



2004-2005 STATE BUDGET 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. We continue to serve more people each year, in fact, the number of GMHC clients has increased by almost 50% just since 2000. Our clients reflect the diversity of HIV; 68% are people of color, 62% are lesbian, gay, bisexual, 19% are women, and more than half reside outside of Manhattan. The vast majority of our clients are at or below poverty level, and many walk through our doors uninsured. 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.

AIDS in New York State

New York is the epicenter of the HIV/AIDS epidemic in the United States. Since the first cases were identified in New York City, in 1981, more than 155,000 New Yorkers have developed AIDS, accounting for about 17% of the nation's confirmed cases. New York leads the nation, with the highest number of persons living with AIDS—63, 412 by the end of 2002. Furthermore, cumulative reported AIDS cases in New York State have increased 43% since 1996 (1996-2002).

The epidemic continues to devastate our communities of color—making up 89% of all new cases in New York City, sharply rising among young men who have sex with men, and steadily increasing among women, particularly women of color, who now make up one quarter of New York's AIDS cases and 30% of new HIV infections. In New York, stigma, racism, gender inequality, drug dependency, social status, poverty and homophobia continue to create challenges for people living with HIV and AIDS, and place communities at risk for HIV.

GMHC's Budget Priorities

GMHC's Budget Priorities are a reflection of our mission and the needs of the people we serve. We recognize the state is facing a significant deficit; while mindful of this situation, we believe it is imperative that GMHC advocate for funds where there continue to be clear and demonstrated unmet needs. GMHC will continue to be vigilant in advocating for the health care needs of at-risk populations, who are the most vulnerable during times of economic hardship.

Furthermore, 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 funding priorities that are sensitive to the state's financial limitations. We would like to highlight the following issues of particular concern to us in these 2004-2005 Budget Priorities.

2004-2005 STATE BUDGET PRIORITIES

✂ Restore \$8.4 million in HIV/AIDS funding

One of GMHC's top priorities is to ensure adequate funding to fight the HIV/AIDS epidemic. In difficult and uncertain times, it becomes more important than ever to preserve our vital service delivery structure. In addition to reversing the \$4.8 million in funding the Governor left out of his Executive Budget Proposal, GMHC urges full restorations and baselining of funding in the FY 2003-2004 budget, including the additional \$3.6 million in restorations from the Assembly.

\$8.4 million in total appropriated by the legislature last year was excluded from the Governor's Executive Budget proposal and must be restored. Those cuts result in fewer resources to fight AIDS and HIV infection in communities of color; for funding initiatives targeting specific geographic areas and at-risk populations; for education, training and service coordination; for programs that help people living with AIDS adhere to their complex drug treatment regimens; and for children orphaned by the AIDS epidemic. This year the Governor did carry forward a modest boost to permanency planning and treatment adherence programs. This was a small step in the right direction. GMHC is once again looking to the Legislature to complete restorations to HIV/AIDS services, and baseline them once and for all.

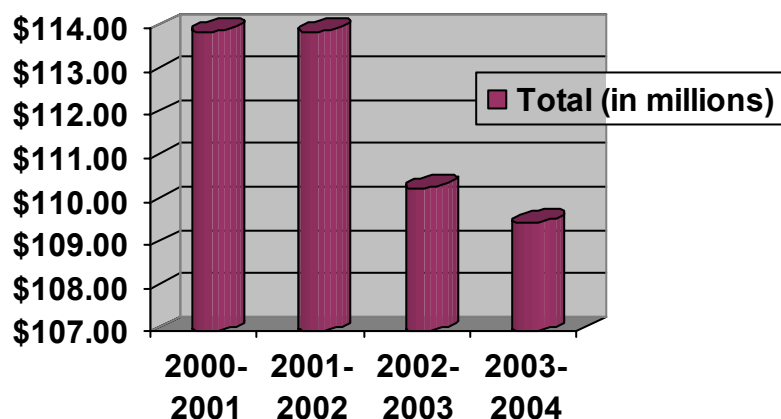
GMHC urges the legislature to baseline the HIV/AIDS Adopted Budget

Service providers have been struggling to offer high quality services to meet increasing needs without adequate funding. These funds should not be up for review every year, but should be viewed as baseline funds. Restoration of these items is crucial to service providers' ability to continue delivering high quality HIV/AIDS services. Restorations must include:

Restore \$8.4 Million in funding

- \$1.768 M –CSP
- \$1.768 M –MSA/CDI
- \$179,000 –HHAP
- \$168,700 –Treatment Adherence
- \$168,700 –Permanency Planning
- \$625,000 –Specialty Contracts
- \$446,000 –Legal Services
- \$179,000 –NBLCA
- \$89,000 –NYAC
- \$3M –Assembly Communities of Color

NYS AIDS Institute Total Budget



✂ 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, 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. While we understand budget difficulties in trying economic times, AIDS funding has suffered for far too long. The full needs of the HIV/AIDS community must be met this year in order to stand any chance of catching up with the rising need.

