

SEVERITY OF NEED:

California Health Care Financing and Policy Research Initiative

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PROJECT DESCRIPTION

The new Ryan White HIV/AIDS Treatment Modernization Act (a reauthorization of the Ryan White CARE Act) changed the formulas used to distribute funding to states and cities in the United States. The case counts used to allocate the awards shifted from using only AIDS cases to using both HIV (non-AIDS) and AIDS cases. In addition, federal agencies have been charged with developing a Severity of Need Index, which eventually may be used in formula award allocations to weight HIV/AIDS case data by factors thought to impact the variable cost of treatment around the nation. In this project, we have had responsibility for developing models that simulate the distribution of formula awards in order to understand how changes to the Ryan White Program formulas impact funding nationwide—and, in particular, in California and its cities.

SIGNIFICANCE

The Ryan White Program is a principal source of financial support for HIV/AIDS treatment and care in the United States. Changes to the formulas can have dramatic effects on the distribution of services nationwide. Developing models to predict how changes affect states' and cities' funding levels is critical in determining the degree to which legislative proposals are responsive to national HIV/AIDS policy objectives and to the changing epidemiology of HIV/AIDS in the United States.

INTERESTING FINDINGS

During the 2006 reauthorization debates, we produced models to simulate formula awards under a variety of legislative proposals considered for the Treatment Modernization Act. We found that the language describing the formulas is often unclear and easy to misinterpretation. For example, early versions of the bill contained language to cap award increases in cities that did not yet have fully functional HIV names reporting systems. However, because of imprecise wording, the funds retained as a result of these caps had to be awarded to localities not subject to the restrictions in award increases. As a result, some cities with HIV names reporting would have seen large increases in their award amounts as an unintended consequence of efforts to limit award increases in other localities. The final version of the law contained legislative language that fixed this problem.

More recently, we have been developing models that examine the impact of introducing a Severity of Need Index in the formulas of the Ryan White Program. We have found that the effect of this Index is likely to be determined primarily by the type of “need” assessed by the specific index elements. Factors that capture the proportion of people with unmet medical needs tend to move money toward southern areas of the United States, whereas factors that capture the cost of medical care tend to move money toward the Northeast.

PROJECT WEB SITE: www.ari.ucsf.edu/programs/policy/reauthorization.aspx

PROJECT END DATE: March 2008