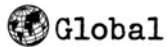
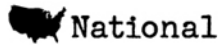


GMHC FOR THE RECORD

Analyzing trends and emerging issues in HIV and AIDS



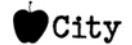
Global



National



State



City

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Bush Budget Proposal Ignores the Reality of HIV/AIDS

WASHINGTON— As demonstrated in President Bush's budget proposal for FY 2005, the Bush administration continues virtually to ignore the reality of HIV/AIDS here in the United States. The \$2.4 trillion proposal requests flat funding for nearly all domestic HIV/AIDS programs, including HIV prevention, AIDS housing, and treatment and care services. Given the 0.59% across-the-board recision that was included in the omnibus spending bill for the current 2004 fiscal year, several of the items in Mr. Bush's budget are below FY 2003 funding levels. The notable exception in the budget request is a \$35 million increase for the AIDS Drug Assistance Program (ADAP). This increase, however, is rendered insignificant when compared to the funding crisis faced by ADAP programs nationwide. The proposed funding level for ADAP is \$284 million below the amount requested by the HIV/AIDS community. The President's budget requests for domestic HIV/AIDS programs constitute a woefully inadequate response to the HIV/AIDS epidemic.

What is especially disturbing about the President's budget request is that it is not even consistent with the administration's own acknowledgement of needed efforts. The budget request calls for \$696 million for domestic HIV prevention efforts administered by the Federal Centers for Disease Control and Prevention (CDC), the same amount appropriated for the current fiscal year. The budget also calls for flat funding of essential treatment and care programs under the Ryan White CARE Act. Budget documents, however, highlight the CDC's new prevention initiative, Advancing HIV Prevention: New Strategies for a Changing Epidemic. This initiative is to be implemented by community based

organizations, and is aimed at decreasing the number of people who are unaware of their HIV status and bringing those who are newly diagnosed into care. It is unrealistic to think that the administration's goals can be met by front-line service providers, who are already overburdened, without additional resources.

The Bush budget proposal does call for a \$300 million increase in funding for global AIDS programs. Like the ADAP increase, however, the requested increase for global AIDS is dwarfed by the needs generated by the global pandemic and does not live up to the President's lofty rhetoric when he announced his global AIDS initiative in last year's State of the Union address. To the dismay of global AIDS advocates, the \$2.7 billion request includes a \$350 decrease in funding for the Global Fund to Fight AIDS, TB, and Malaria. This shocking reduction in support for the Global Fund reflects the administration's inordinate preference for bilateral assistance over multilateral assistance.

Congress must face the realities of the HIV/AIDS pandemic that the Bush budget proposal ignores. Preventing the further spread of HIV and providing access to quality treatment and care to all who are infected, here at home and globally, must be a top priority of our government. ■

"HEAL New York:" An Ambitious Attempt to Expand Health Care Coverage

ALBANY—For the past 10 years, broad-based expansion of health insurance coverage has been at the top of the public policy agenda for people living with HIV/AIDS. According to a recent Institute of Medicine (IOM) report, nationwide, 20 percent of all persons with HIV are uninsured. Uninsured individuals are more likely to be unaware of their HIV status than people with coverage and HIV+ uninsured individuals suffer higher

morbidity and mortality rates. A proposal to expand coverage for New York's uninsured individuals, who total three million, should, therefore, be welcome news to our community.

The "HEAL NY" proposal has the potential to become a benefit for the HIV/AIDS community, but it's not quite there yet. The proposal expands health insurance coverage for one million currently uninsured individuals and is being put forth by 1199/S.E.I.U. and the Greater New York Hospital Association (GNYHA). In a nutshell, HEAL NY (Healthcare Equity and Access Law) would require most employers who do not offer health coverage either to provide the insurance or pay a \$3,000 per employee fee to the state. (Small employers with low income workers would pay a lesser sum.) This assessment could grow as high as \$2.8 billion for the State's health care pool. This means that if employers decide to provide the required coverage, the numbers of uninsured HIV+ individuals should decrease.

However, if employers opt to pay the new assessment instead, the fees generated would be used to pay for expanding coverage to meet the plan's target of providing health insurance to one million uninsured workers. In the current proposal for HEAL NY, of the \$2.8 billion in projected revenue, \$150 million would go toward creating new coverage opportunities. The larger share of the projected revenue, \$2.4 billion, would be used to reimburse hospitals for care to uninsured individuals.

