The Impact of Budget Sequestration on Federal Funding for State HIV/AIDS and Viral Hepatitis Programs in FY2013

OVERVIEW

The Budget Control Act of 2011's sequestration process will result in a cut of up to $1.2 trillion over 10 years. The American Taxpayer Relief Act of 2012 delays sequestration until March 1, 2013. According to the Office of Management and Budget (OMB) Report Pursuant to the Sequestration Transparency Act of 2012 , non-exempt, non-defense discretionary programs will be cut by approximately 8.2 percent in 2013.

The National Alliance of State & Territorial AIDS Directors (NASTAD) conducted the following analysis on the impact of sequestration, with the input of state AIDS directors. NASTAD found that state HIV/AIDS and viral hepatitis programs will have to eliminate prevention initiatives, remove clients from the AIDS Drug Assistance Program (ADAP) and other vital health coverage services, and reduce knowledgeable, trained staff carrying out HIV and viral hepatitis efforts in health departments and on the ground.

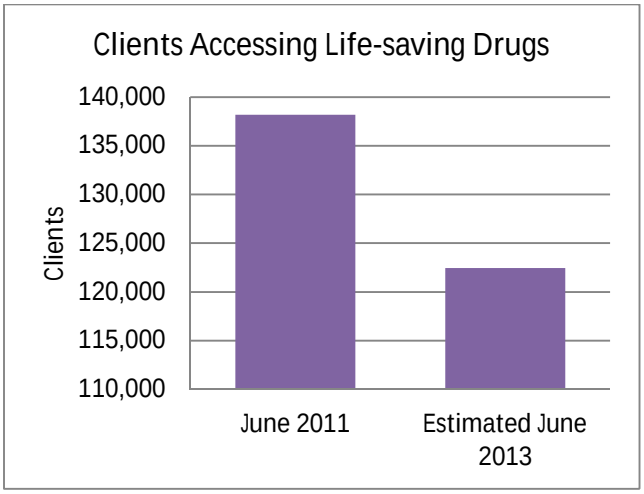
Moreover, sequestration will greatly compromise state health departments' ability to implement programs. An 8.2 percent cut to programs will affect the prevention of new infections and increase long-term health care costs. Further, these cuts will occur at a time when evidence demonstrates[i] that more should be done to prevent new infections and treat those with HIV and viral hepatitis. Resources need to be focused on improving service delivery across the care continuum in order to ensure optimal health outcomes in both HIV and viral hepatitis.

Sequestration will erode the nation's ability to meet the goals of the National HIV/AIDS Strategy (NHAS) and the Department of Health and Human Services Viral Hepatitis Action Plan, two blueprints that establish benchmarks for success in reducing the burden of these epidemics.

AIDS DRUG ASSISTANCE PROGRAM

As a result of sequestration, ADAP will be cut by approximately $77 million and 15,708 clients will lose access to crucial life-saving drugs.

ADAP provides medications to low-income individuals with HIV who have limited or no coverage from private insurance, Medicare and/or Medicaid. ADAP covered drugs vary by state, but must include at least one antiretroviral per class and can include drugs to treat opportunistic infections and other chronic conditions.



A cut in ADAP will result in another 250 clients losing access to HIV medications in our state.
-Tennessee

RYAN WHITE PART B

State health department Part B awards will be cut by nearly $35 million, if sequestration occurs.

The Ryan White Program Part B base grants are awarded to states and territories to provide an array of essential services including diagnostic, viral load testing and viral resistance monitoring, HIV care for vulnerable at-risk populations, and primary care networks that improve the overall HIV

care systems in states. Part B resources are critical in navigating clients through a multi-step, iterative process and ensuring timely access and coordination of medical and psychosocial services.

We will have to cut contracts that deliver direct services and clients will not have access to services like medical case management.

–New Mexico

HIV PREVENTION

Approximately $28 million will be cut from CDC HIV prevention by health departments and new infections will increase.

An estimated 50,000 new HIV infections occur every year. State and local health departments administer evidence-based, cost-effective prevention interventions. Health departments also conduct targeted and routine HIV testing and link people to partner services and care.

Men who have sex with men represent 61 percent of new HIV infections and young men who have sex with men from racial and ethnic minority communities, particularly young Black gay men, bear a disproportionate burden of the disease. It is impossible to achieve the goals of the NHAS without effectively targeting these populations.

With this cut to prevention, we will be forced to eliminate two prevention programs targeting HIV-positive men, three syringe access programs, seven prevention programs targeting gay and bisexual men and funding to support HIV partner services in four counties.

