

- SUBJECT:** Establishing a demonstration project for HIV/AIDS medications
- COMMITTEE:** Public Health — committee substitute recommended
- VOTE:** 8 ayes — Gray, Coleman, Capelo, Delisi, Glaze, Maxey, Uresti, Wohlgemuth
- 0 nays
- 1 absent — Longoria
- WITNESSES:** For — *Registered but did not testify:* Helen Kent Davis, Texas Medical Association; Anne Dunkelberg, Center for Public Policy Priorities; Lisa McGiffert, Consumers Union; Carolyn Parker, Texas AIDS Network; Angela Shannon; Thanh Trinh; John Umphress, Texas Association of Public and Nonprofit Hospitals
- Against — None
- On — Rose Brownridge, Texas Department of Health; *Registered but did not testify:* Sharilyn Stanley, Texas Department of Health
- BACKGROUND:** The federal government provides funding for a variety of state medical assistance programs, including Medicaid for the poor, disabled and elderly. Federal and state regulations generally determine uses for those funds, but the federal government has created ways for states to apply for a waiver from regulations or to propose a demonstration project, pursuant to Section 1115(a) of the Social Security Act.
- DIGEST:** CSHB 896 would create a demonstration project to provide limited medical assistance to people with HIV/AIDS. The Health and Human Services Commission (HHSC) would have to establish a program to provide medical services, certain medications, vaccinations for Hepatitis B and pneumonia, diagnostic procedures for women, hospitalization, lab work, and radiological testing for persons with HIV infection or AIDS. HHSC would have to implement the program in at least two counties with a high prevalence of the virus and would use county funds.

Eligibility in the program would be limited to individuals who had HIV infection or AIDS, were under age 65, had a net income below 200 percent of the federal poverty level, were a resident or were being treated in the county where the project was, and did not have private or public health coverage. The program only would provide treatment for HIV/AIDS and not the full range of Medicaid benefits. Once in the program, participants would not be re-evaluated for eligibility for another six months. Participants also would be enrolled in HHSC's current medication program. HHSC could limit the size of the program, but would be required to establish a wait list and allow individuals on the wait list to participate in the current medication program.

Each even-numbered year by December 1, HHSC would submit a report to the Legislature detailing the project's progress. By December 1, 2006, HHSC would perform an evaluation of the cost-effectiveness of the project. If it found the program to be effective, it would include the program in its budget request for the following year.

Authorization in the Human Resources Code to establish this program would expire on September 1, 2007. This bill would direct HHSC to seek any necessary federal waivers or authorizations needed to implement the provisions of this bill. The agency could delay implementation until the federal waivers or authorization were granted.

This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2001.

**SUPPORTERS
SAY:**

CSHB 896 would help individuals with HIV/AIDS stay off public assistance. New medications allow people with HIV/AIDS to continue their productive lives for many years after diagnosis. Because the medication is very expensive, however, some people become eligible for public assistance while on medication. This program would provide needed medications to keep individuals from going on public assistance.

This program would help maximize local funding. Currently some local hospital districts fund programs that provide some medications to individuals in this situation. This program instead would draw down federal Medicaid

matching funds to help pay for these medications.

**OPPONENTS
SAY:**

Medication for certain diseases is very expensive, but the state should not pick and choose which diseases deserve medication. Transplant recipients and cancer patients take medications that are very expensive and can lead to these individuals becoming eligible for public assistance, but the state does not have a special program for them. The state should not discriminate based on disease, but rather should retain income-based eligibility programs.

NOTES:

The fiscal note attached to this bill estimated that 80 percent of the Texas Department of Health's HIV clients would be eligible to participate in the demonstration project, resulting in net income to the state of \$63,096 for fiscal 2002-03. TDH's AIDS Drug Assistance Program would not be impacted significantly, because the state already funds anti-retroviral medication for the majority of these program participants.

The committee substitute would include any medications not covered under the TDH program, not all retro-viral drug treatments.