



2019-21 Biennium Budget Decision Package

Agency: 303 - Department of Health
Decision Package Code-Title: 2C - End AIDS
Budget Session: 2019-21 Regular
Budget Level: Policy Level
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Agency Recommendation Summary

The Department of Health is requesting additional authority of \$9 million per year from General Fund-Local to ensure grant compliance with the federal Health Resources and Services Administration. This additional authority will allow the department to continue to provide community services and care for people living with HIV/AIDS at a level required by law for core medical services, case management, and support services for people living with HIV.

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 001 - 7	\$9,000	\$9,000	\$6,000	\$6,000
Total Expenditures	\$9,000	\$9,000	\$6,000	\$6,000
Biennial Totals		\$18,000		\$12,000
Staffing	FY 2020	FY 2021	FY 2022	FY 2023
FTEs	9.4	9.4	9.4	9.4
Average Annual		9.4		9.4
Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. A	\$615	\$615	\$592	\$592
Obj. B	\$216	\$216	\$208	\$208
Obj. E	\$45	\$45	\$40	\$40
Obj. N	\$8,070	\$8,070	\$5,106	\$5,106
Obj. T	\$54	\$54	\$54	\$54

Package Description

The present local authority for the HIV program is approximately \$31.7 million per biennium. During the 17-19 biennium we received one-time additional local authority of \$34 million for an approximate program total of \$53.58 million. The Department is asking to maintain part of this local authority for the 19-21 biennium to:

Use it or Lose it: An Opportunity to End AIDS in WA

DOH is requesting expenditure authority because the federal HIV Services grant funds are at risk. HRSA requires DOH to spend down federal HIV services grant funds and local rebate revenue concurrently in order to access the federal funds. DOH needs local authority to spend the local rebates. HRSA conducted a 2-day site visit (May 30 and June 1, 2017) to ensure that the department developed a three year plan to spend down the rebates in order to access federal funds. Continued implementation of this plan is scheduled for this 19-21 biennium and depends on the requested authority.

HRSA approved DOH's plan to implement and maintain new capacity projects that are necessary to End AIDS in Washington. Examples of the innovative work implemented during 17-19 biennium that needs to continue during 19-21 biennium in order to END AIDS in Washington State include:

- Max HIV Clinic Expansion King and Pierce Counties
- Housing Statewide
- Peer Navigation Statewide
- Central Washington Latinx Disparities Project
- Enhanced Targeted Case Management
- Enhanced Mental Health and Dental Services for Those living with HIV
- Investment in Assessment

Increased Program Costs

DOH is requesting expenditure authority to address the increased cost of EIP (medications and insurance) services to ensure that the program serving those with HIV can continue to serve the present clientele. In the 17-19 biennium, the legislature designated authority for centralized eligibility and wrap around dental and mental health services for Medicaid clients. Centralized eligibility will add approximately 1500 Medicaid clients. For the 19-21 biennium, the department projects that the number of clients served will increase by 10%, insurance costs will increase by a minimum of 12%, and that there will be a 15% increase in medication costs.

DOH does not have sufficient GF-Local authority to maintain the program; therefore, the only other option is to reduce services to remain within its appropriation. Reducing services is counter to federal requirements. This alternative was also not considered because the revenue is available to support the program. Not

funding this request will result in less individuals having access to the HIV Client Services program. It will also put the federal award at risk.

Assumptions and Calculations

Expansion or alteration of a current program or service:

During the 2015-17 biennium, the total expenses of the HIV Client Services – General Fund Local account was \$50,350,616. Total revenue during this period was \$42,822,774.

Through FM 11 of the 2017-19 biennium, the total expenses of the HIV Client Services – General Fund Local account is \$22,896,702. Total revenue during this period was is \$20,270,849.

Detailed assumptions and calculations:

In the 2017-19 biennium, the legislature authorized a \$34 million one-time General Fund Local appropriation increase to spend down the fund balance in the ADAP Rebate Account. These funds were used to continue providing community services care for people living with HIV/AIDS at a level required by law for core medical services, case management, and support services for people living with HIV.

For the 2019-21 biennium, the DOH is requesting General Fund Local appropriation of \$18 million to allow DOH to maintain current levels of service by fully utilizing the ADAP Rebate fund. Starting in the 2021-23 biennium, ongoing request is \$12 million.

