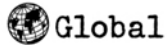
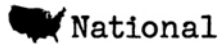


GMHC FOR THE RECORD

Analyzing trends and emerging issues in HIV and AIDS



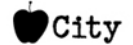
Global



National



State



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If I Ignore It, Maybe It Will Go Away

WASHINGTON—In *Peter Pan*, Peter, saves the fading Tinkerbell by imploring everyone to close their eyes and to say over and over that they believe in fairies. On the strength of that collective belief, Tinkerbell is indeed revived. President Bush, as evidenced by his 2004 State of the Union Address, seems to be trying to reverse that magic. A clear, albeit implicit, message of the address is if we all close our eyes and say nothing, the growing AIDS pandemic will fade away. That may work in President Bush's Never Never Land, but in the real world, and in the real United States, HIV/AIDS is certainly not fading away.

President Bush did not devote one word in his nearly hour long speech to the HIV/AIDS pandemic. This contrasts with last year's address, a hallmark of which was President Bush proposing an Emergency Plan for AIDS Relief. The President asked Congress to commit \$15 billion over five years to "prevent 7 million new AIDS infections, treat at least 2 million people with life-extending drugs, and provide humane care for millions of people suffering from AIDS, and for children orphaned by AIDS," in the most affected countries of Africa and the Caribbean. President Bush received kudos for his proposed initiative, including praise from many people and groups in the HIV/AIDS community. A foolish consistency in the two speeches, however, was the presidents silence on the domestic AIDS crisis.

Given the administration's track record on HIV/AIDS, including the global AIDS initiative now called the President's Plan for Emergency AIDS Relief, perhaps it is not surprising that President Bush would have us all forget AIDS. While Congress passed legislation to enact the Bush global AIDS proposal and to

authorize full funding, White House officials worked behind the scenes to shortchange the initiative in the negotiations over the actual appropriation for FY 2004. The final amount of \$2.4 billion is less than the authorized amount of \$3 billion, but more than the approximately \$2 billion sought by the administration. Despite the "emergency" nature of the President's initiative, it took over six months for the White House to nominate the coordinator of the initiative and much of the bureaucratic infrastructure remains unfilled. Moreover, as the Global AIDS Alliance has noted, one year after the fanfare of the President's announcement, less than 1000 people are receiving life-saving AIDS medications through U.S. programs, not even 1% of the 2 million people envisioned by President Bush to receive treatment.

The administration's response to the domestic AIDS epidemic is perhaps even more dismal. In his budget requests for FY 2003 and FY 2004, President Bush proposed flat funding for most domestic HIV/AIDS programs. President Bush's FY 2004 request actually called for a reduction in spending for the Minority HIV/AIDS Initiative, despite the clear state of emergency on AIDS in communities of color across the nation. The administration's virtual non-response to the crisis in ADAP programs is a prime example of the neglect of the domestic HIV/AIDS agenda.

This is the state of the union that President Bush ignored in his State of the Union. ■

U.S. Senate Passes Omnibus Spending Bill: Lesser of Two Evils for the Fight Against AIDS

WASHINGTON—The Federal budget for the fiscal year that began Oct. 1, 2003 was completed last week when the U.S. Senate

passed the omnibus appropriations bill by a vote of 65-28, with 7 Senators not voting. The measure appropriates \$328.54 billion for discretionary spending that Congress controls through the annual appropriation process. The larger share of the total \$820 billion bill is for mandatory spending for Medicare and Medicaid. The bill came up for a vote when Senate Democrats and a few Republicans abandoned their opposition to the bill in the face of rigid determination by the Republican leadership and White House officials not to make any changes in the bill. In addition, there was a threat from the leadership to bring forth a substitute bill that essentially would have been a Continuing Resolution for the balance of the fiscal year. This would have kept FY '04 spending at FY '03 levels, an overall loss of about \$6 billion, and would have eliminated thousands of Members' earmarked projects, which totaled over \$10 billion in the omnibus bill.

The omnibus bill, and the final FY '04 budget, represents a mixed blessing for the fight against AIDS. Compared with the prospect of a bill that limited spending at the FY '03 level, passage of the omnibus bill was the lesser of two evils. The bill does contain significant funding for global AIDS, including a 175% increase in funds for the Global Fund to Fight AIDS, Tuberculosis, and Malaria (from \$200 million to \$550 million for FY '04). The \$2.4 billion that the bill appropriates is, however, well below the \$3 billion that Congress itself authorized and was achieved in the face of strong White House pressure to keep the

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amount at the \$2 billion level requested by the President.

