Department of Health

2023-25 Regular Budget Session

Maintenance Level - 9L - Local Funding Adjustment

Agency Recommendation Summary

The Department of Health is requesting additional authority of $11.6 million per year from General Fund Local to ensure adequate funding of the Insurance Benefit Manager and Pharmacy Benefit Manager contracts related to insurance benefits and HIV medication access for eligible clientele. This additional authority will cover increased costs of premiums and prescriptions for eligible clients living with HIV/AIDS in Washington State. This will allow DOH to be incompliance with HRSA reinvestment rules related to generated revenue. Raise the program maximum income to 500% of the federal poverty level will improve health outcomes for an estimated additional 202 people in Washington State adds an additional $1,889,000 to general fund local.

Fiscal Summary

Fiscal Summary	Fiscal Years		Biennial	Fiscal Years		Biennial
Dollars in Thousands	2024	2025	2023-25	2026	2027	2025-27
Staffing						
FTEs	9.0	9.0	**9.0**	9.0	9.0	**9.0**
Operating Expenditures						
Fund 001 - 7	$12,575	$12,555	**$25,130**	$12,555	$12,555	**$25,110**
Total Expenditures	**$12,575**	**$12,555**	**$25,130**	**$12,555**	**$12,555**	**$25,110**
Revenue						
001 - 0597	$12,575	$12,555	**$25,130**	$12,555	$12,555	**$25,110**
Total Revenue	**$12,575**	**$12,555**	**$25,130**	**$12,555**	**$12,555**	**$25,110**

Decision Package Description

The Department of Health (DOH) is requesting additional spending authority of $11.6 million per year from General Fund Local to ensure adequate funding of the Insurance Benefit Manager and Pharmacy Benefit Manager contracts related to insurance benefits and HIV medication access for eligible clientele. The additional spending authority will cover increased costs of premiums and prescriptions for eligible clients living with HIV/AIDS in Washington State. This will allow DOH to be incompliance with HRSA reinvestment rules related to generated revenue.

AIDS Drug Assistance Program (ADAP) is a federally funded program that is part of the Ryan White Program and included in federal statute. ADAP and all Ryan White funded programs are required by federal law to designate an eligibility requirement for income in order for individuals to be eligible for program services.

One of the strategies to increase the number of patients the department can provide services to is to increase the Federal Poverty Level for the Early Intervention Program from 425% to 500%. This will improve health outcomes for an estimated additional 202 people in Washington state.? By managing the impact of HIV on their quality of life and reduce the likelihood that they will be able to transmit HIV to others.

The federal statute does not mandate the Federal Poverty Level (FPL) threshold for each jurisdiction, only that one must be determined and used in determining eligibility. Washington state's ADAP currently has financial eligibility set at a maximum of 425% of the federal poverty level ($57,746 annual income for a household size of 1). All eligible Washington state residents living with HIV who are at or below the Medicaid eligibility level (138% of FPL) must use Medicaid for health services and are not eligible for ADAP. ADAP and Ryan White is always the payer of last resort.

The statutes require states define an income limit, publish it and adhere to it. But the numerical value of the limit is left to the discretion of the state program and based on funding availability and support for the adherence.

Currently 81% of people living within Washington with HIV are virally suppressed and experiencing healthy lives and not able to transmit HIV to their sexual partners. Enrollees on ADAP have much better health outcomes with a viral suppression rate of 95% which is our goal for the entire state. Adding an additional 202 individuals to ADAP eligibility will improve their health and reduce new HIV infections. Increasing the number of individuals eligible for EIP is one step toward achieving this goal and supporting their health care costs.

The consequences of not allowing additional local spending authority are:
Program remains out of compliance with our federal funder HRSA. We are required to spend all rebate revenue generated in the grant year. The annual revenue exceeds our spending authority.
The unspent revenue will remain dormant and not used to support the health care access, innovation or programs for people living with HIV in Washington State. This additional revenue could serve a vital gap to reduce disparities, increase access, serve more clients and help meet our goals of ending HIV in Washington State.
The only alternative is that we reduce services with the loss of current spending authority which ends at the end of this state fiscal year. This will have a negative impact on all communities of people living with HIV and with the contracted providers being funded with these funds. A return to only federal funds and our reduced spending authority will be a significant reduction in resource investment.

