

# GMHC FOR THE RECORD

Analyzing trends and emerging issues in HIV and AIDS



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## State Budget Blues

ALBANY—Continuing a dubious time-honored tradition, for the 20th year in a row, the New York State Budget is late. To no one's surprise, New York's top leaders are blaming each other for the missed deadline, even though Governor Pataki, Assembly Speaker Silver, and Senate Majority Leader Bruno have reportedly been meeting regularly. Returning from the Easter/Passover break, the leaders continued holding two- and three-way discussions on such critical issues to the HIV/AIDS community as the proposed Medicaid preferred drug list (PDL), a misguided budgetary band-aid that attempts to save money at the expense of consumer access to needed medications. Also slowing things down is the need to come up with a plan to comply with a recent court decision on education spending that said students in New York City's poorer districts are not receiving an adequate education, although, according to reports, the leaders may try to defer dealing with this problem until after the November elections—when they are all up for re-election.

One item on the chopping block in the Governor's budget that is of particular importance to New Yorkers living with HIV/AIDS is \$8.4 million of funding that is urgently needed to help fight the epidemic. The funding was added to the 2003–2004 budget by the legislature, which overrode the governor's veto of the funds. If the \$8.4 million cut is successful it will mean fewer resources to battle HIV in communities of color; less money for funding initiatives targeting specific geographic areas and at-risk populations; less money for education, training and service

coordination; less money for programs that help people living with AIDS adhere to their complex drug treatment regimens; and less money for children orphaned by the AIDS epidemic. These reductions would come on top of threatened cuts to Medicaid totaling \$1.6 billion that, if realized, will jeopardize the lives of thousands of HIV-positive New Yorkers who rely on Medicaid as their primary source of health coverage.

Amid these threats there may be some good news to report from the ongoing budget negotiations. GMHC and HIV advocates from across the state have stopped, for now, the Governor's proposed elimination from Medicaid of enteral supplements, the vital nutritional supports more commonly known by their brand names, such as Ensure and Isocal. These supplements contain necessary vitamins, proteins and calories that can help people with advanced HIV disease maintain a healthy weight and fight off opportunistic infections. GMHC has learned that Medicaid coverage of enterals likely will be restored in the final state budget agreement. While this is a significant win for our community, we have a long way to go to make certain that the other harmful budget provisions, including the potentially disastrous preferred drug list and the elimination of other optional Medicaid benefits, do not become a reality this year.

With preliminary data from the CDC suggesting that new HIV infections in the United States are on the rise for the first time in almost a decade, GMHC is also continuing to convince the State to introduce new funding for Primary Prevention Programming and harm reduction programs, including syringe

exchange. Additionally, we will continue to push for increased funding to Community Service Providers (CSPs) and Multiple Service Agencies (MSAs) who have been steadfast in ensuring a continuum of both HIV prevention-related and support services for those infected and affected by HIV/AIDS. Over the years, funding for these providers has been declining — even as they have faced increasing needs and have been delivering more and more services. In light of the CDC numbers suggesting an increased US infection rate, it's time to stop the erosion of these essential services and build them back up.

In addition to GMHC's efforts in Albany, HIV/AIDS and healthcare advocates should continue to reach out to their elected representatives and keep the pressure on. Contact your state assembly members and tell them, “No” to preferred drug lists; “No” to Medicaid cuts; “No to HIV/AIDS service cuts; and ‘Yes’ to new funding for AIDS prevention programs.” For the Record will keep you posted on new developments as the budget negotiations inch forward.

## No New City Dollars for Growing Crystal Meth Crisis

NEW YORK—The growing problem in New York City of crystal methamphetamine (crystal meth) use, which many view as already a crisis among men who have sex with men, was the focus of a City Council hearing last week. The hearing was sponsored jointly by the Council's Committee on Mental Health, Mental Retardation, Drug Abuse, and Disability Services, which is chaired by Margarita Lopez, and the Committee on Health, chaired

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by Christine Quinn. Crystal meth is a dangerous, highly addictive drug the use of which is linked, through high-risk sexual behavior, to HIV and syphilis transmission, according to numerous studies and mounting anecdotal evidence.

