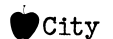
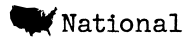


# GMHC FOR THE RECORD

Analyzing trends and emerging issues in HIV and AIDS



March 3, 2004 Volume 1, Number 9

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## **Quietly, Administration Efforts to Alter Medicaid Continue**

WASHINGTON—In 2003, Medicaid advocates across the country were successful in defeating a proposal put forward by President Bush that essentially would have used a block grant approach to the allocation of federal funds for state Medicaid programs. The Medicaid block grant approach would have offered states a capped amount for Medicaid, limiting federal funds available to New York and other states for critical health coverage programs that provide access to care for HIV-positive children and adults. If the President's proposal had been enacted, New York would have been unable to secure additional federal assistance for its Medicaid program during times of rising medical costs, caused by economic downturns, the high price of new treatments like T-20, or an increase in epidemics such as Hepatitis C.

While the administration's proposal is supposedly on the back burner in 2004, a troubling new issue has arisen for Medicaid advocates and consumers. The Bush Administration is actively looking to limit ways in which states can obtain federal dollars for their Medicaid programs, and has stated that the federal government will soon require states to report exactly how they pay for their share of Medicaid. Under this proposal, the federal government would have the authority to deny a state their federal match for Medicaid dollars

unless the state's Medicaid budget has been approved. This plan would enable the federal government to limit its support of Medicaid expansion programs and other health expenditures that support our public health care system. More troubling is that this proposal appears to be a back-door way for the Administration to pressure governors into accepting a Medicaid block grant. Whether such pressure is intentional or not, it is clear that the Administration is continuing its plans to "reform" Medicaid in a way that is harmful to people living with HIV and AIDS. ■

## **Doctors Organize to Protest Norvir Price Hike, ADAP Cuts**

SAN FRANCISCO—The annual Retrovirus Conference, the most important scientific meeting of the year on HIV/AIDS, held this year in San Francisco from February 8–13, is not usually an occasion for social or political expression. This year's conference was remarkable for the manifestations of anger and protest at pharmaceutical maker Abbott Laboratories over a 400 % increase in the price of their HIV drug, Norvir, announced in December 2003. Even more remarkable was that the most visible protest leaders were HIV doctors from around the country who organized a new coalition to speak out on the Abbott outrage as well as ADAP budget cuts and other threats to their ability to care for patients with HIV/AIDS.

During an afternoon break on the second day of the conference, about 30 physicians representing the newly formed Organization of HIV Healthcare Providers gathered in front of the Moscone West Center and marched two blocks to a press conference at the San Francisco AIDS Foundation, where Drs. Bill Powderly, of St. Louis, Benjamin Young, of Denver, and Edwin DeJesus, of Miami, explained the necessity of resisting the Norvir price hike. Addressing the cameras of CNN and San Francisco news outlets in the packed meeting room, the physicians pledged to boycott Abbott's sales representatives, resign from Abbott advisory boards and refuse to participate in non-essential Abbott research. According to New York physician Howard Grossman, the Providers have obtained over 200 pledges to support the boycott. The press conference was organized by the AIDS Treatment Activists Coalition (ATAC).

Earlier in the week, members of the two large HIV doctor's organizations, the 1,600-member American Academy of HIV Medicine (AAHIVM) and the HIV Medical Association (HIVMA) also held an unprecedented joint meeting to discuss strategies to support adequate funding for HIV care programs. As one of their action steps, members of the new Organization of HIV Healthcare Providers group are planning "white coat" visits to Congress in the coming months to lobby for adequate ADAP and Medicaid funding. ■

## Future Domestic Spending to be Cut Severely Under Bush Budget Proposal

WASHINGTON—As the federal appropriations process for the fiscal year that begins October 1 (FY 2005) gets underway in Congress, the long-term implications of President Bush's FY 2005 budget proposal are emerging. It's not a pretty picture.

The Bush budget proposal calls for drastic reductions in discretionary domestic spending over the next four years, through FY 2009. Funding for most HIV/AIDS-specific programs, such as HIV prevention, the Ryan White CARE Act, and global AIDS, comes out of domestic discretionary funds. These funds are appropriated annually by Congress.

Through a combination of proposals, including caps on discretionary spending and extending tax cuts, starting next year, FY 2006, funding would dip below the baseline amounts of FY 2004, the current year. By 2009, discretionary domestic spending would be nearly \$50 billion below the baseline. The category of health programs would be cut by as much as 11% under the Bush plan. Analyses of budget documents by the Center on Budget and Policy Priorities demonstrate that the administration is "paying" for the tax cuts and the military campaigns in Afghanistan and Iraq through forced reductions in domestic spending. Only spending for defense, international affairs, and general science, space, and technology would be exempt.

It appears that the true intent of President Bush's tax cuts was to starve the government of revenue as a way to force the shrinking of federal support for domestic programs. As more and more is learned about Bush's FY 2005 budget proposal, such cynicism seems appropriate. ■

## An Amazing Federal Funding Award for New York

NEW YORK—Last year's Ryan White CARE Act Title I award forced New York to cut \$14.8 million worth of vital HIV-related programs and services. No services went untouched and some programs were completely eliminated. In an effort to prevent this from recurring and to obtain additional HIV funding that is desperately needed in the City, the New York City Department of Health and Mental Health overhauled its Ryan White grant application and developed an unprecedented open review process for the grant application. The hard work paid off. The New York Title I area has just received the largest award in the history of the Title I program: a total award of \$122.1 million, which is an increase of \$18.23 million, or 17.6% over last year. The New York Title I area consists of New York City and Westchester, Rockland, and Putnam counties.

The total Ryan White Title I award is made up of three individual awards: Formula, Supplemental and Minority AIDS Initiative. The increase in funding will allow New York City and the three counties to strengthen the continuum of care for PLWH/A throughout the area. Thousands of New Yorkers living with HIV/AIDS will now have better access to essential services to help them live longer and have healthier lives. ■

## The Early Treatment for HIV Act Introduced in Congress

WASHINGTON—On February 26, the Early Treatment for HIV Act (ETHA) was introduced in the House of Representatives by House Minority Leader Nancy Pelosi (D-CA), Representative James Leach (R-IA) and 68 members of Congress. ETHA provides states with incentives to enroll

HIV-positive individuals in Medicaid before they are diagnosed with AIDS, allowing them to access preventative and routine health care through Medicaid before their health deteriorates. As the largest payer of health care costs for people living with HIV/AIDS, Medicaid is an essential part of the HIV/AIDS care infrastructure. Often, Medicaid provides critical care to HIV-positive individuals at a time when their health needs are most acute; this bill contends that people with HIV should be able to access care earlier if they are to stay healthy and independent.

Ten of ETHA's co-sponsors, including six Republic members of Congress, are from New York State—not surprising given that New York has often led the country in a commitment to expanding Medicaid. Currently, single adults and childless couples in New York State qualify for Medicaid at income levels that are higher than most other states. Not only would ETHA increase the number of New Yorkers with HIV who would be eligible for Medicaid, but the bill would provide New York with a higher Medicaid federal reimbursement rate, saving state and local tax dollars currently used for the State's Medicaid match.

By maintaining the health of people living with HIV, preventing opportunistic infections associated with the disease and slowing the progression to AIDS, ETHA could ease the pressure of our nation's strapped AIDS Drug Assistance Program and save taxpayer dollars. More importantly, should ETHA and other measures to expand coverage become law, the United States will take an important step toward ensuring that all people with HIV have access to the medical care they need to stay healthy as long as possible. ■

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