

FY 2011-12 May Revision Budget
Office of AIDS

Summary

Two Office of AIDS programs currently receive state General Fund:

- There are no changes proposed in General Fund portion support for the HIV/AIDS Surveillance program.
- AIDS Drug Assistance Program (ADAP) General Fund is proposed at a level which will continue the program with all of its current policies (i.e., no changes in eligibility, formulary, cost-sharing, etc.)¹.
 - The May Revision includes savings associated with expansion of CARE/HIPP and establishment of premium payments for the Pre-Existing Condition insurance Pool (PCIP).

ADAP Detail

Funding

ADAP is funded with General Fund, federal funds, and pharmaceutical manufacturer rebates.

FY 2010-11 (the current budget year, through June 30, 2011)

- The January Governor's Budget included total ADAP funding of \$476.4 million, of which \$71.4 million was state General Fund. The revised FY 2010-11 budget is \$459.1 million (a decrease of \$17.3 million).
 - The revised General Fund appropriation is \$54.4 million, which reflects a decrease of \$17.0 million which is primarily associated with a decrease in estimated program expenditures (page 39 of the Estimate).

FY 2011-12 (the next budget year, starting July 1, 2011)

- Proposed funding for the budget year is \$503.6 million (\$44.5 million more than the current year). The General Fund appropriation is \$82.6 million (\$28.2 million more than the current year). This decrease of \$21.0 million compared to the January Governor's Budget is due primarily to the following factors:
 - Decreased expenditure estimates
 - Reduced reimbursement to the Pharmacy Benefits Manager and pharmacy network
 - New resources of \$74.1 million from the Safety Net Care Pool for FY 2011-12 which offset General Fund
 - Anticipated new federal resources of \$3 million from HRSA which offset General Fund
 - Expansion of CARE/HIPP and establishment of PCIP premium payments

¹ The Low Income Health Program (LIHP) is included as a potential future fiscal issue (page 50). No ADAP savings associated with this program are assumed.

These changes in program costs and in Federal and state General Fund can be seen in the Fund Condition Statement found starting on page 33 of the ADAP Estimate.

ADAP Utilization

Approximately 38,000 individuals received ADAP services in FY 2009-10. It is estimated that nearly 39,500 individuals will receive services in FY 2010-11 and over 42,500 individuals will receive services in FY 2011-12 (page 36).

Expanded CARE/HIPP and New PCIP Premium Payments: Additional Detail

CARE/HIPP expansion includes the following elements (pages 16 - 29):

- Elimination of the disability requirement
- Elimination of time-limit
- Increase in premium limits and ability to pay up to premium limits for individuals with higher premiums (page 28)
- Alignment of financial eligibility requirements with ADAP (\$50,000 income and no asset requirements)
- Facilitation of co-enrollment in ADAP for out-of-pocket costs

Establishment of PCIP premium payments (pages 7 – 14)

Coordination of CARE/HIPP and PCIP premium payments (page 28)

Status of Implementation and Stakeholder Input Plans

1. Design application processes to minimize required paperwork and to offer enrollment directly with OA.
2. Develop mechanisms for encouraging co-enrollment in ADAP.
3. Work with local health jurisdictions (LHJs) to expand enrollment opportunities in CARE/HIPP and PCIP.
4. Develop draft notification materials, program descriptions and application packets for CARE/HIPP and PCIP.
5. Email stakeholders during the week of May 16 to offer opportunities to provide feedback on draft documents. We will reach out to:
 - ADAP and CARE/HIPP Enrollment Workers
 - ADAP coordinators
 - California Planning Group (CPG)
 - Advisory Network
 - CA Conference of Local AIDS Directors (CCLAD)
 - ADAP Medical Advisory Committee (MAC)
6. Draft program descriptions and application packets will be distributed to interested stakeholders; conference call held a few days later.
7. Program descriptions and application packets will be finalized based on stakeholder input.

8. Develop detailed training materials for enrollment workers and high level training materials for other stakeholders.
9. Provide draft training materials to interested stakeholders and hold conference call for feedback.
10. Training materials will be finalized based on stakeholder input.
11. July 1, disseminate notification and application to:
 - Interested stakeholders
 - Enrollment workers & site managers
 - Local Health Jurisdiction contacts
 - HIV care providers
 - Community based organizations
12. Conduct several webcast training sessions for enrollment workers and interested stakeholders in July.