Debt Ceiling Negotiations Could Halt Progress Against HIV/AIDS

July 13, 2011 By David Ernesto Munar

As part of its debt ceiling negotiations, the Obama administration is on the verge of undermining one of the most significant policies it has put in place to alleviate the nation's 30-year HIV/AIDS crisis, which directly affects more than 1.2 million Americans.

In a sad twist of irony, the White House proposal to rollback critical health benefits, essential to the control of HIV/AIDS, is emerging on the one-year anniversary of the National HIV/AIDS Strategy, unveiled by President Obama in July 2010.

The Center on Budget and Policy Priorities reports that the White House is considering deep federal funding cuts for state Medicaid programs, a proposal that could have an immediate, chilling effect on efforts to meet the benchmark goals described in the National HIV/AIDS Strategy. Moreover, it would render the federal health reform law virtually meaningless for millions of low-income Americans.

Medicaid expansion for all low-income Americans, regardless of their health status, is the centerpiece of the health reform law championed by President Obama in 2010. Without full funding from the federal government to help states finance Medicaid expansion, low-income individuals -- including hundreds of thousands with and at risk for HIV -- will struggle to gain access to adequate healthcare services from bankrupt Medicaid programs, which will be unable to make up the shortfall in reduced federal funding.

The White House contends that its proposal for a "blended rate" of Medicaid financing for states is far superior to GOP plans to give states a fixed block grant to cover all their low-income healthcare needs, no matter how extensive. While indisputably better than the draconian GOP proposal, a blended rate would likely shortchange states of billions in Medicaid financing that they otherwise would receive under a fully implemented health reform law beginning in 2014. Faced with reduced federal funding, most cash-strapped states will have no choice but to ration healthcare services and further erode already dangerously low provider reimbursement rates.

While this approach may help the federal government balance its budget short-term, the reality for low-income people living with HIV/AIDS will be delayed doctor's visits, deferred treatment and, eventually, costly emergency medical interventions. Scenarios like these will surely continue to drive unsustainable growth in health care costs in the U.S.

The new threat to Medicaid comes on the heels of a new policy by the U.S. Centers for Medicare and Medicaid (CMS) to make it easier on states to qualify for enhanced federal matching funds to

expand coverage for low-income people with HIV. The proposal, announced as a letter to state Medicaid directors, eases requirements on states seeking to expand HIV coverage ahead of fully implemented health reform provisions in 2014. If adopted, the “blended rate” proposal would severely undermine any efforts to persuade states to expand Medicaid coverage for HIV-positive people ahead of 2014, and would jeopardize efforts to cover them thereafter.

The CMS policy, announced scarcely a month ago, is among the Obama administration’s most significant accomplishment of the first year of the National HIV/AIDS Strategy. However, White House efforts to adopt a “blended rate” for federal Medicaid financing could render the CMS policy completely moot.

Moreover, deep funding cuts in discretionary spending could make it impossible for congressional appropriators and the White House to fund the National HIV/AIDS Strategy at levels needed to meet its goals. Already, the government’s AIDS Drug Assistance Program (ADAP) -- a critical safety-net for HIV-positive people with no other means to afford their lifesaving HIV medications -- is facing severe service reduction in over a dozen states. More than 8,500 people are currently on ADAP waiting lists across the country. Public health researchers estimate that some 80,000 HIV-positive people clinically indicated to initiate HIV treatments have yet to do so, in part because of barriers to healthcare access.

The White House National HIV/AIDS Strategy underscores the importance of increased healthcare access in order to turn the tide against HIV/AIDS. The five-year Strategy aims to reduce annual HIV infections, increase the number of HIV-positive people who gain access to high-quality continuous care, and alleviate the disproportionate impact of HIV in three severely affected groups: African Americans, Latinos, and men who have sex with men (MSM). Instrumental to the White House plan are efforts to increase the number of HIV-positive people who receive HIV testing and are linked to high-quality, continuous medical care with housing and other needed services.
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To underscore the relevance of healthcare access for HIV-fighting efforts, the Strategy seeks to ensure that 20 percent of all HIV-positive African Americans, Latinos, and gay/bi men achieve maximum viral suppression (known as “undetectable viral load”) by 2015. The goal was crafted in recognition of evidence demonstrating that reductions in “community viral load” reduce rates of HIV transmission.

The results of a US-funded clinical trial go even further in demonstrating the significant benefit of HIV treatments in stopping the spread of HIV. Earlier this year, study investigators unveiled the game-changing finding that adherence to antiretroviral medications can reduce the risk of heterosexual HIV transmission by as much as 96 percent. So compelling were these and other research findings based on medical interventions, that Dr. Anthony Fauci, the government’s leading AIDS researcher at the National Institutes of Health, wrote in a recent Science editorial that the prospect of dramatically controlling the HIV/AIDS pandemic is now scientifically within reach and will depend largely on the will of donor nations and philanthropic institutions around the world to prioritize treatment access.

On July 13, 2010, President Obama unveiled the National HIV/AIDS Strategy to much fanfare at an East Room briefing for AIDS advocates, dignitaries and federal officials. In his remarks he said: “So

the question is not whether we know what to do, but whether we will do it. Whether we will fulfill those obligations; whether we will marshal our resources and the political will to confront a tragedy that is preventable.”

Let’s hope the president’s words were not in vain.

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