Furthermore, like other providers of health care services, providers of HIV/AIDS services are reeling from the economic recession, a decline in philanthropic giving, and cutbacks in federal and local funding. **In fact, New York just suffered an unprecedented loss of \$14.8 million dollars in Federal Ryan White CARE Act funding, the major provider of HIV/AIDS resources to New York City.** These factors only

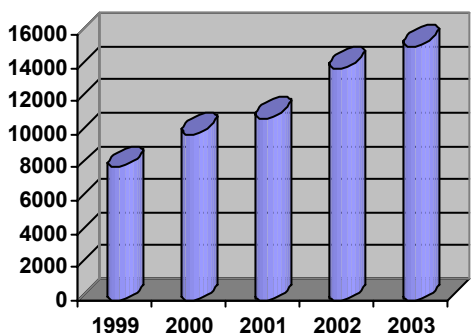
compound our current state funding deficiencies, which are sure to have a long-term negative impact on the delivery of HIV/AIDS services if new dollars are not appropriated immediately.

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

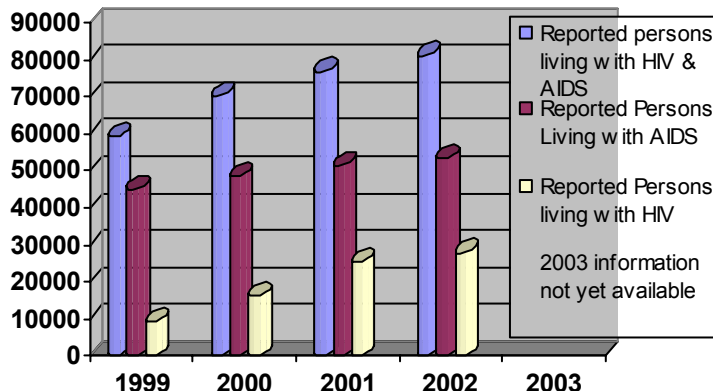
Community Service Providers and Multiple Service Agencies have been providing high quality valuable services to communities most at risk since their inception. They have been steadfast in ensuring a continuum of services in both HIV prevention-related and support services for those infected and affected by HIV/AIDS. Over the past five years, funding has been declining even as they have been facing increasing needs and providing more services. 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 \$2 million for MSA/CDIs.

New York must focus on the service delivery foundation: Community Service Providers have proven effectiveness in service delivery and provide a wide range of support services. Community Service Providers (CSPs) like GMHC 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 monthly increase in demand for services—as much as 50% more than in the year 2000. The number of GMHC clients is up nearly 10% just since 2002.

GMHC Clients



Reported HIV/AIDS Caseload NYC



HIV Prevention

For the first time in almost a decade, preliminary data suggests that there is an increase in new HIV infections in the United States, particularly in men who have sex with men. At the same time, the CDC has shifted a majority of funding 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 communities hardest hit by this disease.

Allocate \$3.5 million in new funding for Primary Prevention Programming

State funding for primary prevention should be targeted to those most at risk for HIV infection: Men who have Sex with Men, particularly young men of color; women, particularly women of color; substance users and prison releasees.

Allocate \$1 million in new funding for Harm Reduction

Injection Drug Use (IDU) is associated with more than 50% of newly diagnosed AIDS cases in New York. Harm reduction programs have been shown to dramatically reduce new IDU-related HIV infections. According to a study conducted by Beth Israel Hospital, at least a 50% reduction in new HIV infections was found among injecting drug users who had access to syringe exchange programs. (1996 HIV Incidence Among Injecting Drug Users in New York City Syringe Exchange Programmes. *The Lancet*, 348, 987-991) New York has funded 12 successful harm reduction programs. Yet new IDU-related HIV cases are still high, especially in low-income communities of color. New York must continue to show its

commitment to harm reduction programs and put additional resources toward new syringe exchange programs as well as harm reduction programs serving high-risk non-injecting substance users.

