Funding the Ryan White Program: Now and in the Future

Carl Schmid
United States Conference on AIDS
San Diego, CA
October 4, 2014
Outline

• The Fiscal Environment
• Recent Ryan White Funding Levels
• Impact of Health Reform – Year 1
• The Future
Total Spending In FY 2013 = $3.454 Trillion
(outlays in billions of dollars)

Mandatory Spending
- Social Security $808
- Medicare $585
- Medicaid $265
- Other Mandatory $679

Discretionary Spending
- Non-Defense $576
- Defense $625
- Interest $221

Source: http://www.cbo.gov
United States Receipts and Outlays, 1976 - 2016
(in trillions)

2009: Outlays are $1.4 T higher than Receipts

Source: http://www.whitehouse.gov/omb/budget/Historicals
CHART 1

Federal Debt: Total Public Debt

Jan 1966 to Jan 2014

Millions of Dollars

Jan-66 Jan-73 Jan-80 Jan-87 Jan-94 Jan-01 Jan-08

Source: U.S. Department of the Treasury: Bureau of the Fiscal Service/FRED

Recessions are shaded in grey

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Congress Reigns in Spending

- Rise of Tea Party and Republican House of Representatives
- Passed Budget Control Act (August 2011)
  - Cuts deficit by $2.4 trillion over 10 years
  - Led to sequestration due to a lack of agreement on cuts
    - Ryan White Program cut $143 million in FY13
- Government Shutdown in Fall, 2013
  - House & Senate failed to agree on 2014 budget
  - Increased budget caps for FY14 & FY15
  - Part of Sequestration cuts replaced
Figure 2. Components of Federal Spending, FY1962-FY2019

Source: CRS calculations based on data from the FY2015 OMB budget submission.

Notes: FY2014 values estimated; FY2015-FY2019 values reflect President’s budget proposals and OMB GDP projections.
Current Budget Environment

• FY14 & FY15 Overall Budget totals remain constant

• Budget caps in place through 2021
  • Little opportunity for increases
  • If caps are breached, sequestration kicks in again
  • Congress can make changes
### Table 2.

**Limits on Discretionary Budget Authority for Fiscal Years 2015 to 2021**

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Caps Originally Set in the Budget Control Act</strong></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Defense</td>
<td>566,000</td>
<td>577,000</td>
<td>590,000</td>
<td>603,000</td>
<td>616,000</td>
<td>630,000</td>
<td>644,000</td>
</tr>
<tr>
<td>Nondefense</td>
<td>520,000</td>
<td>530,000</td>
<td>541,000</td>
<td>553,000</td>
<td>566,000</td>
<td>578,000</td>
<td>590,000</td>
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<tr>
<td><strong>Total</strong></td>
<td>1,086,000</td>
<td>1,107,000</td>
<td>1,131,000</td>
<td>1,156,000</td>
<td>1,182,000</td>
<td>1,208,000</td>
<td>1,234,000</td>
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<tr>
<td><strong>Estimated Effect of Automatic Spending Reductions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nondefense</td>
<td>-36,870</td>
<td>-37,704</td>
<td>-37,468</td>
<td>-37,519</td>
<td>-36,518</td>
<td>-35,233</td>
<td>-34,951</td>
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<tr>
<td><strong>Changes Enacted in the Bipartisan Budget Act of 2013</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Defense</td>
<td>9,226</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>Nondefense</td>
<td>9,226</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
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<tr>
<td><strong>Total</strong></td>
<td>18,452</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td><strong>Estimate of Revised Caps</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Defense</td>
<td>521,272</td>
<td>523,024</td>
<td>536,025</td>
<td>549,032</td>
<td>562,041</td>
<td>576,050</td>
<td>590,059</td>
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<tr>
<td>Nondefense</td>
<td>492,356</td>
<td>492,296</td>
<td>503,532</td>
<td>515,481</td>
<td>529,482</td>
<td>542,767</td>
<td>555,049</td>
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<tr>
<td><strong>Total</strong></td>
<td>1,013,628</td>
<td>1,015,320</td>
<td>1,039,557</td>
<td>1,064,513</td>
<td>1,091,523</td>
<td>1,118,817</td>
<td>1,145,108</td>
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</tbody>
</table>
Impact on Ryan White Program