Assumptions and Calculations

Expansion, Reduction, Elimination or Alteration of a current program or service:

Over 90% of the expanded services expenditures will be pass thru to partners as part of the funding awarded during OIDs new competitive contracting process to award contracts for the time period beginning July 1, 2023, thru June 30, 2028.

Detailed Assumptions and Calculations:

$25,130,000 for 23-25 biennial costs related to continued services within current service categories.

Over 90% of the expanded services expenditures will be pass thru to partners as part of the funding awarded during OIDs new competitive contracting process to award contracts for the time period beginning July 1, 2023, thru June 30, 2028.

Add additional staff to current infrastructure to support expanded contract activities and assessment of activities.

2.0 FTE Health Services Consultant 3 contract managers to develop, execute, monitor and track/manage activities thru the end of the contract periods. Contract managers will provide contract technical assistance and act as programmatic subject matter experts on program allowability of costs and ensure compliance with contract and financial policies.

2.0 FTE Epidemiologist 2 (non-medical) assessment team. Support Epidemiologist will be responsible for supporting lead existing epidemiologist in ongoing data management work for the project, including monitoring data quality, data cleaning activities, data quality assurance, validation, dataset preparation, and dataset transmission

FTE AA1 to support operational and administrative tasks related to new staff needed to manage contracts and assessment of work. Staff will provide administrative a support; activities include payroll, travel, sub-recipient contract development and monitoring, invoice payments, and other support functions as required.

2.9 FTE to support the agency's infrastructure related to contracts, grants, HR, payroll, facilities and accounting.

Currently, program data estimates that an insured individual would be responsible for approximately **$7,921 a year for medical insurance, medications, and clinical care.**? This fiscal burden on an annual income of $67,950 is extreme and program believes is having a negative impact on their individual and community health and the likelihood they are regularly accessing life-saving medications and health insurance.?
ADAP – Cost Estimation: Premiums and/or Medications for FPL Ineligible Clients (FPL > 425)?
Between calendar years 2017-2021, 202 clients who applied for ADAP were deemed ineligible for having an FPL greater than 425.??
Of these clients:?

16 clients were Uninsured??
168 clients were Insured-Private Insurance coverage?
18 clients were Insured-Medicare Insurance coverage?

It is estimated WA ADAP would have spent around **$353,289.59 per year ($1,766,447.94 over 5-years)** to cover the costs of premium and/or medications for these **additional 202 clients**. ?
?
2.0 FTE to support the eligibility and specialist staff needed to support the additional clients and 2.0 FTE Epidemiologists to support the assessment team.?
?
1.4 FTE to support agency infrastructure costs related to contracts, HR, accounting, grants, and facilities.?

Estimated expenditures include salary, benefit, and related costs to assist with administrative workload activities. These activities include policy and legislative relations; information technology; budget and accounting services; human resources; contracts; procurement, risk management, and facilities management.

Workforce Assumptions:

Workforce Assumptions FY24 Projections Only

FTE	Job Classification	Salary	Benefits	Startup Costs	FTE Related Costs
4.0	HEALTH SERVICES CONSULTANT 3	$283,000.00	$118,000.00	$17,000.00	$30,000.00
2.0	EPIDEMIOLOGIST 2 (NON-MEDICAL)	$197,000.00	$71,000.00	$8,000.00	$15,000.00
2.0	ADMINISTRATIVE ASST 1	$45,000.00	$38,000.00	$8,000.00	$15,000.00
1.0	HEALTH SERVICES CONSULTANT 1	$61,000.00	$30,000.00	$0.00	$0.00
9.0		**$586,000.00**	**$257,000.00**	**$33,000.00**	**$60,000.00**

Strategic and Performance Outcomes

Strategic Framework:

This effort aligns well with both the Governor's Results Washington as well as the DOH Strategic Plan.
Results Washington is focused on leveraging successes and bringing on new projects. The effort in Office of Infectious Disease and DOH toward ending the HIV epidemic has been successful but limited. This opportunity to a non-appropriated account would push available funding out faster and more transparently to ensure we reach our performance benchmarks and assist individuals living with HIV with strong health outcomes and improved quality of life. OID's efforts at documenting and working to close the gaps of health disparities for those living with HIV have been previously featured in Results Washington outcomes and we will continue to track and document successes and challenges to closing these gaps for Black and Latino/a/x populations compared to their White peers. We are also focused on performance improvement and quality management in our metrics and in how our contracts interact and provide access to clients.

