



Legislative Fiscal Bureau

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May 25, 2005

Joint Committee on Finance

Paper #403

AIDS/HIV Life Care and Early Intervention Services Grants (DHFS -- HIRSP and Public Health)

[LFB 2005-07 Budget Summary: Page 269, #10]

CURRENT LAW

The Department of Health and Family Services (DHFS) is directed to support a variety of activities designed to provide services to persons with acquired immune deficiency syndrome (AIDS) and to prevent the spread of the human immunodeficiency virus (HIV). This includes providing funding for life care and early intervention services. Life care services refer to case management and supportive services for persons with HIV disease. The primary objective for state-funded HIV early intervention programs is to ensure prompt access to HIV-related health services for HIV positive persons.

In 2004-05, DHFS is budgeted \$2,069,000 GPR to fund life care and early intervention services.

GOVERNOR

Provide \$500,000 GPR annually to increase funding DHFS distributes for life care and early intervention services. Increase from \$2,069,900 to \$2,569,900 the maximum amount of funding specified by statute that DHFS may distribute for life care and early intervention services grants.

DISCUSSION POINTS

1. DHFS began distributing life care grants totaling \$564,000 in 1989-90. In 1993-94, the Legislature appropriated additional funding and expanded the scope of the grant program to

include early intervention services. Table 1 lists life care and early intervention grant levels by fiscal year, as well as the percentage change from year to year in those grant levels.

TABLE 1

<u>Fiscal Year</u>	<u>Life Care/Early Intervention Grant Funding</u>	<u>Percentage Change in Funding From Prior Year</u>
1989-90	\$564,000	
1990-91	696,000	23%
1991-92	835,200	20
1992-93	1,002,200	20
1993-94	1,457,500	45
1994-95	1,647,700	13
1995-96	1,647,700	0
1996-97	1,647,700	0
1997-98	1,894,900	15
1998-99	1,894,900	0
1999-00	1,949,900	3
2000-01	1,949,900	0
2001-02	1,949,900	0
2002-03	2,069,900	6
2003-04	2,069,900	0
2004-05	2,069,900	0

2. The first cases of HIV infection in Wisconsin were reported in 1983 and, throughout the 1980s, the number of reported cases increased each year. In the 1990s, the number of reported cases reached a peak between 1990 and 1993, and then began to decline to the point that, in 2001, the lowest number of new cases was reported since 1987. Newly-reported cases began to increase again in 2002, and 2004 saw the highest number of reported cases since 1997. Table 2 shows the number of reported cases of persons with HIV infection from calendar year 1989 through calendar year 2004. "HIV infection" refers to all persons with laboratory confirmed HIV infection, including both AIDS and non-AIDS cases.

TABLE 2

Reported Cases of HIV Infection by Calendar Year

1989	524
1990	672
1991	656
1992	683
1993	650
1994	514
1995	562
1996	426
1997	447
1998	381
1999	372
2000	389
2001	336
2002	389
2003	364
2004	417

3. Deaths among persons reported with HIV infection have declined. In 2003 in Wisconsin, 95 persons with HIV infection are known to have died, compared to 373 deaths during the peak year of 1993, nearly a 75 percent decline. The introduction of highly active antiretroviral therapy (HAART) in 1997 dramatically changed the treatment of patients with HIV infection. HAART refers to a combined drug treatment that inhibits the ability of the virus to replicate itself. Since HAART therapy was introduced, a number of studies have documented marked improvements in the number in survival and reductions in the progression to acquired immune deficiency syndrome. Although some researchers have questioned whether the expensive HAART therapy would be able to sustain its beneficial effects over the long term, studies continue to demonstrate a sustained and dramatic decrease in HIV-associated illness and death since HAART was introduced.

4. As a result of declining deaths, the number of persons living with HIV infection in Wisconsin has risen steadily, rising by an average of four percent annually over the eight-year period from 1997 through 2004. The number of persons in Wisconsin living with HIV infection as of the end of 2004 is estimated to be 5,367. As the number of persons living with HIV disease increases, greater numbers of people seek HIV related services for longer periods of time, and, access to affordable health care becomes an urgent issue, particularly for the low-income persons served through the ASOs.

5. While the number of persons living with HIV infection in Wisconsin rose by 31 percent from 1998 to 2004, life care/early intervention grant funding increased by nine percent during that same period, rising to its current level in 2002-03. Table 3 shows the estimated number of persons living with HIV infection at the end of each calendar year for the period 1998 through 2004.

TABLE 3**Number of Persons Living with HIV Infection
Calendar Years 1998 thru 2004**

1998	4,271
1999	4,440
2000	4,462
2001	4,813
2002	5,016
2003	5,180
2004	5,387

6. From 1989-90 through 1996-97, DHFS distributed grant funding through sole source contracts with AIDS service organizations (ASOs), six of which were based in county health departments, while the other three were private, nonprofit agencies. Beginning in 1997, DHFS issued a request for proposals, and selected five ASOs to function as lead agencies in designated DHFS service areas. The AIDS Resource Center of Wisconsin (ARCW) was selected to provide services in four DHFS regions (the northern, northeastern, southeastern, and western regions), and the AIDS Network was selected to provide services in the southern region.

