Financing of HIV/AIDS Care: Challenges to the Ryan White CARE Act Program

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Overview of Presentation

Background

- Financing of care for persons with HIV disease
- State Medicaid programs
    - Eligibility and Services
    - Reimbursement
    - Managed Care and Waivers

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Learning Objectives

1) Describe five types of Medicaid program changes due to budget shortfalls.

2) Identify three ways the budget difficulties have impacted the CARE Act, including the AIDS Drug Assistance Program (ADAP).

3) Assess strategies for HIV care using both Medicaid and the Ryan White CARE Act program.

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Overview of Presentation

State response to fiscal conditions – major cost control strategies

Impact on the Ryan White CARE Act program

- AIDS Drug Assistance Program (ADAP)
- Support Services

Findings

Challenges

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Background

HIV/AIDS Spending – Federal for FY 2002 - $14.7 billion

Care and Assistance – $10,348 m - 70.4%

Medicare, Medicaid, Supplemental Security Income (SSI), Social Security Disability Insurance (SSDI), Ryan White CARE Act, Housing Opportunities for People with AIDS (HOPWA), and programs in Substance Abuse and Mental Health Services Administration (SAMHSA), Department of Veterans Affairs (VA), Department of Defense (DOD), Department of Justice (DOJ), and Office of the Secretary Department of Health and Human Services (OS/HHS)

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Background

Research – $2,614 million/17.8%

Prevention – $925 million/6.3%

International – $807 million/5.5%

Between FY 2001 and FY 2002 HIV/AIDS spending increased by $762 million or 5.5 percent

Source: A Budget Chartbook FY 2002
Henry J. Kaiser Family Foundation, September 2003

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Federal and State Medicaid Expenditures –FY2002

Medicaid (Federal share) $4.2 billion

Medicaid (State share) $3.5 billion

Ryan White CARE Act Program $1.911 b

SSDI $961million

SSI $390 million

Veterans Affairs $348 million

HOPWA $227 million

Other:

SAMHSA $130 million, DOD $53 million, OS DHHS $10 million, HRSA Other than CARE Act, $4 million

Medicaid Eligibility and Services

- Certain categorical groups eligible for Medicaid under current law, in addition have to meet asset and income (% Federal Poverty Level (FPL)) requirements
- Once eligible, entitled to a range of services within State's benefits package
- Depending on State, may also receive a range of optional services
- Payment for Medicaid services varies widely and is changing

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Medicaid Eligibility and Benefits

- Variability in benefits and eligibility across States – individual eligible in one State may not be eligible in another
- Managed Care – many States do not use fee-for-service model of care.
- More States requiring Medicaid beneficiaries enroll in managed care organizations (MCOs)

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Medicaid waivers

- Waivers allow States to use Federal Medicaid funds in ways not otherwise allowed under Federal law
- Health Insurance Flexibility and Accountability Initiative (HIFA) (August 2001) - encouraging States to submit waivers, together with State fiscal pressures – more States applying for waivers.

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Medicaid Home and Community-Based Waivers for Persons with HIV/AIDS

- States may apply for home and community-based service (HCBS) waivers for specific populations, like people with AIDS.
- 15 States (DC, CO,DE, FL, HI, IL, IA, MO, NJ, NM, NC, PA, SC, VA) currently have HCBSs for people with AIDS.
- In addition to the income eligibility limit, individuals generally require institutional or nursing home level of care.

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Other Medicaid Waivers

- Freedom of Choice Waivers (1915(b)
  Waive Statewideness requirement, covered services be comparable, and the freedom of choice requirements so that States may prohibit beneficiaries from selecting Medicaid providers.
- Research and Demonstration Waivers (1115) – a broad variety of changes from small scale to major restructuring.

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Other Medicaid Waivers

- ME, MA, DC have HIV waivers for HIV positive individuals who do not yet have AIDS and are not already eligible for Medicaid.

- These demonstration programs will make drug therapies and treatment services available to HIV positive individuals earlier, delaying onset of disability.

