



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

***2006-2007 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 Director of State 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 program and nutrition services, benefits & entitlements advocacy, health care advocacy, case management, legal assistance, counseling and testing services for HIV and sexually transmitted infection, group counseling services, HIV prevention, outreach, and health education, home-based support, assistance accessing stable housing, substance use counseling and mental health services.

GMHC has been on the frontlines of the AIDS epidemic since it began 25 years ago. We remain focused on the communities most threatened by HIV and continue to expand our service provision as the epidemic expands. Our clients reflect the diversity of the HIV epidemic; 67% are people of color, 65% are lesbian, gay or bisexual, 18% are women, and more than half reside outside of Manhattan. 72% of our clients have an annual income of less than \$10,000. A majority of GMHC clients, 70%, rely on Medicaid, while 15% rely on the AIDS Drug Assistance Program, ADAP for their medical care and life-saving prescription drugs. Our budget priorities reflect our mission and the needs of the people we serve.

For nearly a decade, we have testified at budget hearings in support of restorations and baselining of vital HIV/AIDS funding. We are certainly pleased that this year the Governor's Executive Budget proposal acknowledges HIV/AIDS funding to community-based organizations at last year's level, including additions from the Legislature. Preserving this base funding and proposing a cost of living increase in the executive budget helps keep New York from slipping backwards in the fight against AIDS.

While this is essential funding for community-based organizations to continue service delivery, we view this as a starting point. We must continue to advocate for new funds to fight the epidemic and will be vigilant in advocating for the health care needs of at-risk populations who would be most impacted by cuts to Medicaid. We would like to highlight three areas of particular concern.

First, we urge the state to address the rising unmet needs of the HIV community with adequate and reliable funding. Second, \$1.3 billion 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. Finally, to prevent losing more ground in the fight against HIV and AIDS, new funds must be allocated—an emergency allocation in response to possible severe cuts in federal funding, for expanded service provision to women, for HIV prevention among gay men of color, for the health needs of the LGBT community, for housing, and for crystal meth prevention initiatives.

Address Rising Needs

Funding for HIV/AIDS services has not kept pace with the growing epidemic. With the exception of his first year in office, and his last year in office, this Governor has proposed cutting base funding for HIV/AIDS programs every single year. Of course the epidemic has not been static during the last eleven years. 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. New York leads the nation with the highest number of persons living with AIDS—more than 70,000 by the end of 2004. Cumulative AIDS cases in New York now total 166,814. New York continues to be the epicenter of the HIV epidemic.

Community Service Providers (CSPs) and Multiple Service Agencies (MSAs), the state's network of HIV providers, have been providing a continuum of services including HIV prevention and support services since their inception. Yet for many years, community based funding has not increased even as providers faced increasing needs and provided

increased services. Additionally, providers of HIV/AIDS services across the state are feeling a decline in philanthropic giving, and cutbacks in federal and local funding in a number of areas.

Community Service Providers like GMHC have proven effectiveness in service delivery and provide a wide range of support services. They 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 increase in demand for services—an increase of 16% in new clients last year compared to 2004. **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 an accompanying \$2 million for MSA/CDIs.**

Restoring cuts to Medicaid

GMHC is gravely concerned about the \$1.3 billion cut to New York's Medicaid program contained in the Executive Budget. Devastating in and of itself, this cut will cost New York close to \$3 billion in federal matching funds. **GMHC is adamantly opposed to these cuts and strongly urges the legislature to do all that it can to oppose them.** We are witnessing the most dramatic changes in public health insurance in forty years; changes that are leaving many without adequate access to care and treatment. For the most vulnerable New Yorkers, particularly those with HIV/AIDS whose health rests on uninterrupted and uncompromised treatment regimens, the Governor's proposals exacerbate these risks.

Medicaid is the largest payer of healthcare for people living with HIV/AIDS in New York, covering doctor visits, case management, hospital care, and life-saving prescription drugs for 65,000 people living with HIV/AIDS. More than 10,500 people -- over 70% of GMHC's clients -- rely on Medicaid for preventative, primary, and hospital care, and medication.

