Financing HIV care

Lawmakers scramble to ensure and expand access to new treatments as Ryan White and ADAP funding shrinks

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by Bob Roehr

Rep. Nancy Pelosi (D-Calif.) recently introduced the HIV Treatment Improvement Act, which she describes as a comprehensive plan "designed to respond to new treatment opportunities created by our investment in AIDS research."

The bill in part seeks to expand access to Medicaid—in a limited manner—to those with HIV who do not have an AIDS diagnosis.

Steve Morin is a Pelosi aide in transition to becoming director of the Policy Research Center at the AIDS Research Institute at the University of California San Francisco.

He briefed the International Association of Physicians in AIDS Care on the bill at the group's Nov. 11 conference in Washington, D.C.

Morin said the proposal tries to tackle problems of accessing the new treatment therapies.

"You don't have to go too far to find people who are receiving sub-optimal care," he said, adding that while early intervention keeps people healthy, it also prevents them from reaching the disabled status which qualifies them for Medicaid, an entitlement program.

PHOTO BY BOB ROEHR

Steve Morin

"We are gradually on a course to lose this $3.6 billion in resources that we currently use for HIV care," he said.

That puts pressure on Ryan White and AIDS drug assistance programs as more patients seek services. These programs are funded under discretionary spending, a portion of the federal budget that must shrink 16 percent over the next five years as part of the budget agreement. Medicaid, meanwhile, will be allowed to grow slowly.

"So if you are phasing people with HIV/AIDS out of Medicaid, which is a growing program, and shoehorning them into a shrinking program, you are obviously creating a problem," Morin said.

The solution he and Pelosi offered is "a categorical eligibility for people who are HIV-infected."

In an effort to both control costs and gain broader political support, the proposal would provide more limited benefits than those received by regular Medicaid recipients.

Morin believes the proposed Medicaid expansion would cost about $5 billion, but it would save nearly $4 billion in acute hospitalization and $3 billion in Social Security Disability payments.

He initially thought there was a real shot at getting it attached to the recently passed Labor/Health and Human Services budget reconciliation bill, but that opportunity slipped away.

Several AIDS lobbyists voiced frustration with the lack of support from the White House, pointing to Vice President Al Gore's April initiative on Medicaid expansion, now long delayed and rumored dead.

"The HIV community has seen little tangible results from Health and Human Services," said Mark Senak, policy director with AIDS Project Los Angeles. "To promise to study the issues is simply inadequate."

The sticking point is "budget neutrality," or more specifically, how to measure costs and savings. The Clinton administration continues to rely upon a limited accounting that includes only direct medical expenses and savings. Thus it concludes that Medicaid expansion will cost more money, which the White House opposes.

Senak argued, "There is no law requiring budget neutrality [in expanding access to Medicaid]. This is simply a matter of political will."

Many AIDS advocates are calling for a broader measurement of federal expenditures, which would include, among other gauges, the increased tax revenue from those who continue working as a result of better access to therapy. Such an equation would likely swing the cost/benefit analysis in favor of early intervention.

The HIV Treatment Improvement Act, meanwhile, would impose new demands upon the states. Many already make their own contributions to ADAP, but some are shirking that responsibility. Morin cited Colorado, which has limited access to its program and has foisted large numbers of patients onto charity programs.

At the same time, state officials there have called a special session of the Legislature "to figure out ways to rebate their enormous state surplus."

The bill would require state ADAPs to meet federal treatment guidelines in delivering services.

Morin called the measure a "comprehensive piece to raise visibility around the problem," but admitted he does not expect the bill to pass in its entirety.

Reaction to the bill has been cautious. Winnie Stachelberg, political director of the Human Rights Campaign, applauded Pelosi's leadership on AIDS issues throughout the year.

Christine Lubinski, deputy director of the AIDS Action Council, however, said she's concerned that putting the matter before Congress might result in codifying a lower level of support than some states offer under existing programs.

She also would have handled the politics differently: "I would have grabbed a Republican cosponsor."

Not everyone favors Medicaid expansion. Kevin Ivers, political director of Log Cabin Republicans, said, "It goes in the wrong direction. It's a non-targeted generalized expansion of entitlements which means an expansion of bureaucratic spending."

Jim Driscoll, Log Cabin's AIDS lobbyist, called Medicaid expansion unfeasible for a number of reasons.

"One is, what do you do with the other disease groups? If you expand for AIDS you've got to do it for Parkinson's, cancer, all of them. And what does that do to the budget? Republicans are terrified of both the budget and attacks from other disease groups," he said.

Senak responded, "What we seek is not special treatment for HIV, but for the government to step up to the plate and fix a broken system that does not serve us adequately."