• Significant Cuts due to Sequestration
• Partially Restored in FY14
• FY15:
  • Overall funding level maintained in President’s Budget
    • But, eliminates funding for Part D
  • Senate maintains funding levels, with some caveats
  • No House bill, but Labor HHS allocation $1 billion less than Senate
  • Operating on a Continuing Resolution until Dec. 11
  • Anticipate an Omnibus in lame-duck session
## Ryan White Program

<table>
<thead>
<tr>
<th></th>
<th>FY2012 Final</th>
<th>FY2013 Operating</th>
<th>FY2014 Enacted</th>
<th>FY2015 President’s Request</th>
<th>FY2015 Senate Proposal</th>
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<tr>
<td>Amount</td>
<td>$2.392 b</td>
<td>$2.249 b</td>
<td>$2.319 b</td>
<td>$2.323 b</td>
<td>$2.313 b</td>
</tr>
<tr>
<td>Change</td>
<td>+$55.0 m</td>
<td>(-$143.4 m)</td>
<td>+$70.1 m</td>
<td>+$4.0 m</td>
<td>(-$6.0 m)</td>
</tr>
</tbody>
</table>
## Ryan White Program Historical Funding

<table>
<thead>
<tr>
<th>(In Millions)</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15 Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Part A</td>
<td>-$6.4</td>
<td>-$47.0</td>
<td>+$31.6</td>
<td>+$0.0</td>
</tr>
<tr>
<td>Part B: Base</td>
<td>+$4.2</td>
<td>-$21.0</td>
<td>+$13.5</td>
<td>+$0.0</td>
</tr>
<tr>
<td>Part B: ADAP</td>
<td>+$48.3</td>
<td>-$47.0</td>
<td>+$14.0</td>
<td>+$0.0</td>
</tr>
<tr>
<td>Part C</td>
<td>+$9.5</td>
<td>-$20.7</td>
<td>+$6.7</td>
<td>+$79.1</td>
</tr>
<tr>
<td>Part D</td>
<td>-$0.1</td>
<td>-$4.8</td>
<td>+$2.7</td>
<td>-$75.1</td>
</tr>
<tr>
<td>Part F: AETCs</td>
<td>-$0.1</td>
<td>-$2.1</td>
<td>+$1.2</td>
<td>+$0.0</td>
</tr>
<tr>
<td>Part F: Dental</td>
<td>+$0.0</td>
<td>-$0.8</td>
<td>+$0.4</td>
<td>+$0.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>+$55.0</td>
<td>-$143.4</td>
<td>+$70.1</td>
<td>+$4.0</td>
</tr>
</tbody>
</table>

Includes emergency funding: $35 m to ADAP and $10 m to Part C in FY12, and $35 to ADAP in FY13
Proposed Part D Transfer

- As Part of FY15 budget President Proposed to Transfer all Part D funding to Part C
  - Done in the name to reduce paperwork and reporting
    - 67% of Part Ds also are Part Cs
  - Services for Part D are different than Part C
  - No guarantee combined funding for Part C will occur
  - Appears to be a “reauthorization” move
  - Strong community opposition
  - Rejected by the Senate and no support in House
How did this happen?

