Implications of Medicaid Expansion on Georgia's HIV Budget

Prepared by

Alan Essig

for

Equality Foundation of Georgia

1530 Dekalb Ave. Suite A

Atlanta, GA 30307

www.georgiaequality.org

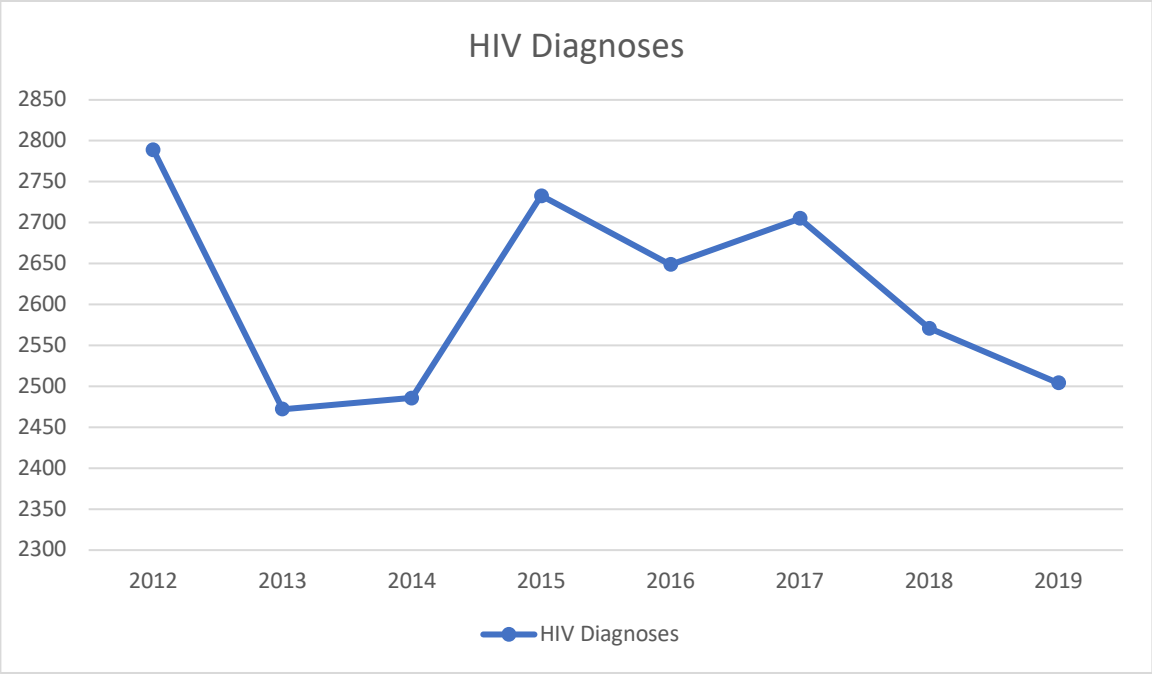
Introduction

Georgia is one of only 12 states that have not taken advantage of the additional federal funding available to expand Medicaid as allowed under the Affordable Care Act. If Georgia was to fully expand the Medicaid program as allowed under the Affordable Care Act, between 500,000 and 600,000 Georgians would be eligible to obtain health insurance. Medicaid expansion would allow over half of those enrolled in the Ryan White HIV/AIDS program who are currently uninsured to be moved to the Medicaid program where they would not only be eligible to receive all the services available under the Ryan White program but would also be eligible to receive additional wrap-around services not available under Ryan White. As a result of moving 55% of Ryan White clients to the Medicaid program approximately $53.7 million of Ryan White funding would be available to serve non-Medicaid eligible HIV/AIDS positive Georgians who are not currently receiving services, additional services and medications for those clients that would remain in the Ryan White program, as well as existing funding shortfalls.

Expanding Medicaid under the Affordable Care Act would result in serving more Georgians with HIV/AIDS diagnoses in a more robust way without spending additional state dollars. More bang for the buck.

HIV/AIDS in Georgia

Between 2012 and 2019 new HIV/AIDS diagnosis averaged 2,614 per year. New HIV/AIDS diagnosis has decreased from a high of 2,733 in 2015 to 2,504 in 2019.



During 2019, 79% of those diagnosed with HIV infection were male, 19% female, and 2% transgender. Seventy-one percent of new diagnoses during 2019 were among blacks, and 15% were among Whites. The number of persons living with HIV in Georgia has increased as a result of effective treatment, from approximately 50,000 in 2012 to approximately 59,000 in 2019.

