Federal Policy Update

Matthew Lesieur – VillageCare / National Association of People with AIDS
U.S. Senate

Majority Leader
Harry Reid, D-NV

Minority Leader
Mitch McConnell (R-KY)
Rules of Senate:
Any member can filibuster/block legislation or other actions
Minority of 40+ votes can stop action
Takes “cloture” vote of 60 Senators to stop filibuster/hold
Result: bipartisanship vital to action
U.S. House

Speaker

John Boehner (R-OH)

Majority Leader

Eric Cantor (R-VA)
U.S. House

House Rules:
- Majority controls agenda
- Minority have little influence
- Unified majority totally in control

- Republicans, 240
- Democrats, 193
Issues in Congress

• Deficit Reduction / “Ryan” plan
  – Medicaid
  – Medicare
• Health Care Reform Implementation
• Appropriations FY 2012
• War in Afghanistan
• Election 2012
U.S. Deficit

Figure 1:
Factors Driving Budget Deficits, 2009-2019

- Deficit, in trillions
- Current deficit projection
- Deficit without these factors

Source: CBPP analysis based on Congressional Budget Office estimates.
U.S. Total Debt

Figure 2: Factors Driving Debt, 2001-2019

Debt Held By the Public as a Share of GDP
- Bush-Era Tax Cuts
- Wars in Iraq and Afghanistan
- Recovery Measures

- TARP, Fannie, and Freddie
- Economic Downturn
- Other Debt

100%

- Current debt projection

- Debt without these factors

Source: CBPP analysis based on Congressional Budget Office estimates.
Deficit Reduction

• U.S. has hit debt limit of $14.3 trillion
• Need Congressional approval to extend debt limit – deadline August 2\textsuperscript{nd}
• Vice President Joe Biden in debt talks with Republicans over raising limit
  – Republicans want changes in tax code, reductions in spending (entitlements especially) as condition of extending debt limit
“Ryan” Plan

• Paul Ryan (R-WI)
• Chairman of House Budget Committee
• Proposes:
  – Block grant Medicaid
  – Turn Medicare into voucher
  – Lower taxes on wealthy
Block granting Medicaid

- Medicaid spending state/federally shared cost
- Designed for low-income individuals
- Currently Medicaid paid out by states and federal government based on spending for Medicaid – no set ceiling
- Federal government matches at set percentage state spending on Medicaid
- As enrollment and health care costs grow, so does Medicaid spending automatically
- Block granting would lock federal spending
- Result: shift in costs to states over time
  - No adjustment for health inflation
  - No adjustment for enrollment growth
  - What happens in 2014?
Medicare Voucher

- Medicare 100% federally funded
- Designed for elderly and those on permanent disability (SSI/SSDI)
- Everyone pays into program through separate Medicare payroll tax
- Pressures on Medicare increase as baby boomers retire and workforce declines
- Ryan proposal would turn from fee-for-service into set voucher everyone would get
  - Would have to shop for own private health insurance policy
  - Voucher would be less than cost of insurance
  - Medicare beneficiaries would have to “eat” the difference (estimated over $8,000 a person per year)
Public Reaction to Medicare Plan
Health Care Implementation

- Republican lead U.S. House of Representatives has attempted to repeal “Patient Protection Affordable Care Act”
- Repeal bills failed in U.S. Senate, President vows veto
- Option: defund components as much as possible
- Advocates watching actions on appropriations
- U.S. Department of Health and Human Services continues to issue grants and regulations assuming full implementation
  - Many states are passing legislation and enacting provisions as if law will remain intact
Appropriations FY 2012

- Federal fiscal year starts October 1\textsuperscript{st}
- Congress has until then to pass budget
- Almost no increases in domestic programs in FY 2011
- ADAP saw $27 million increase in FY 2011, all other domestic HIV programs flat funded or reduced
ADAP in Crisis

• ADAPs with Waiting Lists (8,404 individuals in 13 states*, as of June 16, 2011)
  – Alabama: 44 individuals
  – Arkansas: 54 individuals
  – Florida: 3,588 individuals
  – Georgia: 1,612 individuals
  – Idaho: 17 individuals
  – Louisiana: 780 individuals**
  – Montana: 28 individuals
  – North Carolina: 282 individuals
  – Ohio: 461 individuals
  – South Carolina: 755 individuals
  – Utah: 16 individuals
  – Virginia: 762 individuals
  – Wyoming: 5 individuals
• ADAPs with Other Cost-containment Strategies (instituted since April 1, 2009, as of April 13, 2011)
  – Arizona: reduced formulary
  – Arkansas: reduced formulary, lowered financial eligibility to 200% FPL
  – (disenrolled 99 clients in September 2009)
  – Colorado: reduced formulary
  – Florida: reduced formulary, transitioned 5,403 clients to Welvista from 2/15-3/31/11
  – Georgia: reduced formulary, implemented medical criteria,
    – participating in the Alternative Method Demonstration Project (AMDP)
  – Idaho: capped enrollment
  – Illinois: reduced formulary, instituted monthly expenditure cap ($2,000 per client per month)
  – Kentucky: reduced formulary
  – Louisiana: discontinued reimbursement of laboratory assays
  – North Carolina: reduced formulary
  – North Dakota: capped enrollment, instituted annual expenditure cap,
    – lowered financial eligibility to 300% FPL (grandfathered in current clients above 300% FPL)
  – Ohio: reduced formulary, lowered financial eligibility to 300% FPL (disenrolled 257 clients in July 2010)
  – Puerto Rico: reduced formulary
  – South Carolina: lowered financial eligibility to 300% FPL (grandfathered in current clients above 300% FPL)
  – Utah: reduced formulary, lowered financial eligibility to 250% FPL (disenrolled 89 clients in FY2010)
  – Virginia: reduced formulary, transitioned 207 clients onto waiting list and PAPs,
    – only distributing 30-day prescription refills
  – Washington: instituted client cost sharing, reduced formulary (for uninsured clients only),
    – only paying insurance premiums for clients currently on antiretrovirals
  – Wyoming: reduced formulary, instituted client cost sharing
Wars Abroad

- Monthly cost of Afghanistan: $6.7 billion
- Monthly cost of Iraq: $6.2 billion
- The cumulative total appropriated from the 9/11 for those war operations, diplomatic operations, and medical care for Iraq and Afghan war veterans is $1.283 trillion including:
  - $806 billion for Iraq;
  - $444 billion for Afghanistan;
  - $29 billion for enhanced security; and
  - $6 billion unallocated

Elections 2012

• All 435 members of House of Representatives
• U.S. Presidential election
• 1/3 of U.S. Senate

• No Democratic challenger to President, but Republicans now vying for Republican nomination
• Ability to accomplish major goals later in year and in 2012 virtually non-existent