



CARE Act Reauthorization: Policy & Financing Challenges

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Overview

- Financing challenges faced by the CARE Act.
- Can the principles articulated by the Institute of Medicine regarding national standards of access be achieved through the CARE Act?
- How would the delivery system under the CARE Act need to be adapted to meet these goals?

Financing Challenges

- Increased demand for CARE Act services:
 - New infections, fewer deaths
 - New diagnoses (in general; rapid testing)
 - Less disability reduces transition to Medicaid
 - Waivers and ETHA stymied
 - Medicaid cutbacks
- Increased costs
 - Drug costs: high and additive
 - Co-morbidities: more health care and support services

Impact of these challenges

- Where you live determines what you get – both in Medicaid and in the CARE Act.
- We are rationing care:
 - ADAP, other services not universally available even for those who are poor.
 - ADAP waiting lists most visible; \$20 million add on a temporary solution.
 - Varied range of services, formularies, and eligibility standards.
 - Does rationing need to be more rational?

IOM's Criteria for Equitable HIV Care

- Minimum, uniform eligibility standard (250% FPL) so all receive recommended services regardless of where they reside.
- Benefits that meet the standard of care for HIV.
- Adequate provider reimbursement.
- Financing mechanism that is sustainable and stable.
- Integrated and coordinated services.

Is a new federal entitlement likely?

- Current budget situation.
- Current executive and legislative branch skepticism about new entitlements.
- In a different political context, focus would be on insuring all who are poor, not just those with one disease.

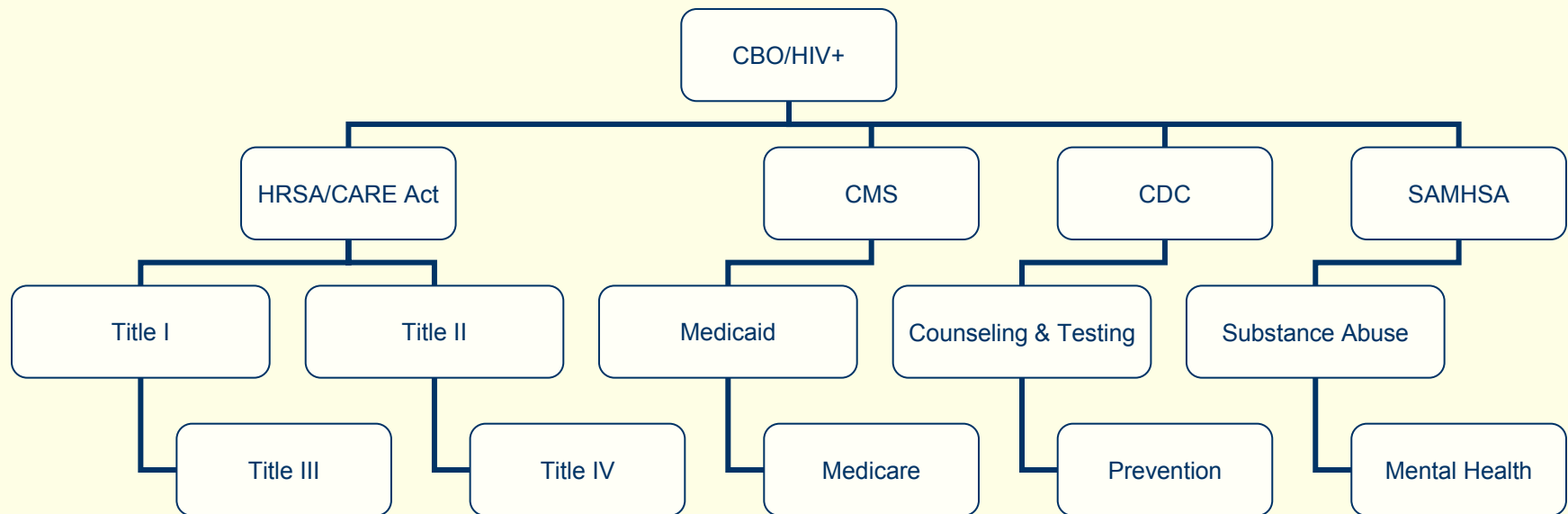
Can the CARE Act meet IOM's criteria? (1)

- Uniform eligibility and core services
 - IOM's core services not dissimilar to what most consider core for a chronic disease approach.
 - Challenges of transitioning within the CARE Act.
 - Create a national minimum standard for ADAP and other services with enforced co-payments above minimum standard.
 - Distribute \$ based on ability to meet core services.
 - Demonstrate ability to meet core before going beyond.
 - Formula + supplemental \$ for helping those unable to meet minimum.
 - Require coordination of funding streams.

Can the CARE Act meet IOM's criteria? (2)

- Current CARE Act reimbursements often higher than Medicaid and often a disincentive to highlight payer of last resort requirement.
- Financing has been stable, but has not kept up with growth in demand.
- Integrated and coordinated services.
 - Challenge of multiple funding streams.

The Delivery System



Delivery System Questions

- If our goal is a uniform minimum, more coordination will be needed among titles.
 - A jurisdiction will need to see total CARE Act funding as the starting point. How is this enforced?
- Related issues critical to success:
 - How do we eliminate/reduce the silo-effect at the provider and client levels?
 - How do we integrate treatment and services for HIV and co-morbid conditions?
 - What is the impact of integration of prevention into primary care?

Summary

- In the context of reauthorization, IOM's criteria for judging a financing scheme for HIV care can be a useful tool for analysis.
- Many of the IOM's criteria, especially regarding creation of equitable access across the country, can be achieved within the current CARE Act structure, with some modifications that may be challenging to implement.
- Adequate funding to assure equity is not guaranteed in the current structure.