Safeguarding access to prescription drugs

GMHC finds it especially troubling that access to prescription drugs in the Medicaid Preferred Drug Program (PDP) would be severely restricted, and in some cases denied

under the provisions of the Executive Budget. We opposed the PDP when first proposed understanding that it would mean curtailed access to medically necessary prescription drugs for HIV positive patients and indeed for all Medicaid consumers with serious illnesses and disabilities. PDP and prior authorization requirements impose significant barrier for prescribers, pharmacists and patients, and can result in lost access to life-sustaining drugs. Now, under the Governor's current budget proposal, a drug's cost will determine its place on or off the Medicaid preferred drug list (PDL). Furthermore, the Governor proposes to eliminate the "provider prevails" stipulation of the PDP, a protection many in this room pushed for, stripping doctors of final say over whether or not a drug that is not on the PDL is medically necessary for their patients.

HIV positive individuals have multiple chronic conditions and complex medication regimens that must be carefully balanced and maintained. Patient needs change over time and protocols around HIV drug interactions are frequently adjusted as new information becomes available. Proper management of medication demands deference to medical expertise, intimate knowledge of patient needs, and the ability to access the right drug regardless of cost. If enacted, the changes proposed in the Executive Budget will likely result in some HIV positive beneficiaries going without their medications altogether. Drug regimens will be disrupted and health outcomes severely compromised. **GMHC is strenuously opposed to these changes in the Preferred Drug Program. Providers must have final say over which drugs are medically necessary for their patients' health. Cost must not be used to exclude drugs from the Preferred Drug Program or the Clinical Drug Review Program.** The process must be transparent and streamlined for consumers; time sensitive; and medically appropriate. The burden of program navigation must rest with the State and not with New York's most vulnerable consumers. Further, we once again ask that people with HIV/AIDS and all dual eligibles, be exempted from the PDP.

Protecting HIV+ New Yorkers: Medicare Part D and the Medicaid “wrap”

Last year, GMHC testified at these proceedings, asking that that New York State take every precaution necessary to ensure that dual eligible beneficiaries—thousands of them HIV positive—be fully, seamlessly, and carefully transitioned to the new Medicare Part D benefit by January 1, 2006. We commend the Assembly and the Senate for passing emergency Part D measures in the face of what can only be called a public health crisis, and now encourage you to override the Governor’s veto of this bill. This is an important start. It cannot take the place of long-term safeguards for dual eligibles. For some time, advocates and consumers were assured that Medicaid would step in and pay for drugs that beneficiaries could not access through their Part D plans. The Governor now proposes that this critical protection will be eliminated after July 1, 2006. Executive Budget provisions that allow for a permanent wrap for specific drugs, including antiretrovirals (ARVs) are insufficient. ARVs must be carefully and correctly combined with non-HIV medications to avoid negative drug interactions. Drugs considered to be interchangeable for most healthy individuals will produce deleterious effects on the health of a person with HIV if paired incorrectly with ARVs. According to HHS guidelines, incorrect pairings can alter the potency of both the HIV and non-HIV drugs. In addition to being medically harmful to the health of HIV+ New Yorkers, the Governor’s proposed wrap for ARVs is not as meaningful as it may appear as HHS has already mandated that every ARV be covered by every Part D plan. **The wrap must follow the *beneficiary*, not the *drug class*. GMHC asks you to stand by the State’s promise to provide an ongoing Medicaid wrap around for Part D dual eligible beneficiaries.**

We also call on the legislature and the Governor to enact EPIC coverage for Medicare eligible disabled individuals under 65 years of age.

Rejecting barriers to treatment: Family Health Plus

GMHC vehemently opposes the Governor’s intended changes to Family Health Plus (FHP), a critical expansion program serving low income adults, that we fear will raise significant, in some cases insurmountable, barriers to care. Under the Governor’s plan,

FHP recipients would incur co-pays that are over seven times higher for non-emergency emergency room care than what they currently pay. This would put the onus on FHP patients to be able to accurately assess whether or not their condition was in fact an “emergency” before they sought care. Not being medically trained, many will make the wrong assessment with one of two results: a co-pay they cannot afford, or a medically harmful decision not to seek care. The Governor’s budget would also allow medical providers to deny care to these patients if they could not make their co-payments. Between these two provisions, many FHP recipients will be left without accessible hospital or physician care. **We urge you to reject these harmful changes.**

Immigrant Health

GMHC opposes the proposed elimination of “ancillary” care (any services that are not classified as emergency care) to undocumented immigrants as unprincipled and shortsighted. Public health and medical ethics demand that hospitals must provide treatment without regard to immigration status. The only way that will happen is if the State guarantees that they will be reimbursed for their services.