DOH's transformation plan for Health and Wellness is also well aligned with this opportunity as we approach our partners and customers as people and align our programming with their needs rather than insisting, they accommodate our structures. Innovation of these services in mobile units or off-site settings is one option that could help. For funding this opportunity is more transparent as it shows the funds we have and sets a course for using the funds to support the community and individual level. We welcome the transparency for the restricted funds. OID uses data to inform our decisions and implementations efforts and will continue to do so as we review HIV incidence, access barriers and disparities in both populations and geographic regions. This data will undergird the implementation plan for the additional funds.
With equity as the final pillar, this request aligns in important and strategic ways. HIV disproportionately impacts racial and ethnic minorities who have the lowest rates of viral suppression, engagement in care, and experience increased barriers to accessing care, which result in a poor quality of life and an increase in mortality.? The WA Disparity Report identifies that people of color living in Washington are 1.6 times more likely to be diagnosed with HIV. At the community level, people in the poorest part of each county had 2.3 times the risk of being diagnosed with HIV as compared to the wealthiest parts of counties. A survey of people living in Washington, 35% of people living with HIV have income below the federal standard for poverty. Viral suppression in Washington is highest in urban areas and lowest in rural areas with 74% of individuals that are virally suppressed. This request embodies these priorities as additional funds and increased access will allow for focus on serving Black American/African Born and Hispanic/ Latina/o/x communities and individuals who have documented disparities in health outcomes, access to low barrier care and retention in care, working to ensure this is culturally appropriate and local care. To effectively serve these communities and individuals, additional spending authority is needed with a longer time implementation plan. Creating the non-appropriated account with current funds will allow the program to invest in new innovations like, mobile services, on-site services, and new partnerships with community trusted partners. These innovations will create services where they are needed rather than requiring individuals to travel long distances or receive non-specialized care.

Performance Outcomes:

Increase viral suppression to meet the Target goal of 95% (Healthy People 2030). Currently at 87% for Ryan White clients that fall under the umbrella of Part B, ADAP, and Medicaid (See HAB Performance Measures)

Increase Annual Retention In Care which currently indicates 64% of clients/patients, regardless of age, with a diagnosis of HIV who had at least two (2) encounters within the 12-month measurement year. At least one of the two HIV medical care encounters needs to be a medical visit with a provider with prescribing privileges. (See HAB Performance Measures)
Meet Performance Measure Benchmark of 95%
Ensure individuals enrolled in care are receiving medical visits to address overall health conditions or concerns outside of completing annual lab work.
Identify all Lean initiatives and their expected outcomes.
Health Disparity Project – Serves as a Peer-To-Peer and Linkage To Care service to ensure healthy outcomes for historic and newly diagnosed individuals.
Centralized Eligibility w/ Provide: A continuous process improvement tool to Provide that allows eligibility to be verified, documented, and stored to prevent a lapse of coverage for services provided.
Quality of Life (QoL) Performance Measure – A tool currently under development by Ryan White Part B and collaboratively with the guidance **of** HRSA HAB Workgroup on Quality of Life for People with HIV. This measure will provide data to support those recently diagnosed as Viral Load Suppression is not the overall success marker for healthy outcomes and in some cases, unattainable. (See NHAS 2022-2025)

Recently Diagnosed within 2 years: Percentage of DOH RW eligible clients who achieved or maintained HIV viral suppression at the last HIV viral load test during the measurement period. This measurement is currently 58% or 327 of 562 eligible clients. (See Engagement Report)

If the federal poverty level is raised to 500%, the program expects to serve an additional 202 individuals living with HIV who have previously been ineligible. We would expect to see these participants experience greater rates of HIV viral suppression which will improve their health and wellbeing and reduce the likelihood they will be able to transmit HIV to others.