7. DHFS allocates life care/early intervention funds to each region through a formula that awards: (a) 88 percent of the funds based on a three-year average of the number of cases of persons living in the region with HIV infection; (b) 2.5 percent of the funds based on the geographic size of the region; and (c) 9.5 percent in fixed awards to each region. Table 4 shows the distribution of life care/early intervention grant funding in 2004-05.

TABLE 4**Distribution of Life Care Services and Early Intervention Funding
By Region and Service
Fiscal Year 2004-05**

	<u>Southeastern</u>	<u>Northeastern</u>	<u>Northern</u>	<u>Western</u>	<u>Southern</u>	<u>Total</u>
Early Intervention	\$364,089 31%	\$27,018 12%	\$12,235 11%	\$36,298 23%	\$6,917 15%	\$501,557 24%
Dental Services	\$15,692 1%	\$0 0%	\$0 0%	\$0 0%	\$0 0%	\$15,692 1%
Case Management	\$733,157 62%	\$190,279 88%	\$96,126 89%	\$123,917 77%	\$281,716 69%	\$1,425,195 69%
Legal Services	\$62,404 5%	\$0 0%	\$0 0%	\$0 0%	\$65,051 16%	\$127,455 6%
Total	\$1,175,342 100%	\$217,297 100%	\$108,361 100%	\$160,215 100%	\$408,684 100%	\$2,069,900 100%

If the Legislature approves the Governor's proposed increase in funding for life care/early intervention grants, DHFS will distribute the funding increase among the regions according to the same formula it currently uses to distribute these funds.

8. The primary objective for state-funded early intervention programs is to ensure early and prompt access to needed health services for HIV positive persons. This includes referral to a physician for primary health care services, providing risk reduction counseling, and providing mental health screening to ensure referral to mental health professionals. The grantee ASOs are expected to coordinate state-funded early intervention services with related HIV programs and resources.

9. Life care services are primarily case management services, which agencies provide to ensure that HIV infected persons with complex needs receive a variety of timely, coordinated services throughout the intake and treatment processes. Case managers help arrange needed services for clients across a range of providers and settings, and they play a role in helping clients adhere to treatment regimens.

10. Until recently, the Positive Health Clinic (PHC), located at the Aurora Sinai Medical Center in the central City of Milwaukee provided outpatient medical services to approximately 350 HIV positive persons. PHC ceased operations at the end of March, 2005, and, as a result, clients served at the clinic must transition to other facilities. The ARCW in Milwaukee, serving DHFS' southeastern region, agreed to serve up to 200 of the displaced PHC clients, significantly increasing its caseload, particularly among patients for whom primary medical services is their most urgent need. Southeastern region ARCW medical clinics in Milwaukee and Kenosha had enrolled 250 patients through the end of calendar year 2004. As of April 21, 2005, these clinics had enrolled 375 patients, approximately 100 of whom were former PHC patients. In the coming weeks, southeastern region ARCW clinics expect another 50 to 100 former PHC patients. Thus, largely as a result of the PHC closure, by the end of 2005, ARCW clinics in the southeastern region will likely have increased their combined caseload by 70 to 90 percent, compared to 2004. Those southeastern region clinics received approximately 57 percent of the life care/early intervention state grant funds in 2003-04. Under the administration's proposal, the southeastern region likely would receive approximately 57 percent of the increased annual funding, or approximately \$285,000, which would help defray the additional costs associated with the influx of patients from the PHC. ARCW reports that it is actively recruiting a second physician and dentist to serve the increased number of patients. However, without the additional funding proposed by the administration, ARCW reports that it would likely be unable to retain the additional medical personnel.

11. Similarly, the Aids Network, the ASO serving DHFS' 13-county southern region, has seen its case management workload increase approximately 80 percent over the past six years, from approximately 200 clients in 1999 to over 360 currently. Under the administration's proposal, based on the current distribution formula for grant funding, the Aids Network would receive an annual increase of approximately \$100,000.

12. Based on the increase in the number of individuals with HIV infection living in Wisconsin and the resulting increase in demand for life care services, particularly with the recent

closing of the PHC at Aurora Sinai Medical Center, the Committee may wish to approve the Governor's recommendation to increase state funding for these services.

13. Alternatively, based on the state's current fiscal constraints, the Committee could provide other funding levels and modify the statutory limit on funding DHFS may distribute for this purpose accordingly.

ALTERNATIVES

1. Adopt the Governor's recommendation.

2. Reduce funding in the bill by \$250,000 GPR in 2005-06 and provide \$500,000 GPR in 2006-07. This would reduce by one-half the amount recommended by the Governor in 2005-06, but would increase the funding as recommended by the Governor for life care/early intervention services in 2006-07.

Alternative 2	GPR
2005-07 FUNDING (Change to Bill)	- \$250,000

3. Reduce funding in the bill by \$250,000 GPR in 2005-06 and in 2006-07 so that base funding for life care/early intervention services would be increased by \$250,000 GPR annually.

Alternative 3	GPR
2005-07 FUNDING (Change to Bill)	- \$500,000

4. Delete the provision.

Alternative 4	GPR
2005-07 FUNDING (Change to Bill)	- \$1,000,000

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