The city administration was represented at the hearing by Dr. Lloyd Sederer, Executive Deputy Commissioner for Mental Hygiene, Department of Health and Mental Hygiene (DOHMH), and Dr. Marjorie Hill, the department's Assistant Commissioner for HIV/AIDS Services. While admitting in his direct testimony that the city had only limited data on the use of crystal meth, Dr. Sederer acknowledged the growing problem of crystal meth use and noted the city's particular concern about the use of crystal meth in the gay and bisexual community. He also noted the potential for crystal meth use to expand to other population groups, as is the pattern in most other parts of the country. Several other people providing testimony, including GMHC's Executive Director Ana Oliveira, noted that there are already signs in New York of the spread of crystal meth use beyond men who have sex with men.

Despite laying out the current and potential problems of crystal meth use, the administration's representatives stated that there are no plans to include crystal meth specific funding in the city's budget for FY 2005, which begins July 1. Indeed, the Mayor's Executive Budget proposal for FY 2005 contains no funds for a response to the crystal meth crisis. The only new money being sought by the city is two federal grants, for which the city has submitted proposals. The department has committed \$300,000 this year for a public information campaign.

It is certainly hoped that by the time the 2005 budget is enacted the administration will allocate new, City Tax Levy (CTL) funds to respond to the crystal meth crisis. As the U.S. Drug Enforcement Administration representative noted in his testimony at the hearing, New York has an opportunity to get ahead of the curve

of the growing problem by acting now. That will not happen if the city's response is dampened by budgetary timidity.

## "Pfix Pfizer" Rally Demands Lower Drug Prices, Reimportation

NEW YORK—Health advocates in New York have been working together for over a year to hold the pharmaceutical industry accountable for its unwillingness to keep drug prices down. More than anything else, it is the runaway cost of medications that has caused the budget crunch that threatens comprehensive Medicaid coverage for people with HIV/AIDS. Yet the powerful PHARMA lobby has a strangle-hold on public policies that makes it nearly impossible for the federal and state governments to negotiate lower drug prices — and, despite recent Bush administration approval of a plan to allow states to pool their purchasing power to hold Medicaid costs down, "big PHARMA" shows no signs of giving up without a struggle.

On Thursday, April 22, representatives from Gay Men's Health Crisis, along with activists from senior citizen's organizations, labor and other health advocacy groups, rallied to demand lower drug prices in front of the Manhattan world headquarters of international pharmaceutical giant, Pfizer Inc. Chanting "Pfix Pfizer" and "Lower Prices Now", the protesters demanded that Pfizer — and the entire pharmaceutical industry — halt the runaway inflation of drug prices that has left millions of people in the U.S. and around the world unable to afford the medications they need to stay alive and healthy.

The rally was held on the same day that advocates from across the country attended pharmaceutical company shareholder meetings at Abbott Laboratories, in Chicago and at Pfizer, to protest their unconscionable pricing practices. At the New York rally, GMHC's Gregg Gonsalves spoke about the millions of people dying in the developing world from lack of access to HIV/AIDS medications and of the

obstructive campaign being mounted by brand-name manufacturers to block the purchase of low-cost generics with US aid funds promised by President Bush in his 2003 State of the Union address. Generic versions of HIV drugs have already been proven safe and effective and are saving lives in hundreds of pilot programs throughout Africa and elsewhere. Once the money is released, these programs can start to scale-up operations and begin treating the millions in need. While the PHARMA lobby claims they are worried about the safety of generic drugs, their real agenda seems clear: they want the Bush administration's promised \$5 billion pot of money for themselves. Meanwhile the world AIDS death rate is climbing towards 10,000 per day.

## Norvir Price Increase Update

NEW YORK—Earlier this year the HIV treatment community blasted Abbott Laboratories for its shocking and unprecedented 400% increase in the price of the HIV drug Norvir. On Friday, April 23, 2004, activists from the HIV/AIDS and the senior citizen communities showed up at the gates of Abbott headquarters in Abbott Park, Illinois to ask that Abbott stock owners attending the annual shareholders meeting demand the company roll back the price of Norvir. Also speaking out this week, joining the voices of the many physicians, politicians and people living with HIV who have decried the Abbott move, is a group of doctors and clinical researchers from the HIV Outpatient Study (HOPS), an important national research collaborative group. Dr. Frank Palella of Northwestern University in Chicago said, "It is unconscionable that the dramatic and unjustified increase in Norvir pricing go unchallenged by the HIV care giving community."

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