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Director

State of California—Health and Human Services Agency
California Department of Public Health



EDMUND G. BROWN JR.
Governor

June 29, 2018

Dear Colleagues,

Governor Brown signed the Enacted Budget on June 27, 2018. The Enacted Budget includes several changes for the Office of AIDS and the purpose of this letter is to inform all of our stakeholders about our implementation of these budgetary changes.

AIDS Drug Assistance Program

- **Eligibility and Enrollment Budget Change Proposal:** The Enacted Budget includes \$2.7 million dollars in ADAP Rebate Fund State Operations expenditure authority in fiscal year (FY) 2018-19 and ongoing, and 15 permanent positions, to manage increased workload involved in transitioning ADAP eligibility and enrollment services to the Office of AIDS. These 15 staff will:
 - Staff the ADAP Call and Data Processing Center and provide technical assistance and support to clients and ADAP enrollment workers.
 - Process faxed ADAP applications and enrollment documentation.
 - Ensure sufficient capacity for ADAP data management activities necessary to support program implementation, monitoring, and evaluation.
 - Conduct data analysis and fiscal forecasting.
 - Assist in implementing continuous quality improvement processes.
- **ADAP Special Fund State Operations Cost Adjustments:** The Enacted Budget includes \$4.4 million in ADAP Rebate Fund State Operation expenditure authority to pay for contracts associated with transitioning ADAP eligibility and enrollment functions to the Office of AIDS and to add functionality to the ADAP Enrollment System necessary to facilitate various program enhancements, including implementing the Pre-exposure prophylaxis Assistance Program (PrEP-AP) and the payment of insurance premiums for individuals with employer based insurance.
- **Increase in Funding to ADAP Enrollment Sites:** CDPH worked with stakeholders to refine the existing reimbursement model used to pay ADAP enrollment sites to include additional services that are currently being performed by ADAP Enrollment Workers. The Enacted Budget includes \$6.8 million in local

assistance ADAP Rebate Fund expenditure authority to allocate to ADAP enrollment sites based on enrollment services performed using the new reimbursement model.

- **Access, Adherence, and Navigation Program:** The Enacted Budget includes \$2.3 million in local assistance expenditure authority from the Federal Trust Fund to continue the ADAP Access, Adherence, and Navigation Program. The program has two goals: 1) Increase the number of ADAP-only clients enrolled in comprehensive health coverage, and 2) achieve and maintain HIV viral load suppression among ADAP clients. OA will be allocating \$120,000 to each of the ADAP enrollment sites identified as having the highest ADAP medication-only populations to provide Access, Adherence, and Navigation services. CDPH estimates that the Access, Adherence, and Navigation program will transition 499 ADAP clients to comprehensive health coverage in FY 2018-19, leading to better health outcomes and a net savings of \$3.3 million.
- **Pre-Exposure Prophylaxis (PrEP) Assistance Program:** The Enacted Budget includes a \$2 million legislative augmentation in local assistance ADAP Rebate Fund expenditure authority to support proposals to modify the PrEP-AP and expand eligibility to make the PrEP-AP available to minors who are 12 years of age or older and to enhance services to allow for payment of post-exposure prophylaxis (PEP) and related medical costs, payment for up to 14 days of PEP and PrEP starter packs, and to provide up to 28 days of PEP medication for victims of sexual assault.
- **Health Insurance Premium Payment and Medical Out-of-Pocket Cost Benefits:** ADAP currently pays private health insurance premiums and outpatient medical out-of-pocket costs for ADAP clients co-enrolled in OA-HIPP.
 - ADAP extended OA-HIPP services to clients with employer-based insurance on May 24, 2018. In FY 2018-19, ADAP projects an additional \$968,000 in premiums and out-of-pocket costs associated with expansion.
 - The Enacted Budget includes \$432,000 for FY 2018-19 in local assistance ADAP Rebate Fund expenditure authority to pay for Medicare Part B medical out-of-pocket expenses and/or Medigap premiums which cover medical out-of-pocket expenses for clients co-enrolled in ADAP's Medicare Part D Premium Assistance Program. ADAP implemented this program on June 14, 2018.

Local Comprehensive HIV Prevention

The Budget Act reflects a one-time increase of \$5 million in General Fund (Fund 0001) expenditure authority. This includes an increase of \$4,581,000 in Local Assistance to

provide grants to support comprehensive HIV prevention services and \$419,000 in State Operations for the administration of the grants. The local assistance grants will be able to support a wide range of HIV prevention activities.

Additionally, the Enacted Budget made changes to Health & Safety Code that affect syringe exchange programs (SEPs):

- The January 21, 2019 sunset on CDPH's SEP authorization program is repealed, and no new sunset was established for the program;
- Local health officers will continue to report on SEP activities to local authorities biennially instead of reverting to annual reporting;
- Adoption of a new section of Health & Safety Code allows CDPH to administratively approve changes, within 30 days of a request from an SEP, to the hours, locations, or service model (e.g. mobile vs fixed site) of previously authorized programs, at the request of the SEP and without being subject to public noticing requirements for programs seeking initial authorization;
- The public comment period for new SEP applications is reduced from 90 to 45 days; and
- The drug paraphernalia law is amended to provide for lawful distribution and possession of any materials CDPH deems necessary for disease prevention or public safety. Examples may include "cookers" (bottle cap-like objects in which drugs are mixed prior to injection), which to date have not been funded through the OA Syringe Exchange Supply Clearinghouse due to concerns that they were not allowable based on the paraphernalia law. Because these changes go into effect at the time the budget is signed, the Supply Clearinghouse will add cookers to the supply catalogue immediately.

Thank you all for the work that you do helping Californians living with and at risk for HIV.
Sincerely,



Karen E. Mark, MD, PhD
Chief, Office of AIDS
California Department of Public Health