Public Financing and Delivery of HIV/AIDS Care:

Securing the Legacy of Ryan White

THE NATIONAL ACADEMIES
Advisers to the Nation on Science, Engineering, and Medicine

INSTITUTE OF MEDICINE

Charge to the Committee

1. Examine the feasibility of creating a publicly funded system of care that is accessible, equitable, cost-effective, of high quality, comprehensive and easily negotiable.
2. Consider extending Medicaid coverage to people in early stages of HIV infection, and
3. Assess the costs stemming from current barriers to care as well as the costs and saving for affected programs from proposed changes in public financing services.

Additional Issues to Consider

- Changes in the epidemic and increasing needs for support services
- State-to-state variability in access to publicly funded care
- Disparities in access to optimal treatment regimens.

Interpretation of the Charge

Scope of charge limited to:

- Low-income individuals with HIV/AIDS
- Public sector
- No constraints on financing and delivery options to consider
- No constraints on public expenditures or timeframe
- Must consider modifying Medicaid

Interpretation of the Charge

- Challenge to set out a forward looking vision for HIV care that meets the needs and makes the most of the opportunities presented by the third decade of the HIV/AIDS epidemic and beyond.

Context

- HIV/AIDS continues to represent an important problem in the U.S.
- HAART has changed the course of disease from an acute to chronic disease
- Adherence to HAART is essential
- Changing demographics
- Federal investment in HIV care is substantial

Methodology

- Reviewed the literature and gathered and analyzed information from a variety of sources
- Held public meetings and received input from individuals with HIV/AIDS, advocates, policy makers, researchers, federal and state program officials
- Solicited advice from a liaison panel
- Conducted structured interviews with 8 providers

Methodology

- Developed model to estimate the cost and health impact of recommendations
- Conducted a cost-effectiveness analysis
- Estimated HIV prevention benefits
- The report and its conclusions and recommendations underwent extensive peer review, consistent with National Academies rules.

Conclusions

1. Significant disparities exist in assuring access to the standard of care for HIV across geographic and demographic populations.
2. Federal-state partnership for financing HIV care is not responsive the national epidemic.
3. Under current financing framework, may HIV-infected individuals go without care or have limited access.
4. Lack of sustained access to HAART represents poor quality care.
5. Low provider reimbursement can undermine quality care
6. Lack of nationwide data on individuals served and services received hampers quality monitoring of current system
7. The substantial federal funding for HIV care provides a strong incentive and opportunity to finance and deliver care more effectively.

Primary Program Goal

To improve the quality and duration of life for those with HIV and promote effective management of the epidemic by providing access to comprehensive care to the greatest number of individuals with HIV infection.

Secondary Objectives

- Ensure early and continuous access to appropriate, comprehensive care
- Promote the delivery of high quality services
- Keep administrative costs and duplication of efforts at a minimum
- Ensure accountability

Review of Possible Financing Options

- Expand Ryan White Care Act
- Medicare Eligibility for HIV (low income)
- Medicaid Budget neutral Waiver Expansion
- Medicaid Optional Eligibility, Regular Match
- Medicaid Optional Eligibility, Enhanced Match (65-84%)
- Block Grant to States
- Federally Funded State-administered Entitlement

Assessment Criteria

- Uniform eligibility rules
- Benefit package meets standard of care for HIV/AIDS care
- Adequate provider reimbursement
- Financing mechanism supports provision of standard of care
- Integrated and coordinated services foster accountability and evaluation

The Committee Recommends:

1. Federal government should establish and fully fund a new entitlement program for the treatment of individuals with HIV infection. Program would be administered by the states. We refer to the program as the HIV Comprehensive Care Program (HIV-CCP)
2. Coverage would be extended to HIV infected individuals with incomes below 250% of FPL. Spend-down or buy in for some individuals.
3. Each individual would be entitled to a uniform, federally defined benefit package reflecting the standard of care

The Committee Recommends:

Benefit includes:

- HAART and other medication
- Obstetric and reproductive health service
- Treatment for mental health and substance abuse problems
- Case management services
- HIV prevention services
- Primary and necessary specialty care services

Recommendations

4. Providers would be reimbursed at Medicare levels to increase participation of experienced providers.
5. The federal government should be a prudent purchaser of drugs used in the treatment of HIV/AIDS by implementing measures that reduce the costs of these drugs.
6. Program should test the use of Centers of Excellence to improve the delivery of care

Recommendations

7. The new program should coordinate with a refocused Ryan White Care Act program.

What Does the Program Do?

- Expands the federal role in financing HIV care and relieves state budgets from the majority of these costs
- Federal funds would follow the individual
- Provides HAART and access to uniform, comprehensive services to 58,697

What Does the Program Do? (cont'd)

- Reduces premature deaths among those receiving care from an estimated 35,489 to 15,664 deaths over a ten-year period (a decrease of 56% in mortality)
- Increases the quality-adjusted life years (QALYs) by 129,385 for those newly on HAART
- Averts 3,198 new HIV infections at an estimated cost savings to the care system of $144 million over 10 years and $524 million over 30 years.

What Does the Program Cost?

- The incremental cost of providing HAART to 58,697 individuals for 10 years in 2002 dollars is $2.65 billion.
- The incremental cost from a societal perspective of providing HAART and other elements included in the comprehensive care package is $5.56 billion, discounted, over ten years.

Is the Program Cost-effective?

Yes, the Committee assessed the programs cost-effectiveness and found that the cost per quality-adjusted life-year gained of implementing the program is $42,972 in 2002 dollars, an amount that is comparable to other widely accepted health care investments and is considered a **“good buy**”

Are there Possible Cost-offsets?

- The program's costs could be offset by up to $419.3 million a year if antiretroviral drugs were purchased at the federal ceiling price

Final observations

For more information…

- The full report is available at www.nap.edu.

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