Public Health District	HIV Diagnoses (2019)	Living with HIV (as of 12/31/2019)
1-1 Northwest (Rome)	48	1,162
1-2 North Georgia (Dalton)	21	684
2 North (Gainesville)	49	907
3-1 Cobb-Douglas	214	4,088
3-2 Fulton	557	16,120
3-3 Clayton (Jonesboro)	140	2,929
3-4 East Metro (Lawrenceville)	253	4,368
3-5 DeKalb	358	9,902
4 LaGrange	118	2,398
5-1 South Central (Dublin)	17	636
5-2 North Central (Macon)	119	2,305
6 East Central (Augusta)	112	2,244
7 West Central (Columbus)	69	1,892
8-1 South (Valdosta)	81	1214
8-2 Southwest (Albany)	94	1,769
9-1 Coastal (Savannah)	132	2,745
9-2 Southeast (Waycross)	60	1,235
10 Northeast (Athens)	51	1,085
Unknown Health District	12	1,034
Total	2,504	58,594

Ryan White HIV/AIDS Program Overview

The Ryan White HIV/AIDS Program is a federally funded program created in 1990 that provides a comprehensive system of HIV primary medical care, essential support services, and medications for low-income people with HIV. The program funds grants to states, cities, counties, and local community-based organizations to provide care and treatment services to people with HIV to improve health outcomes and reduce HIV transmission among hard-to-reach populations.

- Part B of the Ryan White Program funds core medical services and support services. Core medical services include:

  outpatient and ambulatory health services
  AIDS Drug Assistance Program
  AIDS pharmaceutical assistance
  Oral health care
  Early intervention services

health insurance premium and cost-sharing assistance
home health care
medical nutrition therapy
hospice services
home and community-based health services
mental health services
outpatient substance abuse care
medical case management

Support services may include:

Case Management (non-medical)
Child Care Services
Emergency Financial Assistance
Food bank/home-delivered meals
Health education/risk reduction
Housing services
Legal Services
Linguistic services
Medical transportation Services
Outreach services
Psychosocial support services
Referral for health care/supportive services
Rehabilitation services
Respite care
Substance abuse services – residential
Treatment adherence counseling

Grant recipients are required to spend at least 75% of their Part B grant funds on core medical services and no more than 25% on support services. In addition, all Part B recipients and subrecipients must vigorously pursue enrollment in available health coverage options for eligible clients. The Ryan White Program is the payer of last resort.

- The AIDS Drug Assistance Program (ADAP) is a state and territory-administered program authorized under Part B that provides FDA-approved medications to low-income people living with HIV who have limited or no health coverage from private insurance, Medicaid, or Medicare. ADAP funds may also be used to purchase health insurance for eligible clients and for services that enhance access to, adherence to, and monitoring of drug treatments.

In Georgia the Ryan White Part B Program is administered by the Georgia Department of Public Health, Division of Health Protection, HIV Office. The HIV Office contracts with 16 public health districts to deliver HIV/AIDS services. All funded health districts provide primary care and support services. Georgia ADAP services are provided through 26 enrollment sites throughout all 18 public health districts, in addition to 7 approved sites in metro Atlanta. There are 25 ADAP contact pharmacies with 7 statewide delivery pharmacies. The approved formulary totals 70 medications in addition to 6 medications under the Hep C Program. The Georgia Health Insurance Continuation Program (HICP) assists eligible persons who are unable to pay their health insurance premiums for private/individual or COBRA plans. HICP pays a maximum monthly health insurance premium $1,788. HICP also pays for medication co-pays, in addition to premiums, for those eligible.

Ryan White Part B/ADAP Funding

The Georgia Ryan White Part B/ADAP funding for FFY 2021-2022 totaled $89.1 million.

Source	Funds
Ryan White Part B/ADAP	$63,581,040
ADAP Shortfall Relief	$5,504,209
Ryan White Part B Supplemental	$2,127,745
Ryan White State Match	$16,510,695
Program Income	$48,608
Rebates	$1,389,126
Total Ryan White Part B/ADAP	$89,141,423

The breakdown of the $16,510,695 state match was:

ADAP	$10,440,155
Health Districts	$3,108,573
Grady Hospital	$1,545,705
Administration	$682,698
HMS Contract	$400,000
Department of Corrections	$179,023
Positive Impact Health Centers	$154,541

During State Fiscal FY 2021 the number of clients served were:

Ryan White Part B Clinics - 12,014,
AIDS Drug Assistance Program (ADAP) – 11,857
Health Insurance Continuation Program (HICP) – 2,483

Since FY 2016 the number of clients served in the Ryan White Part B Clinics have increased by 23%, clients served in the AIDS Drug Assistance Program (ADAP) have increased by 34%, and clients served in the Health Insurance Continuation Program (HICP) have increased by 435%.