The funds in the bill for domestic HIV/AIDS programs are an affront to the domestic response to the HIV/AIDS crisis. Nearly all Titles of the Ryan White CARE Act, which provides by far the greater share of Federal support for treatment and care programs, will lose funding. While most Titles are flat funded at their FY 2003 levels, the omnibus bill includes an across the board rescission of 0.59%. Thus the Titles actually will receive funding below the '03 levels. The exception is Title II/ADAP, which received a \$34.54 million increase. This increase, however, is so well below the \$215 million increase needed to respond to the nationwide ADAP crisis, that it is a virtual insult to the people whose lives are dependent on the drugs provided through ADAP. Senator Schumer and Senator Clinton both voted against the omnibus bill.

With the completion of the FY 04 budget, attention shifts to President Bush's budget request for FY 05. President Bush is expected to release his request Monday, Feb. 2. This will be an election year budget request that is sure to contain gifts to appease a variety of constituencies. Early reports and indications are that for the HIV/AIDS community, global and domestic, the President's '05 budget may represent a lump of coal. The next *For the Record* will include an analysis of President Bush's budget request and early projections of the Congressional response. ■

Health Policy – Medicaid

ALBANY—People living with HIV/AIDS on Medicaid will have fewer benefits, increased cost sharing, and more restricted health access if Governor Pataki's proposed 2004-2005 budget is enacted with its Medicaid cuts intact. The proposed budget calls for over \$1.6 billion in state and federal Medicaid cuts, including the elimination of "optional" Medicaid benefits, such as dental and podiatry; encourages SSI beneficiaries to enroll in managed care without ensuring access to care; and authorizes non-profit conversion dollars to go for non health-related purposes. Of most concern to the

HIV community should be the creation of a preferred drug program that does not exempt people living with HIV/AIDS. A preferred drug program without adequate consumer protections could do more harm than good for Medicaid beneficiaries living with HIV/AIDS who can't live without access to pharmaceuticals. The Governor is also proposing an increase in Medicaid prescription co-payments, which will deter the most low-income Medicaid beneficiaries from filling prescriptions, and has called for cuts to vision and dental benefits in Family Health Plus, as well as an assets test for the program and increased cost sharing. The HIV/AIDS community will have to work together in the months ahead to ensure these cuts are soundly rejected. ■

Losing Ground in the Fight Against AIDS

ALBANY—Governor Pataki's Executive Budget for the State Fiscal Year that begins April 1 mirrors his State of the State Address in ignoring the reality of the HIV/AIDS epidemic in New York State. In his \$99.8 billion budget proposal, the Governor cut \$8.4 million in critically needed enhancements to HIV/AIDS programs that were added by the Legislature for the 2003-2004 budget. 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. This is the "state of AIDS" that is ignored in the Governor's Executive Budget.

Among the cuts that the Governor proposes are \$4.1 million in enhanced funding to front line service providers statewide to enable them to meet increased caseloads and special needs and \$3 million in additional funds targeting communities of color. If they are allowed to stand, these cuts will result in fewer resources to people and communities most at risk.

Each year since the 1997-1998 fiscal year, the Legislature, specifically the Assembly, has responded by restoring the

HIV/AIDS cuts that the Governor proposed in his Executive Budget. The essential problem is that in the annual three-way negotiation among the Governor, the Assembly Speaker, and the Senate Majority Leader over the total budget, the amount that the Assembly has been able to restore for HIV/AIDS has become smaller each year since September 11th. The fight against AIDS is caught in a funding web, struggling for funding to meet HIV epidemic realities that existed five years ago.

The HIV/AIDS-specific cuts that the Governor proposes are compounded by the Medicaid cuts that are included as part of the effort to close a \$5.1 billion budget gap. Medicaid is the primary safety net for New Yorkers living with HIV/AIDS, providing health coverage to approximately 65,000 people living with HIV/AIDS in the state. The proposed \$800 million in Medicaid cuts will limit access to life saving medications, will create barriers to care that could impact the health of people living with HIV/AIDS, and will eliminate benefits that people with HIV/AIDS need to stay alive.

Most people would call this budget's response to the epidemic losing ground. The Governor's Office calls it "leading the fight against AIDS." ■