



**TESTIMONY PRESENTED TO THE NEW YORK STATE
LEGISLATURE
AT THE JOINT HEARING OF THE
SENATE FINANCE COMMITTEE AND ASSEMBLY WAYS AND MEANS COMMITTEE**

***2004-2005 Executive Budget Proposal
Health, Medicaid & Aging***

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PRESENTED BY

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Chairman Johnson, Chairman Farrell, thank you for the opportunity to testify at this Joint Legislative Hearing on the Executive Budget. My name is Michele Bonan, and I am Assistant Director of Government Relations for Gay Men's Health Crisis, GMHC.

Gay Men's Health Crisis (GMHC) is a not-for-profit, volunteer-supported and community-based organization committed to national leadership in the fight against AIDS. GMHC serves one in every five persons diagnosed with AIDS in New York City. As the world's oldest AIDS service provider, GMHC helps more than 15,000 men, women and children and their families each year. GMHC offers a wide range of comprehensive client services, including hot meals, benefits/entitlements advocacy, health care advocacy, case management, legal assistance, HIV counseling and testing, individual and group counseling services, prevention education, home-based support, and mental health services.

GMHC has been on the frontlines of the AIDS epidemic since it began, focused on the communities most threatened by HIV and expanding our service provision as the epidemic expands. We continue to serve more people each year, in fact, the number of GMHC clients has increased by almost 50% just since 2000. Our clients reflect the diversity of HIV; 68% are people of color, 62% are lesbian, gay, bisexual, 19% are women, and more than half reside outside of Manhattan. The vast majority of our clients are at or below poverty level, and many walk through our doors uninsured. 70% of GMHC clients rely on Medicaid, while 15% rely on the AIDS Drug Assistance Program, ADAP for their medical care and life-saving prescription drugs.

GMHC's Budget Priorities are a reflection of our mission and the needs of the people we serve. We recognize the state is facing a significant deficit; while mindful of this situation, we believe it is imperative that GMHC advocate for funds where there continue to be clear and demonstrated unmet needs. GMHC will continue to be vigilant in advocating for the health care needs of at-risk populations, who are the most vulnerable during times of economic hardship and we urge the legislature to be just as cautious in protecting the

health care needs of New Yorkers. We would like to highlight three areas of particular concern.

First, \$8.4 million dollars previously appropriated for HIV/AIDS services has been left out of the 2004-2005 Executive Budget and should be replaced and considered part of the baseline budget. Second, \$800 million in cuts to the state's Medicaid program must be re-examined in order to protect the well being of thousands of New Yorkers living with HIV and AIDS, and finally we must address rising unmet needs with new funding to prevent losing any further ground in the fight against HIV/AIDS.

Restoration of \$8.4 million in cuts to HIV/AIDS programs

One of GMHC's top priorities is to ensure adequate funding to fight the HIV/AIDS epidemic. In difficult and uncertain times, it becomes more important than ever to preserve our vital service delivery structure. In addition to reversing the \$4.8 million in funding the Governor left out of his Executive Budget Proposal, GMHC urges full restorations and baselining of funding in the FY 2003-2004 budget, including the additional \$3.6 million in restorations from the Assembly.

\$8.4 million in total appropriated by the legislature last year was excluded from the Governor's Executive Budget proposal and must be restored. Those cuts result in fewer resources to fight AIDS and HIV infection in communities of color; for funding initiatives targeting specific geographic areas and at-risk populations; for education, training and service coordination; for programs that help people living with AIDS adhere to their complex drug treatment regimens; and for children orphaned by the AIDS epidemic. This year the Governor did carry forward a modest boost to permanency planning and treatment adherence programs. This was a small step in the right direction. GMHC is once again looking to the Legislature to complete restorations to HIV/AIDS services, and baseline them once and for all.

Service providers have been struggling to offer high quality services to meet increasing needs without adequate funding. These funds should not be up for review every year, but should be viewed as baseline funds. Restoration of these items is crucial to service providers' ability to continue delivering high quality HIV/AIDS services. Below is the full list of essential funding that must become the baseline in HIV/AIDS service funding. **We urge you to restore \$8.4 million in cuts and baseline the HIV/AIDS 2003-2004 Budget.**

- | Restore \$8.4 Million in funding | |
|---|-------------------------------------|
| o | \$1.768 M –CSP |
| o | \$1.768 M –MSA/CDI |
| o | \$179,000 –HHAP |
| o | \$168,700 –Treatment Adherence |
| o | \$168,700 –Permanency Planning |
| o | \$625,000 –Specialty Contracts |
| o | \$446,000 –Legal Services |
| o | \$179,000 –NBLCA |
| o | \$89,000 –NYAC |
| o | \$3M –Assembly Communities of Color |

Restoring cuts to Medicaid

GMHC is deeply concerned that the Governor's proposed cuts of \$800 million to the Medicaid Program will disproportionately impact the most vulnerable New Yorkers.