–Washington

ENHANCED HIV TESTING

Enhanced HIV testing funding will be cut by $5.4 million. The number of HIV tests administered will be greatly reduced and approximately 412 HIV positive people will not be identified in each fiscal year.

People who do not know that they are HIV-positive are over three times more likely to transmit the virus than people that are aware of their status.[ii] With less testing resources, there will be an increase in new infections. Funding for expanded testing for disproportionately infected populations will face large cuts.

HIV SURVEILLANCE

$9.7 million will be cut from HIV surveillance by health departments.

HIV surveillance monitors disease incidence, prevalence, and trends, and is crucial to containing the epidemic. HIV surveillance has been chronically underfunded in most jurisdictions and as a result, many states cobble together their HIV surveillance programs with resources leveraged from other programs.

This reduction to HIV surveillance will impact our ability to collect and enter data on new HIV diagnoses, and to manage and monitor electronic lab reporting (ELR) data, and furthermore will negatively impact our capacity to measure the extent to which our efforts accomplish the objectives of the National HIV/AIDS Strategy.

–Massachusetts

VIRAL HEPATITIS PREVENTION

Viral hepatitis prevention by state health departments will be cut by $1.6 million, an amount which currently funds nine viral hepatitis prevention coordinators (VHPC).

There are approximately 5.3 million people living with viral hepatitis in the United States, but 65 to 75 percent are unaware of their infection. Viral hepatitis is the leading cause of liver cancer and leads to about 14,000 preventable deaths annually. These epidemics far exceed the funding that is currently available to address them. Future availability of testing resources is essential for the protection of hepatitis B and/or hepatitis C positive individuals' health, and prevention of new infections.

VHPCs are the sole dedicated health department professionals responsible for viral hepatitis prevention efforts in states and directly funded cities. Funding that accounts from five to nine VHPCs will be eliminated if sequestration is enacted. Without VHPCs, states will not be able to coordinate a response to hepatitis and prevent new infections.

The reduction will severely impact statewide hepatitis C screening, education and treatment and the State's ability to sustain an infrastructure that is responsive to the significant hepatitis disease burden. The inability to increase treatment capacity will result in diagnosis without immediate access to treatment.

–New York

PREVENTION AND PUBLIC HEALTH FUND

The Prevention and Public Health Fund (PPHF) will be cut by $76 million.

The Prevention and Public Health Fund is a mandatory spending program and will be cut by 7.6 percent as a result of sequestration. In FY2010, $30 million of PPHF funds was directed to HIV prevention to expand testing and assist health departments to better focus their programs on effective interventions. In FY2012, the CDC Division of Viral Hepatitis (DVH) received $10 million from the PPHF to create the first national viral hepatitis testing initiative. Cuts to the PPHF will decimate existing prevention programs and halt the creation of new prevention programs.

METHODOLOGY AND ASSUMPTIONS

NASTAD's analysis is based on the assumption that sequestration will result in an 8.2 percent reduction in funding for most non-exempt non-defense discretionary programs and 7.6 percent reduction for mandatory programs. In the analysis, these cuts were applied to the FY2013 funding levels in H.J.Res. 117: Continuing Appropriations Resolution, 2013, assuming that all programs received an increase of 0.612 percent. The ADAP estimation is calculated using the federal share of the ADAP cost per client ($4,901.16) from the National ADAP Monitoring Project Annual Report. The HIV testing figure assumes a 1 percent positivity rate. This analysis is an estimation of what may happen to HIV/AIDS and viral hepatitis programs, if sequestration reductions occur.

About NASTAD

NASTAD strengthens state and territory-based leadership, expertise and advocacy and brings them to bear on reducing the incidence of HIV and viral hepatitis infections and on providing care and support to all who live with HIV/AIDS and viral hepatitis. NASTAD's vision is a world free of HIV/AIDS and viral hepatitis.

For more information, visit NASTAD.org

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[i] Holtgrave, David R., H. Irene Hall, Laura Wehrmeyer, and Cathy Maulsby. "Costs, Consequences and Feasibility of Strategies for Achieving the Goals of the National HIV/AIDS Strategy in the United States: A Closing Window for Success?" *AIDS and Behavior* 16.6 (2012)

[ii] Marks G, Crepaz N, Janssen RS. Estimating sexual transmission of HIV from persons aware and unaware that they are infected with the virus in the USA. AIDS 2006; 26;10:1447-50

Last Updated: 01/09/2013