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~~DRAFT~~ MEMORANDUM TO THE PRESIDENT
~~For the President~~

From: Sandy Thurman

Subject: Update on HIV/AIDS Issues

Although we have continually supported increases in ADAP, including 2 budget ammendments last year & have indicated a willingness to look into additional funding for this year

This memorandum is to provide you with a quick update on current HIV/AIDS issues.

Background - While the AIDS groups are grateful for the support the Administration has given them in the past, there is considerable anxiety and doubt regarding our ongoing commitment to this issue. This concern began when AIDS programs (including the Ryan White CARE Act) were [redacted] not listed on a small list of discretionary programs that were ~~the list of~~ as protected programs in the balanced budget agreement. The community interprets this action to mean that the issue have been "de-prioritized". (neither were many other important programs) In addition, following the release of guidelines for AIDS treatment which indicated more aggressive use of triple drug combinations, the Administration did not request any additional dollars in the 1998 budget for ADAP(AIDS Drug Assistance Programs). All this, combined with the fact that the report the Vice President requested on Medicaid expansion to people with HIV stalled due to indications from HCFA that there is no way to make this budget neutral and that little visible progress has been made on removing the restrictions on federal funding for needle exchange programs, has made the AIDS community a little irritaded with us.

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We have been working nonstop with the AIDS groups on these issues. The bottom line is, while we have pending issues, it has been a pretty extraordinary year so far for the AIDS community.

(5) **Needle Exchange Programs** - The House Appropriations subcommittee for Labor, Health and Human Services marked up their bill on July 15, preserving the authority of the Secretary of HHS to lift the restrictions on use of federal funds for needle exchange programs. HHS does not expect a challenge to this at full committee next week, and is pursuing a strategy of watchful waiting maintaining a low profile for as long as possible. Most of the AIDS groups accept this strategy as long as the Secretary's authority is not endangered. We held a meeting at the White House last week with the AIDS groups and HHS to facilitate communication on this issue.

(3) (2) **Funding Issues** - In the House Appropriateions sp? subcommittee mark-up, the full $40 million increase in the Administration's FY 1998 budget request for the Ryan White CARE Act was provided, with some reallocation of the increases among Ryan White programs. ~~In addition,~~ In addition the chair's included a ~~OMB and Rep. Porter worked closely together to~~ support a $132 million increase for the Ryan White AIDS Drug Assistance Program (ADAP) in the Chairman's mark. No formal budget amendment was sent forward for this, given the size of the offset, ~~but the AIDS groups are aware and grateful for the Administration's support in reaching this number.~~ You may want to take this opportunity to formally support this increase.

The House subcommittee increase funds for AIDS prevention by $5 million ($12 million below budget request) and an AIDS research increase of $7? million ($33 million above budget request).

? The community will obviously appreciate POTUS support

OMB's position is that it is going to happen anyway so we might as well take credit for it

HHS will probably submit & report in the next month. It will likely suggest

The Senate Labor/HHS subcommittee's 602B allocation is $200 million below the House's, making it less likely that the Senate will fund AIDS programs at the House levels. In VA/HUD, the Housing Opportunities for People With AIDS (HOPWA) program has been funded at the budget request of $204 million (an $8 million increase).

(4) **Medicaid Expansion for HIV Infection.** On April 9, the Vice President requested HHS report to him on the feasibility of a Medicaid demonstration project expanding Medicaid eligibility to persone with HIV infection prior to the onset of full-blown AIDS. Currently, over 50% of people with AIDS depend on Medicaid for their health care. New AIDS therapies like the protease inhibitor drugs have been effective in delaying disability and reducing hospital costs for many people, raising the question if earlier access to drug therapies and primary care would prove cost-effective for Medicaid as well as other public spending for services to people with HIV/AIDS. HHS ~~presented a discussion paper~~ to the Vice President's office in late May/~~early June~~, and is now reworking it to address budget concerns. ~~We expect to see a demonstration program limited to several sites with a capped enrollment, sufficient to answer the cost and services utilization and health outcome questions but limited budget vulnerability. HHS will probably present their revised proposal within a month.~~

(there was no paper)

it would be feasible to do a ~~limited~~ demonstration program limited to several sites but capped it would not be budget neutral & could exceed

(2) **Model Clinical Practice Guidelines for Treatment of HIV Infection.** On June 19, an independent panel of experts convened by HHS and the Kaiser Family Foundation published treatment guidelines for antiretroviral therapy in adults and adolescents. The draft guidelines address a critical need among providers as to how best to use new AIDS drugs most effectively. The guidelines recommend a more aggressive approach to treatment using triple drug combinations at earlier stages of HIV infection to avert immune system damage.

this would represent a break in over long-standing tradition of budget neutrality criteria in Medicaid waivers. There are some at HHS & OMB that believe that it would be preferable for the Administration to support full legislative change to the Medicaid program rather than break over budget neutrality standard waivers. This could prove to be expensive

While these guidelines are not technically a government document, issues of payment for this new standard of care clearly confront us. HHS has stressed that the responsibilty for HIV treatment is a shared one with the federal government, states, private and non-profit sectors and individuals each playing an important role. The additional $132 million in ADAP funding included in the House Appropriation's subcommittee is a good start towards trying to address expanding demand for these new therapies.

(1) **Decrease in the AIDS Death Rate.** ~~Staying the course for last~~ On July 14 the CDC released new figures showing a 19% decrease in the number of AIDS deaths in the first nine months of 1996, compared with the same period of 1995. In contrast with earlier data, the number of deaths due to AIDS among women decreased 7%, and mortality numbers dropped for all racial groups and categories of HIV transmission. The CDC attributed these findings to greater access to medical care and the development of effective therapies for HIV and associated opportunistic infections. AIDS advocates noted that as AIDS death rates drop, there are increasing numbers of individuals living with HIV who require access to these lifesaving interventions. Clearly, our investment in the AIDS epidemic is beginning to pay off as a significant achievement, given increasing AIDS deaths and infections worldwide. ***It is important to note, however, that there is no evidence that the number of new HIV infections is slowing which means that prevention and education efforts must be reinforced.***

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