



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

September 10, 2007

S. 898

Alzheimer's Breakthrough Act of 2007

*As reported by the Senate Committee on Health, Education, Labor, and Pensions
on August 3, 2007*

SUMMARY

Title I of S. 898 would amend the Public Health Service (PHS) Act to instruct the Director of the National Institute on Aging (NIA) to maintain Alzheimer's disease as a research priority and would explicitly authorize research on Alzheimer's disease prevention and caregiving.

Title II would authorize appropriations for the Centers for Disease Control and Prevention (CDC) to carry out public educational activities related to Alzheimer's disease and other similar diseases.

Title III would authorize appropriations for an Alzheimer's disease call center and state demonstration projects, both of which would be funded through grants from the Administration on Aging.

CBO estimates that S. 898 would authorize the appropriation of \$24 million in 2008 and \$3.9 billion over the 2008-2012 period. CBO estimates that implementing the bill would cost \$14 million in 2008 and \$2.5 billion over the 2008-2012 period, assuming the appropriation of the necessary amounts. Enacting S. 898 would not affect direct spending or revenues.

S. 898 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA); any costs to state and local governments would be incurred voluntarily.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 898 is shown in the following table. The costs of this legislation fall within budget function 550 (health).

	By Fiscal Year, in Millions of Dollars				
	2008	2009	2010	2011	2012
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Alzheimer's Disease Research (Title I)					
Estimated Authorization Level	0	241	1,040	1,170	1,300
Estimated Outlays	0	53	364	883	1,135
Alzheimer's Disease Public Health Activities (Title II)					
Authorization Level	3	3	3	3	3
Estimated Outlays	1	2	3	3	3
Assistance for Caregivers (Title III)					
Estimated Authorization Level	21	21	21	21	21
Estimated Outlays	13	20	21	21	21
Total Changes					
Estimated Authorization Level	24	265	1,064	1,194	1,324
Estimated Outlays	14	75	388	907	1,159

BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 898 will be enacted near the start of fiscal year 2008 and that the authorized amounts will be appropriated for each year.

Alzheimer's Disease Research

Alzheimer's disease is currently a research priority for the NIA. In fiscal year 2006, the NIA allocated \$502 million—approximately 50 percent of its total spending—to Alzheimer's disease research. Other institutes and centers at the National Institutes of Health (NIH) allocated another \$141 million to Alzheimer's disease research in 2006. Among the Alzheimer's disease programs currently funded with this money are Alzheimer's Disease

Centers, Alzheimer's Disease Research Centers, a National Alzheimer's Coordinating Center, an Alzheimer's Disease Genetic Initiative, an Alzheimer's Disease Neuroimaging Initiative, a Cognitive and Emotional Health Project, a drug discovery program, a clinical trials program, and research on interventions that can help caregivers.

Title I of S. 898 would maintain Alzheimer's disease as a research priority at NIA. In addition, title I would authorize and encourage research and clinical trials on preventing Alzheimer's disease, an Alzheimer's focus in the neuroscience initiative, research on the prevalence of early-onset dementia, research on vascular disease and Alzheimer's disease, translational research, the National Alzheimer's Coordinating Center, and research on interventions for caregivers. Title I also would require that the Secretary of Health and Human Services convene a national summit on Alzheimer's disease every three years.

Title I would authorize the appropriation of specified amounts for fiscal years 2008 through 2012—which would rise from \$780 million for 2008 to \$1.3 billion for 2012—to fund research and activities related to Alzheimer's disease. However, the NIH Reform Act of 2006 (Public Law 109-482) authorized a total appropriation of \$32.8 billion for fiscal year 2008 for all activities authorized under title IV of the PHS Act. Although S. 898 would increase the authorization of spending on Alzheimer's disease, it would not change the overall authorization of appropriations for title IV activities in fiscal year 2008. With no change in budget authority in fiscal year 2008, there would be no cost of title I in 2008.

The NIH Reform Act authorized the appropriation of such sums as are necessary for fiscal year 2009 for activities under title IV of the PHS Act. CBO estimates that, under the current-law authorization, the NIH would allocate \$669 million for Alzheimer's disease in fiscal year 2009. If S. 898 were enacted and the authorized amounts appropriated, NIH would have an additional \$241 million, for a total of \$910 million in budget authority, for activities associated with Alzheimer's disease in fiscal year 2009. The NIH Reform Act did not authorize any appropriations for title IV activities beyond 2009. If S. 898 were enacted, the change in NIH authorizations beyond 2009 would be the full amount specified in the bill. CBO estimates that the total change in authorizations from title I of S. 898 over the 2009-2012 period would be \$3.75 billion. Using historical patterns of spending for similar programs, CBO estimates that implementing title I would cost \$2.4 billion over the 2009-2012 period.

Alzheimer's Disease Public Health Activities

Title II would authorize the appropriation of \$3 million per year to the CDC for each of fiscal years 2008 through 2012 for purposes of public educational activities related to Alzheimer's and similar diseases. Those activities would include making grants to states and nonprofit

organizations to promote early detection, effective intervention, and evaluation of programs to improve cognitive health. CBO estimates that implementing title II would cost \$1 million in 2008 and \$12 million over the 2008-2012 period, assuming appropriation of the authorized amounts.

Assistance for Caregivers

Title III would authorize an Alzheimer's disease call center that would provide advice and consultation regarding the disease. The bill would authorize the appropriation of \$1 million for fiscal year 2008 and such sums as are necessary for each of the fiscal years 2009 through 2012 to be funded by a grant from the Administration on Aging. Based on previous funding for that activity, CBO estimates that funding for the call center would total \$1 million in 2008 and \$5 million over the 2008-2012 period.

Title III would also reauthorize and expand a program to provide matching funds to states for Alzheimer's care. In fiscal year 2006, the Administration on Aging spent \$12 million on grants for demonstration projects for programs that coordinate diagnostic, treatment, and care services available to those with Alzheimer's disease. S. 898 would authorize the Secretary to encourage grantees to improve early detection of Alzheimer's disease and to educate the medical community about best practices and evidence-based medicine for the disease. The bill would authorize the appropriation of \$20 million a year for fiscal years 2008 through 2012 for the matching fund program.

Using historical patterns of spending for similar programs, CBO estimates that the costs of implementing title III would be \$13 million in 2008 and \$96 million over the 2008-2012 period, assuming appropriation of the authorized amounts.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 898 contains no intergovernmental or private-sector mandates defined in UMRA. Grants and research programs authorized in the bill for the study and treatment of Alzheimer's disease would benefit state and local governments as well as public institutions of higher education. Any costs to those governments or institutions to comply with grant conditions, including matching funds, would be incurred voluntarily.

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