

## **VERMONT2011**

### *HIV/AIDS Services Report*

Report to the Legislature's Joint Fiscal Committee  
Act 63, Section E. 312 (b)  
November, 14, 2011

### ***Introduction***

Act 63 (2011), Section E.312 (b) (2011) requires the Commissioner of Health, in consultation with AIDS Service Organizations, to report to the Joint Fiscal Committee by November 15, 2011 on whether the base level of funding for AIDS service organizations should be revised in lieu of providing supplemental funding to these organizations from unexpended AIDS/HIV medication allocations.

### ***Base Funding***

A base Global Commitment award of \$335K is allocated annually to AIDS Service Organizations (ASOs) in amounts proportionate to each agency's caseload of consumers living with HIV/AIDS. These funds are primarily used to provide direct services, either through medical case management (to include treatment adherence), or emergency financial assistance (e.g., rent and food assistance). In addition to the base award, for the past several years there has been \$140K in general funds allocated for the Vermont Medication Assistance Program (VMAP). These funds are available in the event that federal funds for HIV/AIDS medications become depleted during the year. Then at the end of the fiscal year, any unspent funds are granted out to ASOs in the same proportions as the base award.

For the past 4+ years, none of the \$140K was needed for medication purchases, leaving the entire \$140K available for the ASOs. Rather than distributing the \$140K in general funds to the ASO, the program was able to use funds from drug rebates paid by pharmaceutical companies for this purpose. Replacing general funds with rebate funds allowed us to preserve general funds and carry-forward the \$140K general funds from one fiscal year budget to the next. However, in the FY2012 budget, the \$140K VMAP allocation was removed since it had not been needed for many years.

### ***Need for Base Funding***

On October 6, 2011, the Commissioner of Health and Health Department staff met with AIDS Service Organization (ASO) representatives to discuss the ASOs needs for stable base funding equivalent to the current base of \$335K, but increased by the \$140K which they have been receiving for several years.



The ASOs reported that the additional funding from the \$140K has become essential to support program needs. Without these funds, ASOs must cut staff and institute caps on medical transportation and other emergency financial assistance, all of which have resulted in decreased services for people living with HIV/AIDS (PLWHA) in Vermont. These services are crucial to ensure referral to and maintenance of proper medical care in order to reduce the need for institutional medical care.

### ***Recommendation***

For state fiscal year 2013, VDH proposes a base budget increase of \$140K to the current \$335K budget allocation for ASOs, for a total of \$475K. This increase will be funded through the HIV/AIDS Medication special fund. In addition, to limit the need to further reduce services over the remainder of FY2012, VDH will distribute to ASOs the \$70K in GF that was carried forward for VMAP. VDH is confident this \$70K will not be needed to support medication purchases in SFY12.