The sustained enrollment and expenditure growth in the ADAP and HICP programs have resulted in a potential funding shortfall of approximately $7.9 million in the FY 2022 budget and approximately $15.3 million in the FY 2023 budget.

Medicaid Expansion

A provision in the Affordable Care Act (ACA) called for the expansion of Medicaid eligibility in order to cover more low-income Americans. Under the expansion, Medicaid eligibility would be extended to adults up to age 64 with incomes up to 138% of the federal poverty level.

Pre-ACA, Medicaid was generally never available to non-disabled adults under age 65 unless they had minor children. And even then, the income caps to qualify as a parent/caretaker were very low. By expanding Medicaid, the ACA created a viable pathway to coverage for millions of low-income adults.

The federal government is financing most of the cost of expanding Medicaid, and a small portion is being paid by participating states. The costs for enrollees who are newly eligible under the expanded guidelines were covered 100% by the federal government until the end of 2016. The states then gradually started paying a portion of the cost, reaching 10% by 2020.

The funding will remain at the 90/10 split going forward, with the federal government always paying 90% of the cost of covering the population that became newly eligible due to the expansion of Medicaid.

The states that refuse to expand Medicaid only receive their normal federal Medicaid funding, rather than the enhanced 90% funding that they would receive to cover the newly eligible population if they were to expand coverage (in the Medicaid expansion states, the normal federal funding still applies for the populations that were already eligible pre-expansion).

American Rescue Plan Act

The American Rescue Plan Act, which became law on March 11, 2021, provides an additional temporary incentive to encourage states that have not yet expanded Medicaid under the Affordable Care Act to do so. In addition to the 90% federal matching funds available under the ACA for the expansion population, states can also receive a 5-percentage point increase in their regular federal matching rate for 2 years after expansion takes effect. The additional incentive applies whenever a state newly expands Medicaid and does not expire. If Georgia was to expand Medicaid It is estimated that over a two-year period, even after accounting for the additional Medicaid recipients, the additional matching rate would have a positive state budget impact of $710 million.

Medicaid Expansion – Georgia

Georgia is one of the twelve states that have not expanded Medicaid under the Affordable Care Act. It is estimated that between 500,000 and 600,000 Georgians would be eligible for health insurance if Georgia was to expand Medicaid under the Affordable Care Act.

Regarding the Ryan White Part B and ADAP, between 4/1/2020 and 3/31/2021, 12,567 clients out of a total of 23,015 (55%) would become Medicaid eligible if Georgia was to expand Medicaid. If all Medicaid eligible clients were to move to Medicaid, approximately $53.7 million

would be available to cover funding shortfalls, serve additional clients, expand services, and offer additional medications.

	Uninsured Part B	Uninsured ADAP	Total Uninsured
138 Percent and Below Federal Poverty Level	3,722	8,845	12,567
138 Percent and Below Federal Poverty Level Approximate Expenditures	$3,200,000	$50,500,000	$53,700,000

1115 and 1915 Medicaid Waivers

Short of a full Medicaid expansion Georgia can apply for federal waivers to partially expand Medicaid. Section 1115 of the Social Security Act allows states to try new approaches to providing Medicaid coverage that differs from program rules. Section 1115 demonstration waivers have been used to expand eligibility to individuals who are otherwise not eligible, provide services not typically covered by Medicaid, or implement innovative service delivery models.

Section 1915 (c) of the Social Security Act allows for the provision of comprehensive long-term care services in home- and community-based settings as an alternative to institutional care. States have used 1915 (c) waiver programs to develop a broad range of home and community-based services to provide alternatives to institutionalization for eligible Medicaid beneficiaries.

Georgia submitted an 1115 waiver request to the Center for Medicare and Medicaid Services (CMS) that was originally approved on October 15, 2020. The waiver would expand Medicaid for those under 100% of poverty (as opposed to a full expansion of below 138% of poverty) and included a work requirement and monthly premium. It would have impacted only 31,000 individuals. Due to the work requirements, CMS moved the waiver from approved to pending in February of 2021.

