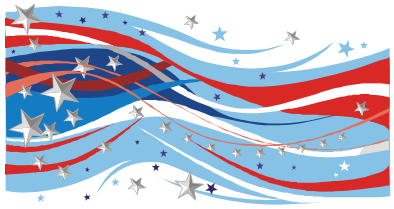




Federal Policy Update

6th Annual IRIS HOUSE SUMMIT
WOMEN
AS THE FACE of AIDS

Matthew Lesieur – VillageCare / National
Association of People with AIDS



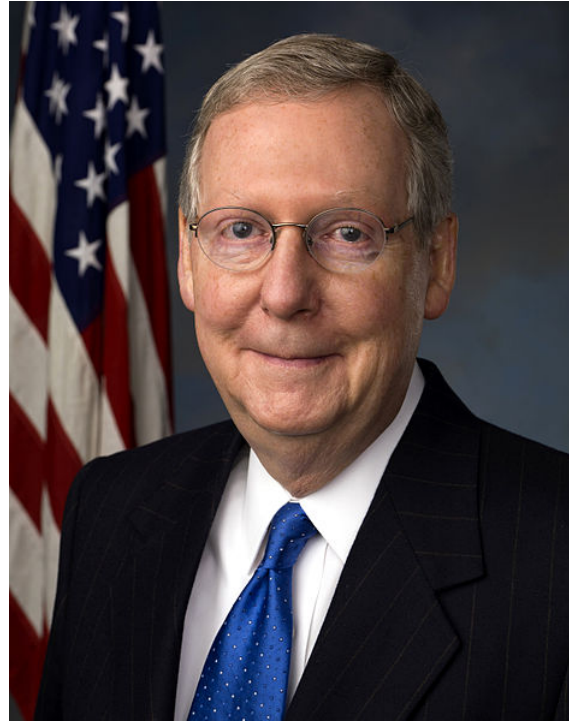
U.S. Senate

Majority Leader

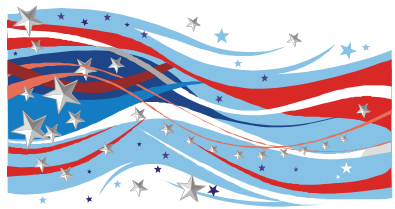


Harry Reid, D-NV

Minority Leader



Mitch McConnell (R-KY)



U.S. Senate, Cont'd

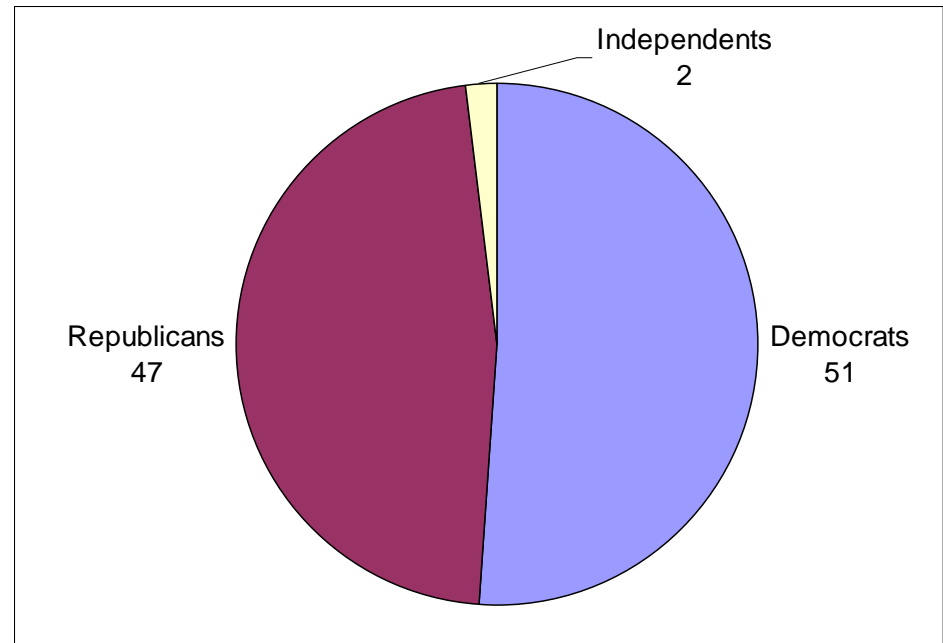
Rules of Senate:

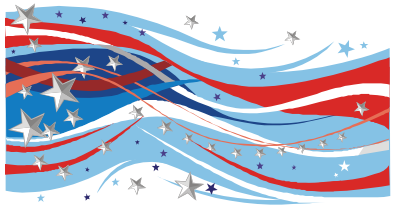
Any member can filibuster/block legislation or other actions