🦋 Oversight of Prison Health Care

Of the 66,800 inmates in the custody of the Department of Correctional Services (DOCS), approximately 10,000 are infected with hepatitis C and more than 6,000 are HIV-infected. According to a 1999 study by the US Justice Department, 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 29,000 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.

Allocate \$1 million in new funding for improved prison health

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. GMHC will continue advocating for legislation (A.4204-Gottfried/S.1840-Mendez) authorizing the State Department of Health to perform yearly audits of the health care provided in correctional facilities at an estimated cost of \$1million.

🦋 Oppose Preferred Drug Program for Medicaid Beneficiaries Living With HIV/AIDS

In New York State, a Medicaid Preferred Drug Program (PDP) would mean curtailed access to medically necessary prescription drugs for HIV+ Medicaid patients. A PDP with cumbersome prior authorization procedures without adequate consumer protections will burden prescribers and pharmacists and—if experiences from our own and other states tell us anything—will result in lost access to medically necessary drugs. Consumers with serious illnesses and disabilities, like HIV/AIDS, are the people who are most impacted by prior authorization.

For these reasons, GMHC opposes PDP and strongly advocates for significant consumer safeguards, should a PDP be created.

Consumer protections proposed by the Governor are entirely inadequate: the proposal exempts anti-retroviral drugs, but not people living with HIV/AIDS; should a person need medication not on the formulary, the prescriber would not have the final say about whether Prior Authorization (PA) would be given. It would be up to the PA bureaucracy, rather than a medical provider, to make this decision. In fact, the governor's proposal weakens the proposed legislation that lawmakers have already been working on. There must be a transparent and streamlined process for consumers that is time sensitive; medically appropriate; and where the burden of program navigation rests with the state and not on consumers.

🦋 Bring Down Prescription Drug Prices through Reimportation and Leverage 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.

✂ No Increase to Prescription Drug Co-Payments or Reductions in Nutritional Supplements Coverage

In the regular fee-for-service Medicaid program, co-pays for brand-name drugs would increase from \$1 to \$2 and generics from \$.50 to \$1 under the Governor's proposed budget. Co-pays would also be instituted for the Medicaid managed care and Family Health Plus programs. Studies have shown that increased pharmacy cost-sharing for people with disabilities impedes access and inappropriately reduces utilization of medically necessary drugs. This is a cost-saving measure that disproportionately impacts individuals with the highest level of need.

GMHC urges no increase or establishment of pharmacy co-pays

Nutritional supplements are critically important for many Medicaid beneficiaries living with HIV/AIDS. Studies show that the inability to prevent weight loss is a good predictor of progression to AIDS and death. According to New York State's HIV Guidelines "nutritional supplementation is indicated in all patients with weight loss". Access to nutritional supplements or enterals, as indicated by medical necessity, is an important strategy for countering poor nutrition among HIV+ Medicaid beneficiaries.

GMHC urges no reduction of nutritional supplements coverage

✂ Maintain Family Health Plus Eligibility and Affordable Benefits

The Governor's proposal would create barriers to FHPlus eligibility by creating an assets test. This means fewer people will be eligible for FHPlus and it will discourage enrollment due to increased paperwork burdens. The proposed elimination of funding for FHPlus facilitated enrollment will make it even harder for the large numbers of HIV+ uninsured individuals to access coverage given the complexity of the application process. By reducing eligibility, tens of thousands of people will be left with no inpatient or outpatient medical coverage or access to the prescription medications they need. More people will become uninsured if eligibility for FHP is tightened, health programs such as ADAP will be stretched even thinner as more people look to the program for help. The proposal also diminishes the adequacy of FHPlus benefit package by eliminating vision and dental services and establishing co-payments for prescription drugs and outpatient, inpatient and Emergency Room services.

GMHC urges the legislature to maintain FHPlus eligibility and benefits and reverse the Governor's proposed \$135 million in cuts.

✂ Place Future Conversion Proceeds in a Foundation Dedicated to Health

The Governor proposes that proceeds from future conversions of not-for-profit insurers to for-profits be dedicated in large part to HCRA; similar to the recent Empire conversion. This is not acceptable. Future conversions should not go forward unless proceeds go to a foundation dedicated to the expansion of health care access.