Threats to New York’s safety net

There are a number of other measures put forth in the Governor’s proposal that we feel will compromise personal and public health: the acceleration of mandatory enrollment in Medicaid Managed Care; and the elimination of web-based statewide prescription drug price list. **GMHC strongly objects to these provisions.**

The state cannot renege on its commitment to provide comprehensive, meaningful, accessible, and competent care to all New Yorkers, regardless of economic, immigration, or insurance status. As everyone in this room knows, Congress passed the Budget Reconciliation Bill last week – legislation that clears the way for states to eviscerate Medicaid; to restrict, and in many cases eliminate, health care for the nation’s poor. GMHC appeals to you to keep New York from going down this road. We are witnessing the systematic gutting of the safety net. As the nation’s oldest and most comprehensive AIDS service provider, and as a leading force behind Medicaid Matters New York, a statewide

coalition united to protect Medicaid and the people it serves, GMHC urges our elected representatives to spare no effort in reversing this injurious and inhumane trend.

Emergency Funding Given Projected Ryan White Cuts

The Ryan White CARE (Comprehensive AIDS Resources Emergency) Act provides funding for primary medical care, antiretroviral treatments, counseling, testing and more, for those in greatest need of HIV/AIDS assistance. In fact, the Ryan White CARE Act is the largest federal source of comprehensive funding for HIV outside of Medicaid. For 15 years, it has supported thousands of programs across the country; helping HIV positive people get much needed treatment and care.

On July 27, 2005, the U.S. Health and Human Services released "Principles for Reauthorization of the Ryan White CARE Act." ***These principles propose drastic revisions to the way the CARE Act functions.*** GMHC believes these proposals have the potential to be very damaging and could destabilize the systems of HIV care in several cities and states, including New York. New York continues to account for 17% of the nation's AIDS cases, and has an AIDS rate double the national average. The administration's proposals have the ability to devastate the Title I and Title II funding allocations to New York.

For example, the severity of need principle looks to HIV incidence but not seroprevalence for funding allocations. GMHC is concerned that this will disadvantage jurisdictions that have made notable progress in preventing new infections as well as those with a high concentration (density) of HIV/AIDS cases. Prevalence is the relevant indicator of need for HIV/AIDS services. Furthermore, the suggested formula to calculate the index will penalize those areas with decreasing incidence, which is a sign of successful prevention efforts.

GMHC is also very concerned that factoring in the availability of other resources, including local, state, other federal support, and private resources, would, in effect, reward jurisdictions that have done a poor job of using available resources and penalize those that have done a good job of marshalling resources in response to the HIV/AIDS epidemic.

The CARE Act can only be successful with enough funding to ensure that everyone living with HIV/AIDS has access to appropriate services. The administration's proposals seem instead to shift funding around, rather than increasing total funds. If enacted, New York's share of funding from the RWCA could be significantly decreased, devastating our care and service delivery system across the state. ***Given the projected cuts, GMHC supports the AIDS Advisory Council's request for a \$30 million emergency appropriation, and urges the legislature to vigorously oppose these harmful changes at the federal level.***

Funding HIV Related Services for Women

By a wide margin, New York State continues to lead the nation in the number of women living with AIDS. At the end of 2001, an estimated 17,291 women were living with AIDS in New York State. Further, the severe impact of the HIV epidemic on New York's women of color is striking. Black and Hispanic women account for only 29 percent of the New York female population. However, together they represent 86 percent of New York women living with HIV/AIDS. The AIDS case rate for Black women is more than 27 times higher than for white women; the rate for Hispanic women is 13 times higher.

Alarming, HIV is impacting young girls more and more; sexual transmission has become the major risk for young and adolescent women. The CDC reports that more than 2/3 of new HIV infections in women and female teens results from unprotected sexual contact with infected partners. According to NYS DOH, between 2001 and 2003 newly diagnosed HIV cases among 13-19 year olds, was split nearly equally by gender; 48% were female and 52% male. Females are 43% of new infections of young adults aged 20-24.

Despite these rising HIV infections and AIDS diagnoses among women and young girls in New York State, funding for the Women, Children, Youth and Family Services portfolio of the New York State Department of Health-AIDS Institute, which includes family-centered and adolescent health, HIV prevention services and support for families in transition, has

not kept pace. It has been twelve years since the portfolio has seen an increase in state funding.

