



2006-2007 STATE FUNDING PRIORITIES

About Gay Men's Health Crisis

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 over 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. The number of GMHC clients has increased by almost 50% just since 2000. Our clients reflect the diversity of HIV; 67% are people of color, 65% are lesbian, gay, bisexual, 18% are women, and more than half reside outside of Manhattan. Of our total clients served we continue to see a larger proportion living in poverty. Approximately 70% of the clients we serve are living an annual income of less than \$10,000. 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 Funding Priorities

GMHC's Funding Priorities are a reflection of our mission and the needs of the people we serve. As the world's first AIDS service provider, we also recognize the importance of providing recommendations that address the needs of the broader HIV/AIDS service provider community. These 2006-2007 budget recommendations advocate for funding in areas where there continue to be clear and demonstrated unmet needs, as well as pushing for new funding initiatives to meet emerging concerns as the epidemic rages on. GMHC will continue to be vigilant in advocating for the health care needs of at-risk populations, who are the most vulnerable when cuts to safety net services are proposed.

Additionally, GMHC supports the recommendations of the NYS AIDS Advisory Council and the New York AIDS Coalition (NYAC) who have worked with the community to develop broad funding priorities that are sensitive to the state's financial limitations.

GMHC's 2006-2007 Budget Recommendations

<i>Restoring cuts to Medicaid</i>	<i>Reverse Proposed Cuts in Executive Budget</i>	<i>1,300,000,000</i>
Community Based Services:	New Money each for CSP's and MSA/CDI's	4,000,000
Funding HIV Services for Women:	Women, Children, Youth and Family Services Budget	12,000,000
HIV Prevention:	New funding for Black Men who have sex with Men	4,000,000
Incarcerated Populations:	NYSDOH to perform audits in correctional facilities	1,000,000
Housing is Prevention:	Emergency rental assistance for People living w/ HIV	9,700,000
LGBT Health and Human Services Network:	Return to highest level of Legislative Funding	2,500,000
Crystal Meth Prevention Initiatives:	Increase from last year's allocation of \$300,000	2,000,000
	TOTAL NEW MONEY	\$35,200,000

⌘ 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, 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.

Allocate \$2 million each in new funding to CSPs and MSA/CDIs

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

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 a lifeline for people with HIV/AIDS; over 65,000 people living with the disease in New York State depend on Medicaid for their health care. While GMHC agrees that cost containment in Medicaid is necessary, it must be achieved by strengthening our state's program and making prudent reform decisions, not by making Medicaid even more difficult to access by those in need of health coverage. The proposed 2006 budget makes numerous cuts to our health care safety net – the programs that provide health coverage for over 3 million New Yorkers from all walks of life, including people with HIV/AIDS. Included in these proposals is the elimination of so-called "ancillary" care (any services that are not classified as emergency care) to undocumented immigrants – a move that would compromise community health and medical ethics. Hospitals, often the last recourse the poor have to medical care, must provide treatment without regard to immigration status and the State must guarantee that they will be reimbursed for their services.

Numerous studies have shown that imposing greater cost sharing and reducing benefits for low-income individuals merely forces people to go without the services and medications they need to stay healthy, worsening their conditions, delaying treatments, and resulting in more costly hospital-based care. **GMHC vigorously opposes proposals that restrict eligibility, reduce benefits or impose cost-sharing in Medicaid.**

⌘ Stabilize Direct Pay and Medigap Private Insurance Markets; protect and expand EPIC

While other neighboring states have seen skyrocketing premiums and increasingly adversely selected direct pay markets, New York has provided this market segment with a small amount of stability, even as premiums continue to rise significantly. Direct pay premiums have been lowered between \$25 and \$40 per month per person through HCRA's "stop-loss" reinsurance, even though funds have been insufficient to cover all high cost claims. This stabilization fund should be maintained and enhanced to provide even greater stability to this most vulnerable segment of the insurance market. ***GMHC urges the legislature to increase direct pay market stabilization fund (in HCRA) by 20% annually, over and above the current flat-funding proposal. Furthermore, threshold and reimbursement limits should be changed to make more high cost claims eligible for subsidy.***

Require State Insurance Department to Hold Rate Hearings

When premiums in the direct pay market do inevitably go up, the State Insurance Department should be required to hold hearings to provide the public with a meaningful opportunity to comment on and impact the proposed increases. ***GMHC urges the Legislature to require the State Insurance Department to hold a public hearing when an insurer seek a rate hike above 5% and eliminate "file and use" rate procedures.***

Restore cuts to EPIC and expand its reach

In the Executive Budget, the Governor proposes reducing EPIC funding by \$15 million in HCRA. GMHC urges the Legislature to restore this funding and to expand EPIC to the disabled, under-sixty-five population.

⌘ Safeguard access to prescription drugs for Medicaid Beneficiaries Living With HIV/AIDS

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.

