Penny Wose, Pound Foolish

Medicaid for HIV is an idea too simple for its time

July 1, 1998 By Dave Gilden

There's an old saying that every crisis creates opportunities. But every opportunity also creates its own crises. The arrival of potent combination therapies for HIV promises to stabilize the disease for many, vastly increasing the popularity of early treatment and sparking a sharp drop in new AIDS diagnoses. At the same time, these drugs are expensive, and exacerbate the crisis in our nation's patchwork system of health care. We want people to stay healthy, yet who will pay for years of antivirals?

Hundreds of thousands who lack insurance but are ineligible for Medicaid fall through the cracks. The federally funded, state-run AIDS Drug Assistance Programs (ADAPs) help those not so poor, not so sick. But by failing to finance overall medical management (e.g., lab tests and doctor visits), ADAPs encourage improper use of antivirals and increase the likelihood of drug failure. And since funding does not automatically grow with demand for treatment, ADAP periodically faces bankruptcy.

In spring 1997, Vice President Al Gore endorsed a community proposal to provide coverage for most of those in medical free-fall: Instead of waiting for a person to develop AIDS and qualify for disability, why not have Medicaid include everybody with HIV below a certain income level? Medicaid is more complete than ADAP and provides more care with less hassle than the deteriorating private-insurance system.

This plan was apparently too simple for our times. Under the current balanced-budget regime in Washington, you can only save a life if you save a dollar, it seems. When health-department actuaries projected expenses over the next five years, they found that Medicaid for HIV would be too costly. This conclusion was predictable enough: Even if denied treatment, most people with HIV won't require expensive medical care in this short term. More valid assumptions—for example, using a 10-year time frame—might drastically alter the financial outlook.

Advocates for this proposal turned to the states after the federal rejection. States can apply for waivers to add extra Medicaid coverage for HIV, so long as they promise to foot any extra bills. At present, Massachusetts is moving to apply for such a waiver, with Florida, Mississippi and Maine likely to soon follow. The state efforts would apply to people with HIV who earn less than twice the poverty level. Most beneficiaries would be childless adults with an income of $14,000 or less and

who formerly would have been on “home relief,” a program largely eliminated by so-called welfare reform. Others would be household heads cut off from temporary aid to needy families.

At best, such state programs would constitute demonstration projects showing how a comprehensive approach to early HIV care would work. They would provide solid data on the demand for such programs and the required initial layout. Far from automatically sponsoring the most aggressive therapy, as ADAP might, their comprehensive nature would allow physicians to monitor patients and treat when their best judgment recommends it. Such systematic health care could accelerate medical research by tracking the outcome of various therapeutic strategies. Still, it sounds like the state waivers just continue the patchwork system, doesn’t it?

Initial annual outlays of several billion dollars probably are needed to extend Medicaid nationally, but Clinton’s 1999 budget contains only an additional $100 million for ADAP. Daniel Zingale, director of the AIDS Action Council in Washington says, “Everyone in the administration knows extending Medicaid makes no sense, but they think they can only make changes if they’re budget neutral.”

Washington’s misers can quibble forever over how much money might ultimately be saved through more early treatment. It all depends on such imponderables as the rate of disease progression despite the drugs and the future costs of caring for those who get AIDS. Yet the epidemic provides a grand opportunity to recognize the social damage inflicted by death and disease. AIDS will remain a crisis until we seize that opportunity and move to control HIV in all Americans.

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