• Strong support by Obama Administration
• Historical bi-partisan support
• AIDS Budget and Appropriations Coalition
• Importance of treatment, continuum of care, and impact on prevention
• Messaging
Number and Percentage of HIV-Infected Persons Engaged
In Selected Stages of HIV Care, US (2012)

Ryan White Services Report 2011
Annual Household Income for Clients Served

- 66.6% ≤ 100% FPL
- 21.7% 101% - 200% FPL
- 6.7% 201% - 300% FPL
- 4.9% <300% FPL

Source: HRSA. 2010-2011 Ryan White Services Report Data
Race/Ethnicity of Ryan White Clients 2011

- Black/African American: 47%
- Hispanic: 22%
- White: 28%
- Asian: 1%
- American Indian/Alaska Native: 1%
- Multi-racial: 1%

Source: HRSA/HAB State Profiles: www.hab.hrsa.gov/stateprofiles/
Insurance Coverage Among Ryan White Patients (2011)

- No Insurance: 28%
- Medicaid: 27%
- Multiple Types: 13%
- Private: 13%
- Medicare: 9%
- Other Public: 7%
- Other: 3%

<table>
<thead>
<tr>
<th>Service</th>
<th>RWP-funded</th>
<th>Not RWP-funded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Case management</td>
<td>75%</td>
<td>13%</td>
</tr>
<tr>
<td>Substance abuse treatment</td>
<td>30%</td>
<td>11%</td>
</tr>
<tr>
<td>Mental health</td>
<td>62%</td>
<td>15%</td>
</tr>
<tr>
<td>Social services</td>
<td>53%</td>
<td>13%</td>
</tr>
<tr>
<td>Dental services</td>
<td>46%</td>
<td>8%</td>
</tr>
<tr>
<td>Adherence counseling</td>
<td>83%</td>
<td>35%</td>
</tr>
<tr>
<td>Nutrition consultation</td>
<td>66%</td>
<td>22%</td>
</tr>
<tr>
<td>Language translation</td>
<td>59%</td>
<td>24%</td>
</tr>
<tr>
<td>Risk reduction counseling</td>
<td>74%</td>
<td>26%</td>
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</tbody>
</table>

## Massachusetts ADAP Expenditures by Category & Enrollment

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Full Pay</th>
<th>Co-Pay</th>
<th>Premiums</th>
<th>Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY04</td>
<td>$11.2 m</td>
<td>$1.6 m</td>
<td>$3.2 m</td>
<td>4,399</td>
</tr>
<tr>
<td>FY12</td>
<td>$4.6 m</td>
<td>$3.5 m</td>
<td>$10.9 m</td>
<td>8,022</td>
</tr>
</tbody>
</table>
Current Status of State Medicaid Expansion Decisions

NOTES: Data are as of August 28, 2014. *AR, IA, MI, and PA have approved Section 1115 waivers for Medicaid expansion. In PA, coverage will begin in January 2015. NH is implementing the Medicaid expansion, but the state plans to seek a waiver at a later date. IN has a pending waiver to implement the Medicaid expansion. WI amended its Medicaid state plan and existing Section 1115 waiver to cover adults up to 100% FPL in Medicaid, but did not adopt the expansion.

SOURCES: Current status for each state is based on data from the Centers for Medicare and Medicaid Services, available here, and KCMU analysis of current state activity on Medicaid expansion.

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Ryan White Program Services

Case Management
Medical Case Management
Mental Health
Oral Health
Treatment Adherence
Food Bank
Medical Care
Psychosocial Support
Linguistics Outreach
Transportation
Health Education Risk Reduction
Legal Housing
Referrals
Medications
Premium/Cost Sharing Assistance
Substance Abuse Treatment

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HIV/AIDS FUNDING & ADVOCACY

CARL SCHMID
The AIDS Institute
Deputy Executive Director
Figure 2. Viral suppression among clients who received RWHAP-funded HIV medical care by age group, Ryan White Services Report, 2011. Viral suppression is defined as most recent HIV-1 RNA <200 copies/ml during the calendar year.
Health Care Reform