The Governor proposes that 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 vital consumer protection, stripping doctors of final say over whether or not a drug that is not on the PDL is medically necessary for their patients. 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. ***For these reasons, GMHC strongly advocates for reversing the Governor's course and re-enacting these significant consumer safeguards in the Medicaid PDP and ask that people with HIV/AIDS and all dual eligibles, be exempted from the PDP.***

⌘ Bring Down Prescription Drug Prices by Leveraging NY's Buying Power through Bulk Purchasing

If New York State were a nation to itself, it would be the seventh largest health care economy in the world. As such, it is a major purchaser of prescription drugs. Each year, Medicaid, ADAP, and other publicly funded programs spend hundreds of millions of dollars on prescription drugs for people living

with HIV/AIDS. The pharmaceutical industry is the most profitable in the nation. The industry's sky-high prices put pressure on consumer access, as well as the bottom lines of programs that support HIV/AIDS care. New York State should closely examine the entire range of purchasing strategies employed by other states and localities, including reimportation from Canada, to determine how public programs and individual consumers could benefit. New York State should also create mechanisms that allow private employers and self-insured plans to take advantage of lower priced drugs.

Bulk buying and reimportation should be included in a comprehensive effort to bring down the unreasonably high price of medications provided by publicly funded programs.

⌘ *Maintain Family Health Plus Eligibility and Affordable Benefits*

The Governor has put forth two changes to Family Health Plus (FHP) that would significantly jeopardize access to care and treatment. The first would allow providers to deny care to FHP recipients who can not make their co-pays. The second would increase co-pays for non-emergency emergency room care from \$3 to \$25 (that's seven times what FHP patients currently pay). This hike means that people on FHP would be required to assess whether or not their condition was in fact an "emergency" before they sought care. This is unrealistic and unfair. Co-pays are a significant barrier to care for people with such low incomes. Remember that in order to be eligible for FHP, a single person can earn no more than \$10,050 per year. Rather than expend their limited fiscal resources on health care, many FHP recipients would have to forgo care in order to meet other life-sustaining costs: housing, food, fuel, heating, and transportation. The result: untreated and escalating medical conditions for individuals and, ultimately, a greater expense for the state, local counties and providers. ***We urge you to reject these barriers to care.***

⌘ *Place ALL Future Conversion Proceeds in a Foundation Dedicated to Health*

The Governor's proposal to virtually eliminate the New York Charitable Assets Foundation must be addressed. GMHC strenuously opposes this course of action. The foundation is funded by 5% of the resources accrued from the change of Empire Blue Cross from a non-profit to a for-profit entity. The Governor wants to expend the nearly \$125 million on grants to medical research firms. While a commitment to medical research is laudable, the mission of the charitable assets set aside is clear: it exists to improve access to health care for the state's poor and elderly citizens. In light of the fact that 95% of the original funds were utilized to cover ongoing salary costs for the State's Hospitals, we find the Governor's plan to divert the remainder of these funds far so afield of the foundation's mandate to be unprincipled. ***The Charitable Assets Foundation must stay true to its original mission: to ensure health care for the State's most vulnerable populations.***

⌘ *Medicare Part D*

We commend the legislature for passing emergency measures to ensure the seamless and safe transition of New York State's dually eligible beneficiaries —thousands of them HIV positive— the new Medicare Part D benefit by January 1, 2006.

For some time, advocates and consumers were assured that Medicaid would step in and pay for drugs that dually eligible beneficiaries could not access through their Part D plans. The Governor has reneged on that promise, and now proposes that this critical protection 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 permanent Medicaid wrap around for Part D dual eligible beneficiaries.***

⌘ 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 yet, together they represent 86 percent of New York women living with HIV/AIDS.

Alarming, HIV is impacting young girls more and more; sexual transmission has become the major risk for young and adolescent women. 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 legislature will continue its commitment to the Network by returning to its highest level of discretionary funding at the amount of \$2.5M (from 1.373M last year.) 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. **GMHC urges you allocate \$2.5 million in addition to the Executive Budget proposal for a total of \$5 million in order for the Network to continue its critically needed and efficiently delivered services throughout the state.**

⌘ **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 Methamphetamine 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.

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 have a proven track record of effectively serving the LGBT population, have sensitivity and understanding of the needs of this community, and are properly suited to do this work.

⌘ **Oversight of Prison Health Care**

Of the 65,400 inmates in the custody of the Department of Correctional Services (DOCS), approximately 10,000 are infected with hepatitis C and more than 5,000 are HIV-infected. 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 28,000 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. This legislation would require the Department of Health annually to review the policies and practices concerning HIV and Hepatitis C (HCV) care at state prisons and local jails. This would encourage development and implementation of HIV and HCV care policies and practices that meet community standards of care and provide the prisons and jails with clear guidance on what is needed to improve care and avoid disease transmission. GMHC will continue advocating for legislation authorizing the State Department of Health to **perform yearly audits of the health care provided in correctional facilities at an estimated cost of \$1 million.**

⌘ **Anticipating Ryan White CARE Act 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 State.

GMHC is also very concerned that some of the proposals factor in the availability of local, state, other federal support, and private resources when determining awards. This would, in effect, reward jurisdictions that have done a poor job of using available resources and penalize those like New York, 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. While a bill has not yet been introduced at the federal level, we are flagging this issue as a potential fiscal need, probably in FY 2007-2008. ***Given the projected cuts, GMHC supports the AIDS Advisory Council's request for a \$30 million emergency appropriation when appropriate, and urges the legislature to vigorously oppose these harmful changes at the federal level.***

⌘ **For More Information:**

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