We strongly urge the legislature to restore these devastating cuts. Medicaid is the safety net for poor New Yorkers living with HIV/AIDS, providing health coverage to approximately 65,000 people living with HIV/AIDS in New York. 70% of the 15,000 clients that walk through GMHC's doors each year rely on Medicaid for preventative, primary and hospital care, as well as for life-saving prescription drugs.

The Governor's proposal would create barriers to Family Health Plus (FHP) eligibility by creating an assets test. Fewer people will be eligible for FHP and it will discourage

enrollment due to increased paperwork burdens. The proposed elimination of funding for FHP facilitated enrollment will make it even harder for the large numbers of HIV+ uninsured individuals to access coverage given the complexity of the application process. By reducing eligibility, tens of thousands of people will be left with no inpatient or outpatient medical coverage or access to the prescription medications they need. More people will become uninsured if eligibility for FHP is tightened, health programs such as ADAP will be stretched even thinner as more people look to the program for help. The proposal also diminishes the adequacy of the FHP benefit package by eliminating vision and dental services and establishing co-payments for prescription drugs and outpatient, inpatient and Emergency Room services. **We urge you to maintain Family Health Plus eligibility and benefits and reverse the Governor's proposed \$135 million in cuts.**

Additionally, the Governor plans to implement a preferred drug program and expand prior authorization for Medicaid. Consumers with serious illnesses and disabilities, like HIV/AIDS, are the people who are most impacted by prior authorization. In New York State, a Medicaid Preferred Drug Program (PDP) would mean curtailed access to medically necessary prescription drugs for HIV+ Medicaid patients. Prior authorization and preferred drug programs are burdensome processes for prescribers, pharmacists and patients, and—if experiences from our own and other states tell us anything—will result in lost access to medically necessary drugs.

Moreover, the consumer protections proposed by the Governor are entirely inadequate. HIV positive individuals have multiple chronic conditions and complex medication regimens that will be disrupted if New York State chooses to exempt only a single class of drugs – antiretrovirals (ARVs) – and not individual Medicaid beneficiaries. Evidence shows that ARVs must be combined carefully with non-HIV medications to avoid negative drug interactions. In fact, according to HHS guidelines, drugs that are commonly considered interchangeable, such as the cholesterol lowering drugs Lipitor and Zocor, have unique interactions with ARVs that can affect the potency of both the HIV and non-HIV drugs. Protocols around HIV drug interactions change frequently as new information becomes available. Drugs considered to be interchangeable for most healthy individuals could, in

fact, impact the health of a person with HIV if paired incorrectly with ARVs. It is clear that prescribing ARVs with non-HIV medications is a very complex process that should not be compromised by the rigors of a preferred drug program. *As such, an ARV drug class exemption is an insufficient consumer protection for HIV positive Medicaid beneficiaries.*

Furthermore, preferred drug programs erect barriers to care that will cause some HIV positive beneficiaries to go without their medications altogether. If an enrollee is denied prior authorization for a drug at the pharmacy, the person may very well walk out without receiving the medications he or she needs, especially since Medicaid beneficiaries lack the resources to pay up-front for the prescribed drug. Moreover, in New York City Medicaid beneficiaries access primary care from hospital outpatient departments, free-standing clinics and private doctors who see extremely high volumes of patients and maintain limited office hours, especially in the evening and on weekends. It is unrealistic to believe that these providers are easily accessible to beneficiaries who are having problems filling a prescription. Given that these same providers and pharmacists themselves have expressed dismay and confusion over the workings of Medicaid's existing prior authorization process, it is unlikely that they can provide all the necessary supports Medicaid enrollees need.

For all of these reasons, it is essential that the legislature define adequate safeguards for Medicaid consumers -- including an exemption for HIV+ beneficiaries -- that minimize negative impact on a patient's access to prescription drugs. There must be a transparent and streamlined process for consumers that is time sensitive; medically appropriate; and where the burden of program navigation rests with the state and not on consumers. The Governor's proposal weakens the proposed legislation that lawmakers have already been working on. For example, under the Governor's proposal the prescriber would not have the final say about whether Prior Authorization (PA) would be given. Then, should a person need medication not on the formulary, it would be up to the PA bureaucracy, rather than a medical provider, to make this decision. **GMHC opposes a PDP and strongly**

advocates for significant consumer safeguards, including the exemption of people with HIV/AIDS, should a PDP be created.

The Governor has also proposed increased pharmacy co-pays and reductions in nutritional supplement coverage, passing the burden of the state's cost saving measures on to the most vulnerable consumers. Increasing prescription drug co-pays can hinder access and reduce use of medications that are vital to people living with HIV and AIDS. This measure would disproportionately impact those with high levels of need. In addition, nutritional supplements are critically important for many Medicaid beneficiaries living with HIV/AIDS. Studies show that the inability to prevent weight loss is a good predictor of progression to AIDS and death. According to New York State's HIV Guidelines "nutritional supplementation is indicated in all patients with weight loss". Access to nutritional supplements or enterals, as indicated by medical necessity, is an important strategy for countering poor nutrition among HIV+ Medicaid beneficiaries. **We urge you to not to increase co-pays for prescription drugs or decrease coverage of nutritional supplements.**

Addressing Rising Needs

Funding for HIV/AIDS services has not kept pace with the growing epidemic. With the exception of his first year in office, the Governor has proposed cutting enhanced funding for HIV/AIDS programs every single year. The HIV/AIDS epidemic, needless to say, has not been static in New York since the Governor has taken office. The number of people living with HIV/AIDS is the highest it has been throughout the epidemic, a fact reflected in the growing caseloads of service providers throughout the state. While we understand budget difficulties in trying economic times, AIDS funding has suffered for far too long. The full needs of the HIV/AIDS community must be met this year in order to stand any chance of catching up with the rising need.

