



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

***2003-2004 Executive Budget Proposal
Health, Medicaid & Aging***

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PRESENTED BY

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GAY MEN'S HEALTH CRISIS**

Thank you for the opportunity to testify at this Joint Legislative Hearing on the Executive Budget. My name is Michele Bonan, and I am Assistant Director of NYS 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 now helps nearly 11,000 men, women and children and their families each year. Our clients reflect the diversity of the expanding epidemic: 69% are people of color, 2/3 are lesbian, gay, bisexual or transgender, 23% are women, and more than half reside outside of Manhattan. Most GMHC clients rely on Medicaid, while 15% rely on the AIDS Drug Assistance Program, ADAP. 25% walk through our doors without any health insurance at all.

GMHC recognizes the state is saddled with a financial crisis; while mindful of this situation, we believe it is imperative to advocate for additional funds where there are clear and demonstrated unmet needs. Accordingly, we urge the legislature to be vigilant in protecting the health care needs of at-risk populations, who are even more vulnerable during these times of economic hardship. We urge lawmakers not to forget the AIDS crisis that continues to devastate our communities, and would like to highlight three particular areas of concern.

First, \$10.9 million dollars previously appropriated for HIV/AIDS services has been left out of the 2003-2004 Executive Budget and should be replaced and considered part of the baseline budget. Second, attention must be paid to the financial crisis the state's AIDS Drug Assistance Program is facing, and finally \$1.2 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.

Restoration of \$10.9 million in cuts to HIV/AIDS programs

In these difficult and uncertain times, it is more important than ever to preserve our vital service delivery structure. GMHC supports maintaining the entire 2002—2003 adopted HIV/AIDS budget. We urge the Legislature specifically to restore \$10.9 million that was excluded from the Governor’s Executive Budget proposal. These cuts result in fewer resources to fight AIDS and HIV infection in communities of color, for children orphaned by the AIDS epidemic and for programs that help people living with AIDS adhere to their complex drug treatment regimens. In tough fiscal times, these vulnerable populations are the first to feel the effects of economic hardship.

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 30% more than at this time last year.

Restoration must include the \$1.76 million legislative enhancements each for Community Service Providers (CSPs), Multiple Service Agencies and Community Development Initiatives (MSA/CDIs), as well as much needed funding for Communities of Color (\$4M), Permanency Planning and Treatment Adherence (\$562,500 each) funding for legal services, homeless housing programs and more. Below is the full list of essential funding that must become the baseline in HIV/AIDS service funding.

<p>Baseline the 2002-2003 HIV/AIDS Adopted Budget Restore \$10.89 Million in funding</p> <ul style="list-style-type: none">○ \$1.768 M –CSP○ \$1.768 M –MSA/CDI○ \$179,000 –HHAP○ \$562,500 –Treatment Adherence○ \$562,500 –Permanency Planning○ \$625,000 –Specialty Contracts○ \$446,000 –Legal Services○ \$179,000 –NBLCA○ \$89,000 –NYAC○ \$3M –Assembly Communities of Color○ \$1M –Senate Communities of Color○ \$750,00 –OASAS Communities of Color
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Addressing the financial crisis facing the AIDS Drug Assistance Program

Although it will be considered within the reauthorization of the Health Care Reform Act, ensuring adequate funding for the AIDS Drug Assistance Program remains one of GMHC's top priorities. ADAP saves thousands of lives by providing HIV/AIDS drugs and services to people with low incomes who are uninsured or who lack sufficient prescription drug coverage and its participants are among those who are most vulnerable in an economic recession.

Thousands of New Yorkers rely on this highly effective program for their life saving medications and services. ADAP currently serves more than 12,000 people monthly, approximately 1/5 of the uninsured HIV positive New Yorkers in treatment. Of NY ADAP clients, 70% are people of color and more than 75% make less than \$20,000 a year.

The cost of New York's ADAP program grows at a consistent rate of \$20 million a year, while funding for the program has not. ADAP is currently facing a \$16 million structural deficit, and is expected to have as much as a \$50 million shortfall in the coming year. ADAP has already begun implementing cuts to the program due to this financial shortfall.

