THE **AIDS** INSTITUTE

**PUBLIC COMMENTS**
by
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**THE AIDS INSTITUTE**
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Good afternoon, my name is Carl Schmid; I am the Director of Federal Affairs for The AIDS Institute, a national public policy, research and advocacy organization with offices in Washington DC and Florida.

As you deliberate on both the short term recommendations that you will offer to the US Congress as it searches for $10 billion in cost savings to the Medicaid program over the next few years, and the long term changes you will recommend to ensure the sustainability of Medicaid in offering quality healthcare for the future, we would like you to keep in mind the impact your decisions will have on the hundred of thousands of Americans living with HIV/AIDS that depend on Medicaid to keep them healthy and alive.

It is important to note that Medicaid is the largest source of health coverage for people with HIV/AIDS in the United States. Earlier this summer, the Centers for Disease Control and Prevention announced that they estimate there are now as many as 1.1 million people in the United States living with HIV/AIDS. The Institute of Medicine concluded in a recent report that 69 percent of all people living with HIV/AIDS in the US rely on public financing of their healthcare or are uninsured.

This clearly illustrates the importance of publicly funded healthcare services for those people living with HIV/AIDS. The Kaiser Family Foundation estimates that Medicaid provides healthcare to 40 percent of all people who have HIV, 55 percent of those with AIDS, and 90 percent of all children living with AIDS. Medicaid surpasses both Medicare and the Ryan White CARE Act in providing essential prescription drugs, medical care and other support services.

Even with the availability of publicly financed healthcare for people living with HIV/AIDS, we know the current system is not adequate since there are still hundreds of thousands of people in the US who need care and treatment, but are not receiving it. An IOM panel concluded that there are over 314,000 people with HIV/AIDS in the US who lack consistent care and treatment. A CDC study determined that there are 211,000 people who are eligible to receive antiretroviral treatment in the US, but are not receiving it. You may find these numbers hard to believe in the world's wealthiest nation on earth, but sadly, they are true.

The AIDS Institute believes it is imperative that any cost savings you recommend to the Congress or any modifications to Medicaid you recommend for the long term not further impair Medicaid's ability to serve the sickest and poorest beneficiaries, including those living with HIV/AIDS.

One of the recommended changes frequently being discussed is the need to increase cost-sharing in order to "promote personal responsibility". Low-income disabled beneficiaries already share the cost of their Medicaid coverage. According to a study done by the Center on Budget and Policy Priorities, Medicaid beneficiaries who receive SSI paid $441 in out-of-pocket medical expenses in 2002. For people at 74% of the federal poverty level, that is a substantial amount of their income. Beneficiaries are also responsible to cover any needed services outside of what is offered by Medicaid. It is difficult to imagine how beneficiaries who are among the sickest and poorest will find a way to cover more of their costs. Even the increase of co-pays by a dollar can create an unbearable burden for some.

Another change often discussed is the need to provide greater flexibility to the states. While no one wants to overly constrict the states, we would caution you as you consider this option. As you know, Medicaid has grown beyond its original mandate to provide compulsory services for the nation's welfare population, or the mandatory eligibility group. As new groups, including low-income persons with disabilities, and new services, including prescription drug coverage, were made eligible for federal matching funds, they were offered as an option to the states.

What we are learning today is that many of the so-called "optional" versus "mandatory" services for disabled Medicaid beneficiaries are pure illusion. These "optional" services are anything but optional for people living with HIV/AIDS. According to testimony before the Senate Aging Committee, so called "optional" prescription drugs brought about a major decline in HIV/AIDS mortality in the mid-1990's and are the cornerstone to a healthy and productive life for these and most other disabled beneficiaries. Other "optional" services such as medical care, preventive services, TB-related services and case management all play a crucial role in meeting essential healthcare needs of those living with HIV/AIDS. It is unimaginable to call these services discretionary or optional when so many beneficiaries depend on them for survival.

Today, we are seeing the results of what can happen in some states when given the approval to change their state Medicaid programs. You are all familiar with what is currently occurring in Tennessee, where 323,000 people may be removed from the state's TennCare program. This will greatly affect the health coverage of thousands of beneficiaries with HIV/AIDS, and place an overwhelming burden on other care providers. One such provider, the Nashville Comprehensive Care Center, has estimated that over 25 percent of its 2,000 patients with HIV/AIDS will lose their medical coverage. Additional changes, such as limiting the number of prescriptions per month and the number of doctor visits per year will only further harm the most vulnerable populations in Tennessee, particularly those living with HIV/AIDS who depend on numerous non-generic medications each day to stay alive.

Similarly, in Missouri, recent legislation will cut 14, 500 beneficiaries by reducing income eligibility from 100% of the federal poverty level to 74%. In addition, half of the disabled adult recipients with limited employment, close to 9,000 people, will no longer be eligible. Other optional services such as dental coverage, orthopedic services and hospice services will be eliminated in the effort to reduce the budget. These cuts will have a drastic affect on people with HIV/AIDS in Missouri. It will make access to lifesaving healthcare impossible for those who need it most.

Similar events are unfolding across the country.

In conclusion, as you deliberate the future of Medicaid, The AIDS Institute reminds you to remember the beneficiaries, particularly those who are poor and disabled, like many of the people living with HIV/AIDS, who depend so much on Medicaid for their continued health and wellbeing.

Thank you very much.

Disclaimer: The AIDS Institute has no financial involvement related to any services being discussed by the Medicaid Commission.

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