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Ryan White CARE Act

- After Medicare and Medicaid, the Ryan White CARE Act provides the third largest funding for therapeutics, health care and supportive services for more than 533,000 uninsured and underinsured persons living with HIV and AIDS.
- Fiscal Year 2003 budget of $2 billion.
- Some States required to match 1 State dollar for each Federal dollar.

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- The statute requires Maintenance of Effort by States and localities to spend the same amount (or more) than the previous year.
- Title I – Emergency assistance to eligible metropolitan areas (EMAs)
- Title II – Funding to States, including the AIDS Drug Assistance Program (ADAP)
- Title III- Early intervention services and planning

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Ryan White CARE Act

- Title IV – Comprehensive family services for women, infants, children & youth, and their affected families.
- Dental Reimbursement, Community Dental Program and AIDS Education and Training Centers (AETCs)
- Special Projects of National Significance (SPNS)

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What is the impact of budget shortfalls on Medicaid?

- Freezing or reducing provider payments
- Implementing pharmacy controls – co-payments, drug formularies, prior authorization, generic drugs, prescription limits
- Reducing benefits
- Restricting eligibility
- Increasing co-payments

Source:

Kaiser Commission on Medicaid and the Uninsured States Respond to Fiscal Pressure: State Medicaid Spending Growth and Cost Containment in Fiscal Years 2003 and 2004, Results from a 50-State Survey September 2003

What is the impact of budget shortfalls on Medicaid?

- Net result: providers will not serve Medicaid patients, beneficiaries will not get the health care they need because of limits on benefits, limited access to prescription drugs and increased cost-sharing.
- While program enrollment growing, eligibility restrictions means that the program cannot serve all of the low-income, uninsured, previously eligible.

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How does this impact the Ryan White CARE Act program?

- Medicaid prescription drug coverage impacts the State ADAP program. In FY 2003, ADAP's budget was $714.3 million.
- In addition, some EMAs contributed an estimated $70 million in Title I to ADAPs in FY 2001.
- Some ADAPs have waiting lists – 1,733 (AL, AK, CO, ID, IA, KY, MT, NC, SD, WV)*

*State ADAPs status June 29, 2004

Ryan White CARE Act ADAP programs vary across States

- Financial eligibility ranges from 125% FPL to 539%.
- Some States limit by the number of enrollees, coverage of classes of drugs, and per enrollee expenditures.
- ADAP restrictions greatest where Medicaid programs limited.

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Why do changes in Medicaid impact the Ryan White CARE Act?

- Medicaid is the largest payer of HIV care and the Ryan White CARE Act by statute is to cover uninsured and underinsured who don't qualify for Medicaid – fill in the gaps for financing and care.
- Many Ryan White CARE Act providers serve Medicaid beneficiaries – both program share similar population characteristics

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Why do changes in Medicaid impact the Ryan White CARE Act?

- Many consumers who move off and on Medicaid rely on Ryan White CARE Act funded programs to ensure continuity of care – especially critical to a person with HIV disease.
- Current Federal budget does not suggest major growth in funding.
- Ryan White CARE Act program cannot meet the needs for health care, drugs and support services needed by persons with HIV to keep them in care
- Monitoring and responding to changes in Medicaid is even more essential to meet the needs of the Ryan White CARE Act program clients.

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Challenges

- Our challenge has changed – it has expanded. The persons with HIV and AIDS who are served by both Medicaid and the Ryan White CARE Act usually lacked access to health care along with adequate housing, education and jobs.
- States and localities more than ever need to work and integrate more fully Ryan White CARE Act programs with the Medicaid program.
- The extensiveness of coordination between State and Medicaid programs vary widely.

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Challenges

Ryan White CARE Act program

- Examine services, track utilization and ensure covered services are billed and collected.
- Examine ADAP costs to determine if receiving best prices.

Medicaid

- Ensure role in providing health services to the most vulnerable continues. Medicaid provides coverage (medical and drug therapy) for persons with AIDS.

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Challenges

- When both programs face these challenges at the same time, the fiscal situation requires even more coordination and collaboration, more responsible proposals and solutions.

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