Minority of 40+ votes can stop action

Takes “cloture” vote of 60 Senators to stop filibuster/hold

Result: bipartisanship vital to action

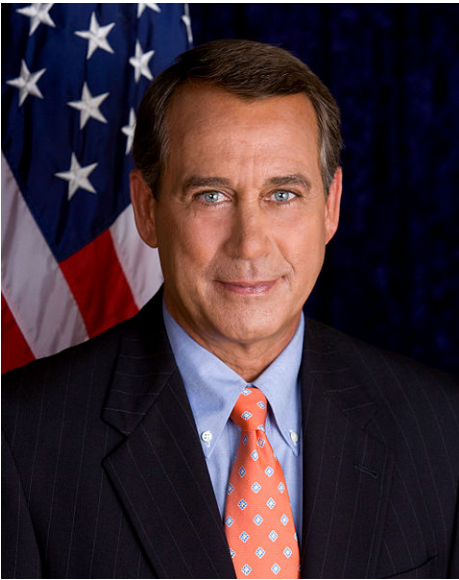




U.S. House

Speaker

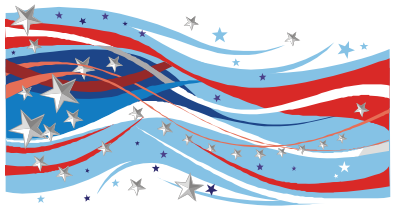
Majority Leader



John Boehner (R-OH)



Eric Cantor (R-VA)



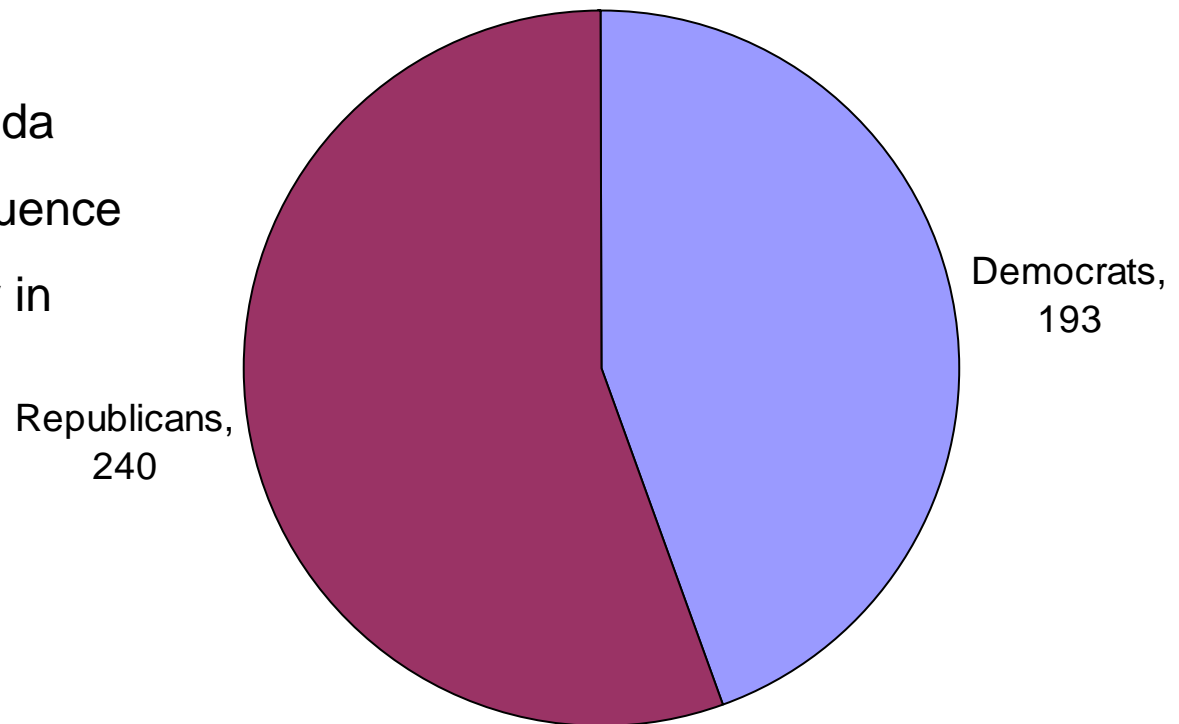
U.S. House

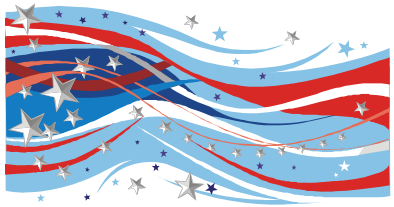
House Rules:

Majority controls agenda

Minority have little influence

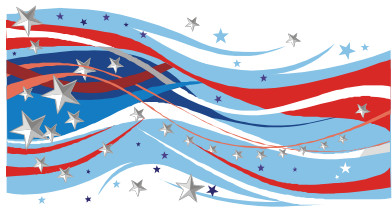
Unified majority totally in control





Issues in Congress

- Deficit Reduction / “Ryan” plan
 - Medicaid
 - Medicare
- Health Care Reform Implementation
- Appropriations FY 2012
- War in Afghanistan
- Election 2012



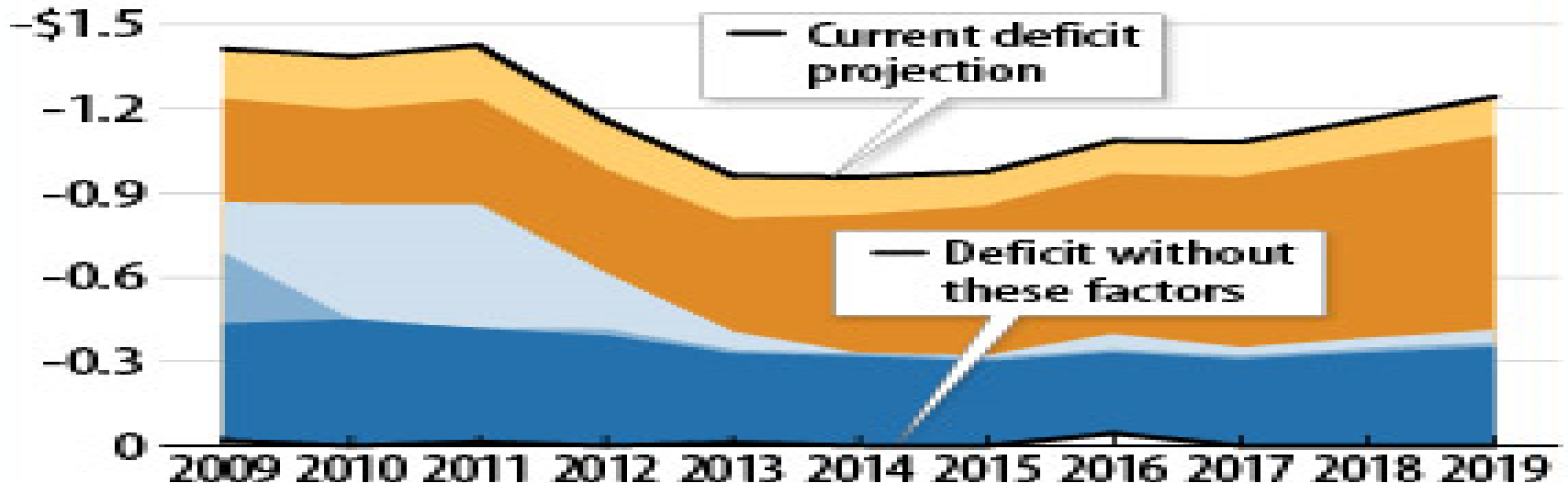
U.S. Deficit

Figure 1:

Factors Driving Budget Deficits, 2009-2019

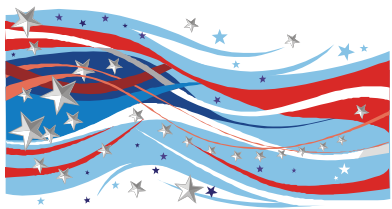
Deficit, in trillions

- Wars in Iraq and Afghanistan
- Bush-era tax cuts
- Recovery measures
- TARP, Fannie, and Freddie
- Economic downturn



Source: CBPP analysis based on Congressional Budget Office estimates.

