Meeting of the

PRIORITY SETTING & RESOURCE ALLOCATION COMMITTEE

Monday, December 12, 2016
ASCNYC, 64 W. 35th Street, 3rd Floor
3:10 – 4:50pm

M I N U T E S

Members Present: Matthew Baney (Co-chair), Sharen Duke (Co-chair), Victor Ayala, Randall Bruce, Graham Harriman, Jan Hudis, Matthew Lesieur, Jesus Maldonado, Jan Carl Park, Claire Simon

Members Absent: Joan Edwards, Daphne Hazel, Steve Hemraj, Amanda Lugg, L. Freddy Molano, M.D.

Other Planning Council Members Present: Billy Fields

Staff Present: David Klotz, Darryl Wong, José Colón-Berdecia, Ashley Azor (NYC DOHMH); Christine Nollen, Gucci Kaloo, Bettina Carroll (Public Health Solutions); Julie Lehane, PhD (Westchester Department of Health)

Agenda Item #1: Welcome/Introductions/Minutes

Mr. Baney and *Ms. Duke* opened the meeting, noting the excellent work done in the previous planning cycle, followed by introductions and a moment of silence. The minutes of the July 25, 2016 meeting were approved with no changes.

Agenda Item #2: FY 2016 Estimated Unobligated Balance Request

Mr. Klotz explained that HRSA requires the Council to submit an estimated unobligated balance request at this time every year in order to be able to request the use of carry-over funds from this fiscal year in the next year after close-out. Last year, the Council approved a preliminary carry-over request in December that asked HRSA permission to carry over as much as 5% of FY 2015 formula funds (the maximum allowed) for use in FY 2016 to enhance ADAP. The actual amount after close-out was 0.65% of Base and 2.38% of MAI and the carry-over was used for Legal, Food & Nutrition and ADAP.

A motion was made, seconded and approved to accept the unobligated balance request as presented (5% of formula) with the funds earmarked to ADAP, with the understanding that this is non-binding and that the final carry-over plan will be developed after close-out in summer 2017 based on program over-performance data.

Agenda Item #3: FY 2017 Scenario Planning: The Post-Election HIV Funding Picture

Mr. Baney and *Ms. Duke* explained that they wanted to begin discussions of planning for the next year with an understanding of how the new political reality may affect health care policy and funding, particularly for PLWHA and Ryan White programs.

Mr. Lesieur began with an overview of the post-election picture. In the State of New York, the balance of power in the legislature was unchanged, with Democrats having a super majority in the Assembly and the Republicans having a narrow majority in the Senate. Budget challenges may put pressure on Medicaid managed care capitation rates.

Congress remains under Republican control with 52 seats in the Senate (not enough to overcome a filibuster). The Trump administration has about 4,000 positions to fill in the Executive Branch and has announced a number of cabinet choices. Key choices include Rep. Tom Price for Health and Human Services, Ben Carson for Housing and Urban Development, and Seema Verma as Director of the Center for Medicare and Medicaid Services. Price is a strong opponent of the Affordable Care Act (ACA, aka Obamacare) and was a lead sponsor in Congress of the "Empowering Patients First Act", which would repeal ACA and replace it with age-adjusted tax credits for individual purchase of insurance, a greater emphasis on health savings accounts (HAS) and high-risk subsidized insurance and cross-state insurance policies. Verma worked for VP-elect Mike Pence on Medicaid and consulted with other states to require "work-fare" requirements for Medicaid recipients.

The current lame duck session of Congress passed a budget through the end of April, leaving only two months of the fiscal year for a new Trump administration budget. The incoming administration has pledged wholesale review of federal regulations. Some considerations of ACA-related changes that have occurred include: 20 million Americans have coverage; Medicare improvements including filling the prescription drug donut hole, free coverage for wellness/preventative visits, Medicare trust fund extended 12 years until 2029; significant restructuring of health care delivery already happening – ACCO, DSRIP, joint bundle payments, value based payments, care coordination.
Trump has proposed keeping "good things" from the ACA (no denial of coverage based on health status, extending family coverage to children up at 26 years old) without a mandate for everyone to have coverage, which would result in death spiral for financial health of insurance plans due to lack of healthy people to keep plans solvent.

Many ACA elements can only be changed through new legislation, which would require a filibuster-proof majority in the Senate. Other elements (related to taxation) can be changed through budget reconciliation, which only requires a simple majority. This includes: tax credits and insurance subsidies; cost-sharing subsidy; medical device tax; "Cadillac" tax on high value plans; funding for exchanges; individual mandate/penalty for no coverage; employer mandate/penalty for not covering employees; and Medicaid expansion.

During the campaign, Trump called for: tax deduction for health premiums; expanded health savings accounts; sale of insurance across state lines (probably impossible as States all set their own regulations); block-grant Medicaid (which would hit NY hard); importation of drugs from other countries; and price transparency. Speaker Paul Ryan has called for: Medicare voucher system; refundable tax credit to provide coverage; flexibility to allow for high deductible plans; portable insurance (not employer based); medical liability reform; and Medicaid block granting.

Mr. Park expanded on this, noting that Trump said nothing about HIV during the campaign. Pence was governor of Indiana during that state's worst outbreak of HIV among IV drug users, which was exacerbated by his refusal (based on unscientific and religious-based views) to fund needle exchange, as well as his previous efforts to slash funding for HIV testing facilities in the state. He is also has a long anti-gay record and tried to divert Ryan White funding for conversion therapy. Tom Price, in addition to his opposition to ACA, also wants to slash funding to Medicaid and to privatize Medicare, which could drive many PLWHA who have gained coverage under ACA back into ADAP. Repeal without replacing the ACA would double

the number of uninsured people and leave the nation with an even higher uninsured rate than before the ACA.

The Ryan White Program provides health care to 533,000 low-income people living with HIV and has a long history of bi-partisan support. It is too early to say the effect on FY 2017 funding levels (CR through April 2017), and there are no signs of RW being specifically targeted by the incoming administration or Congress, but cuts in ACA, Medicare and Medicaid would result in a large number of people falling back on RW programs.

Medicaid covers more than 73 million Americans, nearly one-quarter of the American population. It is currently the largest source of insurance coverage for people living with HIV, covering more than 40% of PLWHA who are in care. Rep. Price's plan proposes to restructure Medicaid by converting it to a block grant and cutting funding steeply ($1.8 trillion over 10 years). The federal government would no longer pay a fixed share of states' Medicaid costs, causing funding to fall behind states' needs each year. 14-20 million could lose Medicaid coverage or no longer gain coverage in future.

The number of Medicare beneficiaries with HIV has tripled since the 1990s, rising from 42,520 in 1997 to 120,000 in 2014. Approximately one quarter of people with HIV in care get their health insurance coverage through Medicare. Price supports shifting Medicare from open-ended commitment to pay for medical services toward a fixed governmental contribution for each beneficiary ("voucherization"). Opponents fear "skimpy coupon care", higher premiums. Ben Carson, who would run HUD, which is responsible for HOPWA, has a long history of opposing government safety net programs and admits that he has no experience running a federal agency.

The Federal AIDS Policy Partnership, CAEAR and other advocacy groups are meeting to strategize how to meet the challenges of the next few years.

There being no further business, the meeting was adjourned.