- Enrollment: slow start; strong finish
- Impact on HIV beneficiaries depends on state
  - Medicaid expansion
  - State ability/willingness
- NASTAD Enrollment Reports (ADAP clients)
  - Medicaid: 12,004
  - Marketplace: 13,129
- Short term goal: transition Ryan White clients and provide coverage completion services
- Implementation will take time
  - Learn from 1st year
Issues with Plan Benefits

• Not all ARVs on plan formularies
  - Particularly Combination drugs/single tablet regimens
• Formularies not transparent
• No requirement to cover new drugs
• Drugs removed from plans
• Utilization Management Techniques
  - Prior Authorization
  - Quantity Limits
Co-Pays, Co-Insurance

- High co-pays, use of co-insurance
  - HIV/AIDS Rx subject to coinsurance in about 55% of plans, with an average coinsurance of 35% (Avalere)
  - No transparency; beneficiary does not know cost
    - Could be $1,000/drug
    - Out of pocket limits, but costs front loaded in year
    - Ryan White can help
- Patients can fall out of treatment
- Place HIV Rx on highest tiers
  - Florida discrimination complaint
Examined Number of people with HIV who will gain coverage

Of the 407,000 age 19-64 currently in care:

- 70,000 are uninsured who could gain new coverage
- With 26 states expanding Medicaid
  - 26,560 gain Medicaid
  - 25,190 receive subsidized marketplace coverage
  - 17,980 unsubsidized marketplace coverage
- If all states expanded Medicaid
  - 46,910 gain Medicaid
Health Reform

- Unknown how many people will be covered, how soon, and breadth of coverage
  - Plan coverage will vary by state, even though all must include essential health benefits
  - Not all states proceeding with Medicaid expansion
  - Not all eligible for ACA benefits
    - CBO estimates 30m will be uninsured in 2016
    - Undocumented and newly legal ineligible
    - Homeless and others lost to care

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Impact of Health Reform

• Must determine what future needs are and how much funding will be needed
  • Need data and impact studies
    • ASPE and HRSA/HAB studies
    • Ryan White Services Report (RSR)
    • Grantee Reports
    • CDC Medical Monitoring Project
    • Funding Distributions
      • Hold harmless ended
Future of the Ryan White Program

- Need time to evaluate ACA implementation & collect data
  - How many Ryan White clients being covered by ACA?
  - How much funding is being used for premiums, co-pays and deductibles?
  - What coverage completion services are being funded by Ryan White? What are the gaps and how much do they cost?
- Are more people being served by Ryan White?
- What are the state differences?
  - Medicaid expansion or not
  - Differences in Medicaid covered services
  - Marketplace differences
Future Funding Needs

• National HIV/AIDS Strategy goal to increase number of people in care and treatment
  • Focus on continuum of care and viral suppression
  • Amount of funding needed also depends on how funding is distributed
    • To achieve goals, may need to look beyond just case counts or may want to change “part” structure

• Other factors:
  • Coverage for HCV? HIV testing? PrEP?
  • New Congress
Concluding Thoughts

- Not yet possible to determine future funding needs
- Change is happening, no one wants to give up funding
- If we do not make the changes, they will be decided for us

- Implementation will take time
  - Hopefully will see more transition in plan year 2
  - Current systems and funding must remain for continuity of care and maintain HIV treatment expertise

- Hope is to have more Ryan White Clients, along with cost shifting
HIV Treatment Cascade of the Future?

<table>
<thead>
<tr>
<th>Stage</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total HIV-infected</td>
<td>100%</td>
</tr>
<tr>
<td>HIV-diagnosis</td>
<td>95%</td>
</tr>
<tr>
<td>Linkage to HIV Care</td>
<td>90%</td>
</tr>
<tr>
<td>Retainment in HIV Care</td>
<td>85%</td>
</tr>
<tr>
<td>Usage of ART</td>
<td>83%</td>
</tr>
<tr>
<td>Viral Suppression</td>
<td>75%</td>
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</tbody>
</table>

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THANK YOU

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