. These services included both medical services, such as outpatient health services, as well as support services, such as child care. The majority of the 83 grantees that responded to GAO's survey reported that the cap has not affected the services they provide. However, four grantees reported increasing services and three grantees reported reducing client services in response to the cap. In addition, the majority of grantees also reported that the cap has had a negative effect on their Part D programs, even if it has not changed client services, because it has, for example, made it necessary for clinical staff to perform administrative tasks. In addition, about half of the grantees reported that not all of their Part D administrative expenses were covered by the 10 percent allowance.