ATTACHMENT: 1115 Medicaid Waiver Concept Paper

Purpose of Proposal:

To develop a cost neutral section 1115 Medicaid demonstration waiver expanded treatment services for Georgians living with HIV.

This approach will improve access and adherence to HIV treatment as well as expand access to coverage to include other underlying health conditions that may require costly additional care without timely preventive interventions.

Improving access and adherence to HIV treatment prevents adverse health outcomes and prevents costly new infections from occurring, which is critical for ending Georgia's HIV epidemic.

Background:

The number of people living with HIV (PLWH) in Georgia has increased over time, reaching ~58,600 as of the end of 2019, of whom approximately 70% live in the Atlanta metropolitan area [1]. The increasing number of PLWH reflects the impact of effective treatment and goes hand in hand with an aging population of PLWH, 43% of whom are 50 and older [1]. Although the annual number of new HIV diagnoses has declined in Georgia since 2010, the state of Georgia continues to have one of the highest rates in the United States of new diagnoses of HIV infection among adults and adolescents [1].

The average lifetime costs for a person living with HIV not only includes the costs for antiretroviral therapy but the costs for opportunistic infection prophylaxis and treatment costs; inpatient and emergency room visits, routine labs and health screenings; mental health, substance use, and tobacco cessation screenings and treatment; and food, transportation, and/or housing assistance. In 2019, CDC estimated that the average lifetime cost of someone living with HIV would be $420,285[2]; an 11% increase from estimates in 2010 [2].

The DPH Ryan White Program's AIDS Drug Assistance Program (ADAP) and the Health Insurance Continuation Program (HICP) serve as payors of last resort for Georgians living with HIV. These programs are essential to preventing new infections and ending Georgia's HIV epidemic, due to their role in keeping patients virally suppressed, thereby ensuring low risk of transmission. In recent years, these programs have experienced sustained utilization growth, which correlates with Georgia's status as having the highest rate of new diagnosis of HIV among adults and adolescents among all US states. Although these programs have provided life-saving treatment to their recipients, DPH's Ryan White Program does not receive the federal and state resources to meet existing and future programmatic needs with this sustained level of utilization growth. DPH's current request for additional state funds aims to ensure that this year we are able to continue serving Georgians currently enrolled in ADAP or HICP to prevent disease transmission, treatment interruption, and a wait list for these vulnerable individuals in need of critical, life-saving health services. However, the implementation of the HIV section 1115 Medicaid waiver

could place the program in a more sustainable fiscal position to provide high quality treatment services to existing clients and more comprehensive services to an additional number of uninsured HIV patients needing treatment services. By increasing access to treatment and ensuring viral suppression, transmission of HIV could be reduced, which would decrease the number and cost of Georgians needing treatment services in the future.

Objective of Proposed HIV Section 1115 Medicaid Waiver:

The demonstration would be designed to provide more effective, early treatment of HIV disease by making available a limited, but comprehensive package of services, including anti-retroviral therapies. Early treatment and case management services provided to individuals with HIV will create efficiencies in the Medicaid Program and DPH's Ryan White program that will enable the state to extend coverage to certain other HIV-positive individuals who would otherwise not be eligible for Title XIX and are uninsured.

Methodology:

Using estimates from State Fiscal Year 21 (7/1/20–6/30/21), we calculated the percentage of those who are uninsured in the Part B and ADAP programs below 138 percent of FPL and multiplied that percentage by the expenditures within each of those programs.

Definitions and Services:

US Department of Health and Human Services' Health Resources and Services Administration (HRSA) Policy #16-02 **(***Ryan White HIV/AIDS Program Services: Eligible Individuals & Allowable Uses of Funds*) defines and provides program guidance for each of the Core Medical and Support Services named in the Ryan White statute and defines individuals who are eligible to receive these HRSA Ryan White HIV/AIDS Program (RWHAP) funded services [3].

Ryan White Part B administers funds for states and territories to improve the quality, availability, and organization of HIV health care and support services.

The definitions for two core services addressed in this proposal include the following:

- AIDS Drug Assistance Program (ADAP): The AIDS Drug Assistance Program (ADAP) is a state-administered program authorized under RWHAP Part B to provide HIV treatment to low-income clients living with HIV who have no coverage or limited health care coverage.
- Health Insurance Continuation Program (HICP): Health Insurance Premium and Cost Sharing Assistance provides financial assistance for eligible clients living with HIV to maintain continuity of health insurance or to receive medical and pharmacy benefits under a health care coverage program. The service provision consists of the following: Paying health insurance premiums to provide comprehensive HIV outpatient/ambulatory health services, and pharmacy benefits that provide a full range of HIV medications for eligible clients; and/or paying standalone dental insurance

premiums to provide comprehensive oral health care services for eligible clients; and/or paying cost sharing on behalf of the client.