Center on Budget and Policy Priorities | cbpp.org



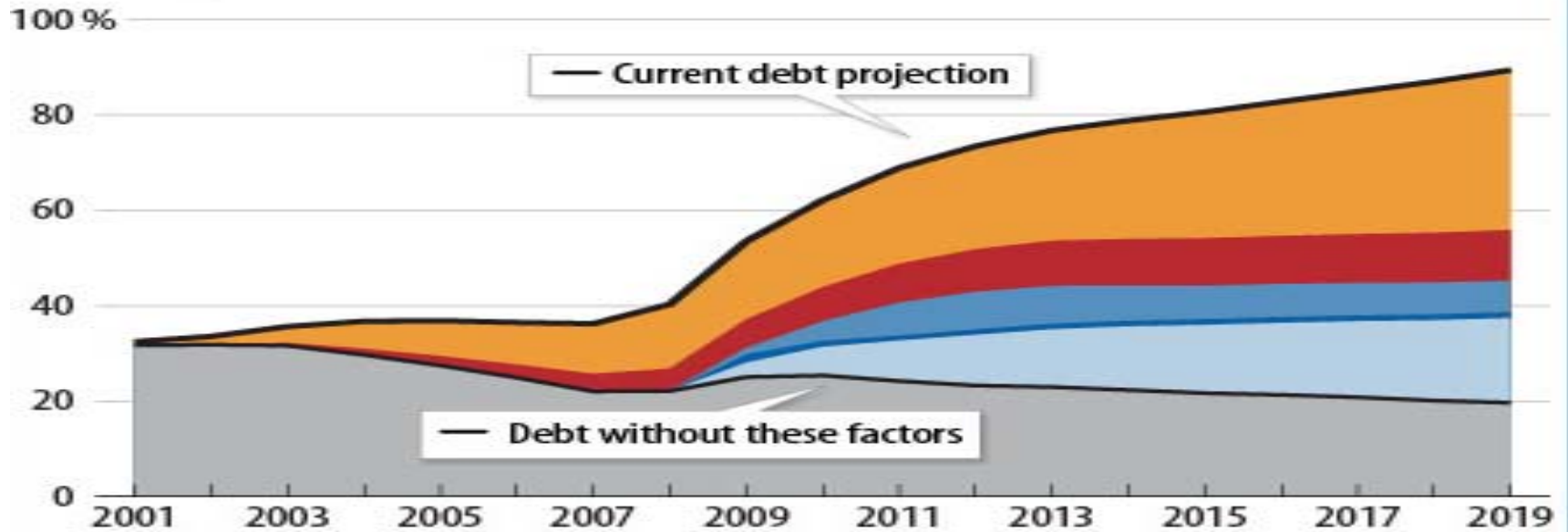
U.S. Total Debt

Figure 2:

Factors Driving Debt, 2001-2019

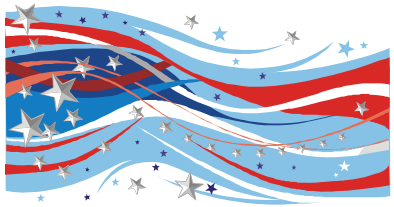
Debt Held By the Public as a Share of GDP

- Bush-Era Tax Cuts
- Wars in Iraq and Afghanistan
- Recovery Measures
- TARP, Fannie, and Freddie
- Economic Downturn
- Other Debt



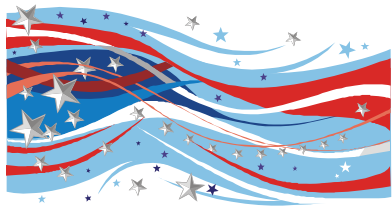
Source: CBPP analysis based on Congressional Budget Office estimates.

Center on Budget and Policy Priorities | cbpp.org



Deficit Reduction

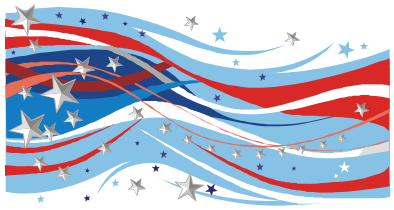
- U.S. has hit debt limit of \$14.3 trillion
- Need Congressional approval to extend debt limit – deadline August 2nd
- Vice President Joe Biden in debt talks with Republicans over raising limit
 - Republicans want changes in tax code, reductions in spending (entitlements especially) as condition of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



“Ryan” Plan

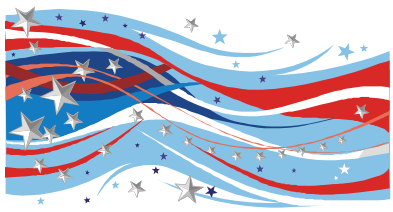
- Paul Ryan (R-WI)
- Chairman of House Budget Committee
- Proposes:
 - Block grant Medicaid
 - Turn Medicare into voucher
 - Lower taxes on wealthy





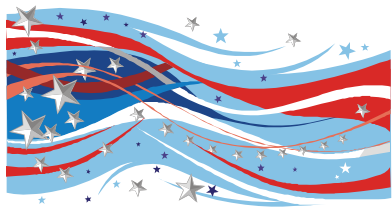
Block granting Medicaid

- 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 1st
- 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



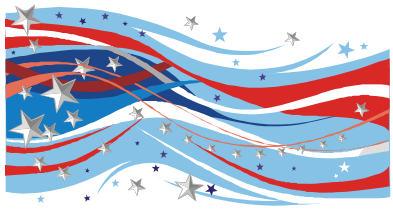
ADAP in Crisis

- **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



ADAP Crisis

- **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

Source: U.S. Congressional Research Service, “The Cost of Iraq, Afghanistan, and Other Global War on Terror Operations Since 9/11”, March 29, 2011



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