Equity Impacts

Community outreach and engagement:

The community of people living with HIV and those providing services currently will be engaged regarding this request. We have strong and consistent communication with agencies currently under contract with DOH for services to PLWH. We also will create Factsheets on these legislative requests, their intent and their benefits. We plan to hold community conversation sessions to explain the legislative request intent and receive feedback. The stakeholder list has been populated with known contacts and some stakeholder work has begun. This request has only positive benefits for people living with HIV as it will increase funding availability, create new opportunities to reduce health disparities through focused innovation and improve access in rural and peri-urban areas of our state.

Disproportional Impact Considerations:

HIV disproportionately impacts racial and ethnic minorities who have the lowest rates of viral suppression, engagement in care, and experience increased barriers to accessing care, which result in a poor quality of life and an increase in mortality.? The WA Disparity Report identifies that people of color living in Washington are 1.6 times more likely to be diagnosed with HIV. At the community level, people in the poorest part of each county had 2.3 times the risk of being diagnosed with HIV as compared to the wealthiest parts of counties. A survey of people living in Washington, 35% of people living with HIV have income below the federal standard for poverty. Viral suppression in Washington is highest in urban areas and lowest in rural areas with 74% of individuals that are virally suppressed.

Target Populations or Communities:

The target population for this request is all people living with HIV (PLWH) in Washington state. The funds from the requested dedicated account can only be spent on PLWH. There are people living with HIV in every county in Washington and the effort to increase investments will be focused on ensuring regional access to services, particularly in rural and peri-urban areas where clinical services, case management, housing and other supportive services are limited or require extensive travel.
This request embodies these priorities as additional funds and increased access will allow for focus on serving Black American/African Born and Hispanic/ Latina/o/x communities and individuals who have documented disparities in health outcomes, access to low barrier care and retention in care, working to ensure this is culturally appropriate and local care. To effectively serve these communities and individuals, additional spending authority is needed with a longer time implementation plan. Creating the non-appropriated account with current funds will allow the program to invest in new innovations like, mobile services, on-site services, and new partnerships with community trusted partners. These innovations will create services where they are needed rather than requiring individuals to travel long distances or receive non-specialized care. Engagement will be necessary with communities, partners, and those living with HIV to implement culturally appropriate innovations and services to reduce the current disparities in knowing their HIV status, being able to remain in care, and achieving consistent viral suppression.

Other Collateral Connections

Puget Sound Recovery:

N/A

State Workforce Impacts:

N/A

Intergovernmental:

Positive impact with additional resources available in their community

Stakeholder Response:

This will only have a positive impact on stakeholders who include people living with HIV and those in services areas supporting them.???

State Facilities Impacts:

N/A

Changes from Current Law:

This is not in state statute and does not impact any existing law.

Legal or Administrative Mandates:

This request is not a response to litigation, executive orders or task force recommendations. However, it was a recommendation on our site visit from the Health Resources and Services Administration which is the funding agency for these federal grants.

Reference Documents

150-030-HIVSurveillanceReport2021.pdf
150-159-DisparitiesReport.pdf
FinancialCalculator_2023-25_ver24.2-HIV Local Auth.xlsm

IT Addendum

Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?

No

Objects of Expenditure

Objects of Expenditure *Dollars in Thousands*	Fiscal Years		Biennial	Fiscal Years		Biennial
	2024	2025	2023-25	2026	2027	2025-27
Obj. A	$923	$918	**$1,841**	$918	$918	**$1,836**
Obj. B	$388	$385	**$773**	$385	$385	**$770**
Obj. E	$61	$61	**$122**	$61	$61	**$122**
Obj. J	$38	$0	**$38**	$0	$0	**$0**
Obj. N	$11,097	$11,123	**$22,220**	$11,123	$11,123	**$22,246**
Obj. T	$68	$68	**$136**	$68	$68	**$136**

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