The NYS AIDS Advisory Council has recently released a compelling and alarming new report entitled "Women in Peril-HIV&AIDS: The Rising Toll on Women of Color". The information released in this report demands immediate action, and GMHC joining with other community based organizations and individuals, was motivated to advocate for state action. The 12-12 Campaign implores state government to step up its commitment of resources to fight the HIV/AIDS epidemic on behalf of women. **We strongly urge the legislature to act and allocate \$12 million for the Women, Children, Youth and Family Services Budget.**

HIV Prevention for Black Gay Men

The Federal Centers for Disease Control and Prevention (CDC) recently conducted a random study of men, 18 years and older, from 5 cities that participate in the National HIV Behavioral Surveillance system. Participants in the study from Baltimore, Los Angeles, Miami, New York and San Francisco were tested for HIV after giving informed consent. The alarming findings suggest that HIV seroprevalence among black men who have sex with men is higher than was seen in the earlier studies and is higher than the rate for other racial and ethnic groups. HIV prevalence was 46% among the black participants, nearly half of black gay and bisexual men. Further, of all participants who tested positive, 48% were unaware that they were HIV positive prior to participating in the study.

At this same time, the CDC has shifted priority 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 the 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 starting with men who have sex with men, particularly young black men. **GMHC urges you to work with the Governor to allocate \$4 million in new funding for HIV Prevention initiatives for Gay and Bisexual Black Men.**

LGBT Health and Human Services Network

The "Network" is a group of 52 nonprofit LGBT organizations that provide health and social services to LGBT New Yorkers, including youth, seniors, people of color, and women. GMHC as a longtime active member of the Network was pleased to see an almost complete restoration of funding in the Executive Budget. **We also hope that the Assembly Majority will continue its commitment to the Network by returning to its highest level of discretionary funding at the amount of \$2.5M.** This \$5M total appropriation – a tiny fraction of New York’s budget and of the amount LGBT New Yorkers contribute to their government in taxes --will only begin to adequately address the needs of New York’s LGBT community. Still, it will allow Network organizations to keep their doors open and allow the Network to support its expanded membership and continue serving its clients and constituents statewide.

Housing Is Prevention

There is established research showing that stable housing is an effective structural intervention in any HIV/AIDS prevention and care strategy. Research shows that housing works to reduce HIV/AIDS transmission; facilitate access to medical care; improve health outcomes; reduce harmful drug use, violence, incarceration and other public and private harm; save taxpayer dollars and protect and stabilize individuals, families and communities. Data from the New York City HIV/AIDS housing needs assessment further supports this.

GMHC as a participant in a coalition of NYC HIV/AIDS Housing community groups is united in requesting that \$9.7 million be allocated in the state budget for

emergency rental assistance for HIV infected persons and their families to be utilized by those in need around the state.

Crystal Meth Prevention Initiatives

GMHC is encouraged that the Assembly took on the issue of Crystal Methamphetamine, allocating \$300,000 in last year's budget cycle for treatment and prevention, and we applaud your understanding that this epidemic needs specific targeted funding.

For GMHC, addiction, whether it is to methamphetamine, or other drugs, is primarily a medical issue and should be handled as such by addiction specialists with the proper clinical training and with appropriate peer-based interventions. In New York City, crystal use is a growing, but not new epidemic. Studies have been showing rising rates of crystal-meth use among gay men, and men who have sex with men (MSM) over last few years. Various studies show a link between crystal-meth use and unsafe sex, and a New York City syphilis study showed that MSM testing positive for syphilis were 2.3 times more likely to report crystal-meth use. Crystal is most commonly smoked however increasing evidence that injection use is on the rise is disturbing because of the increased potential for HIV transmission.

GMHC has been seeing a steady increase of crystal-related issues. The rise in new infections in New York City, among gay men and, in particular, gay men of color, has been a serious and paramount concern throughout our work.

Given that the bulk of this epidemic is in New York City, among gay men and men who have sex with men, **we urge funding for this initiative be set at \$2 million this year**, and that a significant portion go to Community Based Organizations that work with New York's Lesbian, Gay, Bisexual, Transgender community. Community based organizations with a proven track record of effectively serving the LGBT population have sensitivity and understanding of the needs of this community, are properly suited to do this work.

Conclusion

GMHC remains committed to working with the legislature and the executive to ensure that the needs of people living with HIV and AIDS are met. This year provides an opportunity to allocate new funds that will help bolster our ability to fight this epidemic. We urge you to be vigilant in protecting the health care needs of at-risk populations. Shifting costs to the lowest-income New Yorkers will not fix the state's fiscal problems and is sure to have a devastating effect on the people who rely on safety net services.

Finally, we thank the Legislature for its past support of vital funding for HIV/AIDS services and look forward to working with you again this year to craft sound, science-based and compassionate responses to the expanding epidemic in New York State. Thank you for your time.