The Governor has proposed increases in state funding to ADAP that will go a long way to ensure the program's stability. As part of the New York ADAP Working Group, a growing coalition of more than 40 organizations and countless consumers, we support the proposed funding increases and will keep up our advocacy on this issue. We will continue to outreach to the legislature: both visiting members and distributing pertinent information concerning the programs effectiveness and cost-saving benefits.

GMHC fully supports the Governor's proposal for significant increased funding to ADAP through the Health Care Reform Act (HCRA) outlined below.

ADAP funding

GMHC supports the Governor's proposal for annual increases to ADAP over the next 2-½ year HCRA cycle that will total \$46 million.

- January –December 2003: funding of up to **\$40 M**
- January –December 2004: funding of up to **\$56M**
- January –June 2005: funding of up to **\$30M** (half year)

Restoring cuts to Medicaid

GMHC is deeply concerned that the Governor's proposed cuts of \$1.2 billion to the Medicaid Program will disproportionately impact the most vulnerable New Yorkers.

GMHC urges the legislature to restore these devastating cuts to Medicaid. Medicaid is the safety net for poor New Yorkers living with HIV/AIDS, providing coverage to a disproportionate number of women and people of color. In 2000, 65,000 people living with HIV/AIDS in New York depended on Medicaid for health coverage. A majority of the 11,000 clients that walk through GMHC's doors each year rely on Medicaid for preventative, primary and hospital care, as well as for life-saving prescription drugs.

The Executive Budget slashes Medicaid funding despite the growing number of uninsured and those living with HIV/AIDS in New York State. The proposal restricts health coverage for many people with HIV/AIDS by decreasing eligibility for Family Health Plus, which provides health insurance for low-income parents and single adults. This measure will result in tens of thousands of people left with no medical coverage or access to the prescription medications they need to survive. This will lead to increased stress (and cost) on the state's already stretched ADAP program, as well as an increase in costly emergency room visits for people who will be left with no other access to medical care. We urge you to maintain current eligibility levels in Family Health Plus.

Additionally, the Governor plans to implement a preferred drug program and expand prior authorization for Medicaid, without outlining what consumer safeguards will be implemented to ensure access to vital medications. Prior authorization and preferred drug programs are burdensome processes for prescribers, pharmacists and patients, and can result in a loss of access to medically necessary drugs. While the Governor's prior authorization proposal exempts Anti-retroviral medications and Protease Inhibitors, it does not exempt the many other medications people living with AIDS and HIV infection rely on; for instance drugs to treat high cholesterol, wasting syndrome, fatigue, nausea, elevated liver function and other serious side effects that often result from taking HIV medications.

It is essential that the legislature define adequate safeguards for Medicaid consumers that minimize negative impact on a patient's access to prescription drugs. There must be a transparent and streamlined process for consumers that is time sensitive and where the burden of program navigation rests with the state and not on consumers.

The Governor has also proposed increased pharmacy co-pays for Medicaid, passing the burden of the state's cost saving measures on to the most vulnerable consumers. Increasing co-pays can hinder access and reduce use of medications that are vital to people living with HIV and AIDS. This measure would disproportionately impact those with high levels of need. We urge you to not to increase co-pays.

GMHC also warns against using HCRA tobacco settlement funds for anything other than their original intent: to fund health programs. Using previously earmarked funds to compensate for the state's budget deficit cheats New Yorkers out of the HCRA-funded programs they need and were promised, such as prescription drug assistance and commercial insurance subsidies.

Conclusion

GMHC remains committed to working with the legislature and all levels of government to ensure that the needs of people living with HIV and AIDS are met, particularly when they are most at risk—in these times of economic hardship. We recognize the challenges the state must face during this economic crisis, but we must again urge you to be vigilant in protecting the health care needs of at-risk populations. We also thank the Legislature for 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 cost-effective budgetary responses to the expanding epidemic in New York State. Thank you for your time.