"HEAL NY" would greatly benefit all New Yorkers if

modifications were to be added to address the HIV/AIDS epidemic. Creating new avenues for expanding health coverage is one important way to address this vital health concern. It is hoped that "1199" and GNYHA are open to dialogue to revise the proposal to enhance its viability as a proposal to reach all segments of New York's population that lack health insurance coverage. ■

Pataki's Executive Budget Cuts Nutritional Supplements under Medicaid

ALBANY— If enacted, the Governor's Executive Budget for 2004-05 would entirely eliminate Medicaid coverage of nutritional supplements – or enterals – for people living with HIV/AIDS and other seriously ill and disabled men and women. Based on past experience, New York State's AIDS Drug Assistance Program (ADAP) is likely to follow Medicaid's lead and remove these products from its formulary as well. Nutritional supplements would only be covered by Medicaid for tube feeding at which point the health of an individual has already been severely compromised. Ironically, this cut to Medicaid would contradict New York's Department of Health's (DOH) own HIV guidelines that say "nutritional supplementation is indicated in all patients with weight loss."

Nutritional supplements are critically important for people living with HIV/AIDS. Studies have shown that weight loss is as good an indicator of progression to AIDS and death as CD4 counts. Furthermore, wasting was one of the first conditions to be recognized as an AIDS indicator of disease, and it continues to be a problem for many people living with AIDS. People with HIV also frequently suffer from poor appetite and difficulty swallowing due to various infections. Supplements can be a principal source of needed calories for these individuals. Researchers and physicians have long recognized that keeping body weight within normal range is a priority for people with HIV/AIDS. For all of these reasons, access to nutritional supplements should not be compromised by the proposed cut to Medicaid.

Beyond medical necessity, eliminating coverage of nutritional

supplements defies a clear policy rationale. From what we have been able to learn, these products are on the chopping block because they are expensive and are subject to some unknown level of diversion from their intended purposes. As such, since April 2003 nutritional supplements have been on a very strict form of prior authorization (PA). The PA process requires both the prescriber and the dispensing pharmacist to follow numerous bureaucratic procedures to prove that these drugs are medically necessary and will be used for their intended purposes. DOH has verified that the PA requirement has in fact reduced utilization, and as such, has brought down overall expenditures. In addition, they say that the new requirements have addressed diversion of these products as well.

If DOH's misguided prior authorization requirement has achieved its equally misguided policy objective (i.e. reduced utilization without considering the impact of any reduction in medically necessary use of these products), why are nutritional supplements slated to be cut? The upcoming budget battles may eventually answer this question, but in the meantime, the battle over nutritional supplements may prove to be an important lesson in what is behind the Department's plans to create a Medicaid preferred drug list (PDL) and greatly expand the use of prior authorization for many classes of drugs. Is a PDL and more prior authorization the beginning of the end? Is this really about promoting "rational" prescribing," or is prior authorization only the first step toward eliminating coverage for medically necessary drugs when savings don't pan out? ■

Backlash Over Norvir Price Hike Widens

WASHINGTON—In early December, Abbott Laboratories announced they had raised the price of their HIV drug, Norvir, by 400 percent. Although first developed as a protease inhibitor, Norvir is now used primarily at a much lower dose to help boost the blood levels of other AIDS drugs. At the new price, the cost of some Norvir-boosted protease inhibitor regimens has as much as doubled and there is concern that other pharmaceutical companies may see this move as a "green light" to up prices. The price hike immediately galvanized

AIDS treatment advocates to demand a rollback. Citing concerns about the dangerous impact on patients who must pay a portion of their drug costs, on long-term budgeting for cash-strapped state ADAP programs, and on drugs in the research pipeline that will depend on Norvir boosting, the advocates mounted an awareness campaign to mobilize a response. GMHC is working with its partners in the AIDS Treatment Activists Coalition on this effort.

Almost immediately, the voices of HIV doctors joined the protest. The two professional organizations for HIV specialists, the American Academy of HIV Medicine (AAHIVM) and the HIV Medicine Association (HIVMA) have each issued strong letters of criticism. Now, a group of doctors led by Edwin de Jesus, of Florida, is calling for a boycott of Abbott products, sales representatives and marketing events in a letter signed by over 175 prominent HIV physicians. The letter terms the increase "outrageous behavior, extremely disappointing from a company that was at the vanguard during the early stages of the HAART era."

On another front, a non-profit firm has asked the federal government to step in and exercise its rights as a funder of early Norvir research. The 1980 Bayh-Dole Act allows for the generic production of drugs developed with taxpayer money when the patent holder fails to make the product available on reasonable terms. The firm, Essential Medicines, Inc., has filed its petition with Health and Human Services Secretary Tommy Thompson. GMHC has joined Essential Medicines, Inc. in its petition to the secretary. In addition, GMHC is asking the New York State Attorney General Eliot Spitzer to open an investigation into Abbott's actions as an example of anticompetitive price-fixing. ■