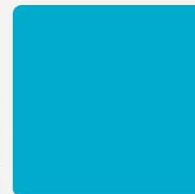
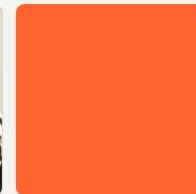
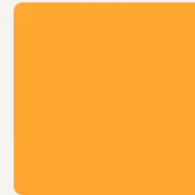




An update on the state budget

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State Office of AIDS – ADAP

- ✓ The Governor's January proposed budget included cost-savings in ADAP through co-pays
- ✓ The May revised budget did not include the co-pay proposal and instead the Governor achieved cost-savings from:
 - Decreased expenditure estimates
 - Reduced reimbursement to the Pharmacy Benefits Manager and pharmacy network
 - New resources of \$74.1 million from the Safety Net Care Pool for FY 2011-12 which offset General Fund
 - Anticipated new federal resources of \$3 million from HRSA which offset General Fund
 - Expansion of CARE/HIPP and establishment of PCIP premium payments

CARE/HIPP Expansion

Modifications to the CARE/HIPP Program (which begins July 1, 2011) include:

- Expanding eligibility to include clients without an HIV-related disability
- Allowing clients to remain on the program as long as the services are needed
- Implementing mechanisms that encourage eligible CARE/HIPP clients to enroll in the AIDS Drug Assistance Program (ADAP) so their prescription co-pays are paid for
- Establishing a centralized enrollment option to facilitate program growth and provide greater access to care;
- Increasing the income eligibility limit from 400 percent Federal Poverty Level (which in fiscal year 2009-10 was \$43,320) to \$50,000 and eliminating the \$6,000 asset limit
- Increasing the monthly premium limit from \$700 (individual) and \$900 (family) per month to \$1,330

PCIP premium payments

- ✓ The OA-PCIP Program will pay premiums for individuals enrolled in the State's new PCIP Program, administered by the Managed Risk Medical Insurance Board (MRMIB).
- ✓ PCIP provides health insurance coverage to individuals who have been uninsured for at least six months and have either been denied coverage or offered coverage with excessive premiums. PCIP does not provide coverage for dependents.
- ✓ The PCIP Program requirements include:
 - Must be a California resident
 - Must be a U.S. citizen, U.S. national, or lawfully present individual
 - Must be without health insurance coverage for the past six months, including an individual or job-based health plan, COBRA, Cal-COBRA, Medicare Part A, and/or Part B, or No-Cost Medicaid/No-Cost Medi-Cal.
- ✓ The OA-PCIP Program requirements include:
 - Must be enrolled in PCIP
 - Must be at least 18 years old
 - Must have an HIV/AIDS diagnosis
 - Must have an income not to exceed \$50,000.

Medi-Cal

- ✓ Medi-Cal took a total of \$1.7 billion in cuts in AB 97, the budget trailer bill on health signed in March. Those cuts included:
 - Mandatory co-payments for Medi-Cal beneficiaries. Providers may turn away patients if the patient cannot furnish a co-payment for a visit.
 - Utilization caps for physician and clinic visits. Medi-Cal beneficiaries are limited to 7 visits per year, unless the visit is deemed "medically necessary" by a medical provider
 - Elimination of enteral nutrition for Medi-Cal beneficiaries who are not reliant on tube feeding.

Medi-Cal

- ✓ In addition to these cuts, the Governor's revised budget requires that Medi-Cal beneficiaries in managed care stay in the same plan for one year:
 - After initial enrollment, the beneficiary would have 60 days to change their health plan.
 - After that period, they would enter an annual open enrollment system with no other possibilities to change their plan if they are dissatisfied.
 - As seniors and persons with disabilities are mandatorily enrolled into managed care, it is of utmost importance that beneficiaries maintain choice in terms of their health