

NLWJC - Kagan

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AIDS - Treatment Guidelines



DEPARTMENT OF HEALTH & HUMAN SERVICES

Chief of Staff

Washington, D.C. 20201

URGENT

F A C S I M I L E

DATE 6/18

TO Minn. Reed Jennings Thurman
NAME AND ORGANIZATION

FROM:

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NUMBER OF PAGES (INCLUDING COVER SHEET): 4

COMMENTS: Attached are first set of Qs + As related to the release of AIDS guidelines 6/18. There will be additional Qs + As coming addressing other AIDS issues (HCFR demo, media exchange). Please contact Victor with comments.

DRAFT

This is expected to reduce not only the cost of drugs purchased by ADAPs, but the level of burden on States associated with individually negotiating discounts with multiple manufacturers.

We will also encourage states to contribute additional funds to ADAPS. Currently about 20 states do not contribute any funding at all. And we will encourage ADAPs to target resources to low-income individuals.

Q: When do you intend to change your 1998 budget request for ADAP?

A: Shortly. We're currently talking with states and assessing the potential impact of the new Guidelines.

Q: What about the 1997 budget? Is it adequate? Aren't some states, such as Mississippi, cutting people off their ADAP programs?

A: Some states reported limited formularies, waiting lists, and restricted access to specific drugs because of increased demand on these programs.

But it is important to note that the federal government's ability to respond to state-specific crises through ADAP is constrained. The formula by which any ADAP appropriation must be allocated among states is established by the CARE Act. That makes it difficult to respond to specific disproportionate state-level difficulties that are often compounded by factors such as state-defined limitations on Medicaid and lack of state participation in ADAPs.

Q: What is holding up the Medicaid demonstration? Didn't Vice President Gore ask for a report from HCFA within 30 days, over 60 days ago?

A: The Vice President asked HCFA to conduct a feasibility study. The study raised a number of complex policy issues, which are still under review. Among those issues is how to properly structure a demonstration that is consistent with HCFA's demonstration authority. We expect to be able to say something further about the Medicaid demonstration shortly.

Q: How many people, and how much money, are we talking about?

A: Limitations in available public and private data make it impossible to calculate the possible demand for these drugs with any precision.

Approximately 775,000 individuals in the U.S. are living with HIV disease (using the midpoint of the CDC's estimate of 650,000 to 900,000). Approximately two thirds of them, or 500,000 know their HIV status.

DRAFT

Q: What is being issued today?

A: The Department of Health and Human Services is publishing in the Federal Register for public comment a comprehensive set of draft "Guidelines for the Use of Antiretroviral Agents in HIV-infected Adults and Adolescents."

Q: How can the government publish these guidelines, without saying how it will pay for the costly drugs the guidelines recommend?

A: As Secretary Shalala said, these medical guidelines raise important public policy issues, and we have been working diligently to address them.

Q: What does that mean?

A: As you know, the Health Care Financing Administration is exploring the possibility of a Medicaid demonstration that would help provide these treatments to HIV-infected people before they become disabled or develop symptomatic AIDS.

Also, in light of these guidelines, we are reviewing our 1998 budget request for the AIDS Drug Assistance Program. (The current request is for \$167 million.) Since taking office, the Clinton Administration has increased spending for this program by over 300%.

Q: Doesn't the federal government have a moral obligation to provide these treatments to all who need them?

A: The federal government will continue to assume a leadership role, but this is a broader societal issue. As it has in the past, the AIDS epidemic is again shining a spotlight on cracks and inequities in our health-care delivery system.

The federal government cannot solve the AIDS drug issue alone. The solution must be system-wide, combining private, federal and state resources. No single federal or state program can provide a total solution. Federal and state policy makers must work closely with the private sector to ensure that our resources are maximized.

Q: How do you intend to maximize these resources?

A: In a number of ways. In the Ryan White program, for example, the Health Resources and Services Administration intends to require all states to use the 340b mechanism to achieve reliable and consistent levels of cost-savings on all medications in their ADAP formularies.

DRAFT

Some of them are covered by private insurance. Medicaid and ADAP provide drugs for approximately 200,000 people. So federal and state governments are already helping to provide drugs for 40% of the 500,000 people estimated by CDC to have HIV and know their status.