Furthermore, like other providers of health care services, providers of HIV/AIDS services are reeling from the economic recession, a decline in philanthropic giving, and cutbacks in

federal and local funding. ***In fact, New York just suffered an unprecedented loss of \$14.8 million dollars in Federal Ryan White CARE Act funding, the major provider of HIV/AIDS resources to New York City.*** These factors only compound our current state funding deficiencies, which are sure to have a long-term negative impact on the delivery of HIV/AIDS services if new dollars are not appropriated immediately.

Community Service Providers and Multiple Service Agencies have been providing high quality valuable services to communities most at risk since their inception. They have been steadfast in ensuring a continuum of services in both HIV prevention-related and support services for those infected and affected by HIV/AIDS. Over the past five years, funding has been declining even as they have been facing increasing needs and providing more services.

Community Service Providers have proven effectiveness in service delivery and provide a wide range of support services. Community Service Providers (CSPs) like GMHC have been on the frontlines since the beginning of the epidemic, providing a continuum of HIV/AIDS services. At GMHC, we continue to see a significant monthly increase in demand for services—as much as 50% more than in the year 2000. The number of GMHC clients is up nearly 10% just since 2002. **As services have had to expand to meet rising needs, so should the resources that support these vital programs, GMHC urges the allocation of \$2 million for CSPs and \$2 million for MSA/CDIs.**

HIV Prevention

For the first time in almost a decade, preliminary data suggests that there is an increase in new HIV infections in the United States, particularly in men who have sex with men. At the same time, the CDC has shifted a majority of funding away from primary prevention methods and toward secondary prevention (prevention for those already HIV+) leaving behind thousands of New Yorkers at risk of getting HIV. The state must step up to the plate, and ensure the continuation of vital community-based prevention education and counseling to New Yorkers in communities hardest hit by this disease.

New York should put new state funding forward for primary prevention that is targeted to those most at risk for HIV infection: Men who have Sex with Men, particularly young men of color; women, particularly women of color; substance users and prison releasees. **GMHC urges you to allocate \$3.5 million in new funding for Primary Prevention Programming.**

Injection Drug Use (IDU) is associated with more than 50% of newly diagnosed AIDS cases in New York. Harm reduction programs have been shown to dramatically reduce new IDU-related HIV infections. According to a study conducted by Beth Israel Hospital, at least a 50% reduction in new HIV infections was found among injecting drug users who had access to syringe exchange programs. (*1996 HIV Incidence Among Injecting Drug Users in New York City Syringe Exchange Programmes. The Lancet, 348, 987-991*) New York has funded 12 successful harm reduction programs. Yet new IDU-related HIV cases are still high, especially in low-income communities of color. New York must continue to show its commitment to harm reduction programs and put additional resources toward new syringe exchange programs as well as harm reduction programs serving high-risk non-injecting substance users. **GMHC urges you to allocate \$1 million in new funding for Harm Reduction.**

Oversight of Prison Health Care

Of the 66,800 inmates in the custody of the Department of Correctional Services (DOCS), approximately 10,000 are infected with hepatitis C and more than 6,000 are HIV-infected. According to a 1999 study by the US Justice Department, New York has the highest known prisoner rate of HIV in the country. In fact, over a quarter of all prison inmates known to be HIV+ were in New York State Prisons in 1999. (*Bulletin, Bureau of Justice Department, July 2001, NCJ18456*) Each year, approximately 29,000 inmates return to the community. Providing adequate and essential medical care to these inmates is not only crucial to their well being, but also to their families, and communities.

GMHC, with the Legislative Action Coalition on Prison Health supports passage of legislation that expands and improves the healthcare HIV+ inmates receive in New York State Prisons. GMHC will continue advocating for legislation (A.4204-Gottfried/S.1840-Mendez) authorizing the State Department of Health to perform yearly audits of the health care provided in correctional facilities at an estimated cost of \$1million. **GMHC urges you to allocate \$1 million in new funding for improved prison health care.**

Conclusion

GMHC remains committed to working with the legislature and all levels of government to ensure that the needs of people living with HIV and AIDS are met, particularly when they are most at risk—in these times of economic hardship. We recognize the challenges the state must face during this economic crisis, but we must again urge you to be vigilant in protecting the health care needs of at-risk populations. We also thank the Legislature for past support of vital funding for HIV/AIDS services and look forward to working with you again this year to craft sound, science-based responses to the expanding epidemic in New York State. Thank you for your time.