The 2019-21 biennium General Fund Local appropriation for this program is about \$31.7 million. The estimated the fund balance the ADAP Rebate fund will be about \$6.7 million by the end of the 2017-2019 biennium. For the 2019-2021 biennium, the estimated revenue earning is about \$44 million. The total estimated revenue balance for the 2019-2021 biennium is estimated to be about \$50.7 million. DOH needs additional General Fund Local Appropriation in the 2019-21 biennium of \$18 million to continue to provide the same level of HIV services and \$12 million ongoing authority to fully utilize the revenue earnings each biennium.

The following chart illustrates the General Fund Local Authority Gap:

2017-2019 Biennium

Beginning Fund Balance	Actual & Estimated Revenue	General Fund Local Authority	Actual & Estimated General Fund Local Expenditures	Estimated Ending Fund Balance
22,700,000	43,300,000	59,800,000	59,200,000	6,800,000

2019-2021 Biennium

Estimated Beginning Fund Balance	Estimated Revenue	General Fund Local Authority	Estimated General Fund Local Expenditures	Estimated Ending Fund Balance	Estimated General Fund Local Authority Gap
6,800,000	44,000,000	31,700,000	50,000,000	800,000	(18,300,000)

These funds will be used to continue:

- To address the increased cost of EIP (medications and insurance) services to ensure that the program serving those with HIV can continue to serve the present clientele.
- For centralized eligibility and wrap around dental and mental health services for Medicaid clients.
- To coordinate a housing imitative response designed to sustain a strong housing program.
- Medication for jail inmates.
- To contract with the AIDS Education Training Center to address the significant need for dental and medical health service providers for those living with HIV.
- Re-establish a satellite clinic in Pierce County providing high intensity HIV case management.
- To provide funding to the MAX clinic in Seattle for additional clients.
- To provide disease investigation and partner services to Latinos with HIV.
- To integrate those living with HIV into care coordination teams as partners with disease investigators, case managers, and care coordinators
- To contract with trainers and capacity building resources to conduct trainings and capacity building services for case manager, providers, and cadre of new PLWH Navigators, and others serving those with HIV including trainings on case management, providing mental health and housing services, managing stigma and reducing racism, quality improvement, and building agency sustainability.
- To create and maintain a system of eligibility management serving the state to provide one portal for eligibility for clients obtaining services across the state.
- To contract with an external entity to ensure a systematic evaluation and assessment of efforts to identify those efforts that have highest impact, i.e., best practices.
- Centralized eligibility will add approximately 1500 Medicaid clients. For the 19-21 biennium, we also project that the number of clients served will increase by 10%, insurance costs will increase by a minimum of 12%, and that there will be a 15% increase in medication costs.

For the 2019-21 biennium, DOH will required 9.9 FTE and costs of \$9,000,000 per year. Starting in the 2021-23 biennium and ongoing, will require 9.4 FTE and costs of \$6,000,000 per year.

Workforce Assumptions:

See attached FNCal.

Strategic and Performance Outcomes

Strategic framework:

When those with HIV have a suppressed viral load, both their own health is improved, and importantly for the public health of Washington, they cannot transmit the virus. This increases individual health and reduces HIV transmission – building healthy and safe communities.

Performance outcomes:

This request allows DOH to continue the same level of service and helps meet the following performance measure from the DOH strategic plan:

Goal 1: Protect everyone in Washington from communicable diseases and other health threats

Objective 2: Implement plans to achieve End AIDS Washington plan.

Other Collateral Connections

Intergovernmental:

PHSKC, Tacoma-Pierce County Health Department, Spokane Regional Health District, Benton-Franklin Health District, Yakima Health District, and Clark County Health District. Will reduce disparity gaps benefiting black and Latino populations with HIV and at high risk of HIV (both foreign born and US born). Anticipate support.

Stakeholder response:

Cascade AIDS Project

Pierce County AIDS Foundation

Anticipate support.

Legal or administrative mandates:

N/A

Changes from current law:

N/A

State workforce impacts:

N/A

State facilities impacts:

N/A

Puget Sound recovery:

N/A

Agency Questions

Did you include cost models and backup assumptions?

See attached backup documents

Reference Documents

- HIV Local Authority Cost Model revised 8-16-18.xlsx
- HIV Local Authority FNCAL Revised 8-15-18.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