Based on a Ryan White Program spend analysis plan conducted by Ernest and Young, it was notable that HICP enables clients to receive more comprehensive health services compared to ADAP at a cheaper cost to the DPH Ryan White Program.

Assumptions:

The proposed model assumes that a diagnosis of HIV, meeting the FPL criteria, and having no alternative health insurance are eligible for the proposed 1115 waiver.

The model will only generate "cost savings" from program clients who meet the FPL eligibility criteria and do not have any form of health insurance (only Part B uninsured and ADAP clients are eligible).

The model evaluates "cost savings" from the perspective for the DPH Ryan White Program.

The model only evaluates annual total costs of medications and does not account for fluctuations in medication costs.

Baseline Estimates:

Figure 1: DPH Ryan White Program clients stratified by Part B, ADAP, and HICP and Federal Poverty Level in State Fiscal Year 21 (7/1/20–6/30/21)

FPL	Part B	ADAP	HICP
0–100	7462	7732	1138
101–138	1333	1113	378
139–200	1257	1287	487
201–300	1000	1093	421
301–400	352	386	162
401+	0	0	0
Total	11404	11611	2586

Figure 2: DPH Ryan White Program Part B clients* stratified by Insurance Type and Federal Poverty Level in State Fiscal Year 21 (7/1/20–6/30/21)

FPL	Medicaid	Medicare	Private Insurance/Other	Uninsured	VA/Tricare/etc
0–100	1336	1065	1058	3313	11
101–138	52	444	326	409	4
139–200	32	214	450	469	7
201–300	8	64	499	309	4
301–400	8	27	206	83	3
401+	0	0	0	0	0
Total	1436	1814	2539	4583	29

*Total Part B clients here are 10,401. This table excludes those for whom insurance coverage was not reported or was unknown.

Total ADAP Medication Expenditures for SFY21: $66,378,210.55

Total Ryan White Part B Clinic Client Expenditures for SFY21: $9,803,728

Results:

All ADAP clients are uninsured and 8,845 out of 11,611 are below 138% of poverty (76.1%). ADAP medication expenditures for SFY 2021 (7/1/20-6/30/21) were $66,378,210. If all 8,845 clients were moved to Medicaid under the proposed 1115 waiver there would be a "cost savings" of $50,565,435.

32.6 % of Part B clinic clients are uninsured and under 138% of poverty (3,722 out of 11,404). Part B Clinic expenditures for SFY 2021 (7/1/20-6/30/21) were $9,803,728. If all 3,722 clients were moved to Medicaid under the proposed 1115 waiver there would be a "cost savings" $3,199,708.

Total potential "cost savings" of model using the proposed 1115 waiver: $53.77 million per year.

Conclusion:

If Georgia were to implement a Medicaid HIV 1115 waiver, the total potential "costs savings" to the DPH Ryan White Program may be as much as $53.77 million per year. The DPH Ryan White Program is one of the largest providers of HIV treatment services in the state, and these "cost savings" would enable the program to provide life-saving treatment services to our existing clients and would strengthen program financial sustainability to meet the needs of continued enrollment growth and increasing medication costs.

Since 2002, Maine has implemented a similar HIV section 1115(a) demonstration aimed at expanding healthcare access to individuals who are HIV-positive and are at or below 250 percent of the FPL. At the time of the waiver renewal in 2018, in addition to reporting high

levels viral load suppression through treatment adherence, Maine reported that the program had maintained budget neutrality throughout the implementation period while also demonstrating declines in emergency department utilization through care management programs and increasing completion of routine preventive services such as mammograms and pap smears [4].

The DPH Ryan White Program is funded through a combination of federal and state funds of which the total award amount of federal funds and state match/maintenance of effort requirement is determined by HRSA. Since this funding amount would still need to be directed to the Ryan White Program, the $53.77 million "cost savings" described above would enable to the program to address gaps in services that could lead to improvements in treatment adherence and viral suppression rates as well as enabling the program to direct funds to enroll more existing and new clients onto cost effective HICP plans and to provide for the expansion of care management services such as transportation and child care support for medical appointments and dental services, which can prevent missed appointments and increase adherence to treatment to ensure viral load suppression.

References:

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