



December 18, 2005

An open letter to Dr. David R. Gifford, Director of the Rhode Island Department of Health

Cc: The Honorable Donald Carceri, The Honorable Charles Fogarty, The Honorable Steven Costantino, the Honorable Steven Alves, The Honorable Elien Naughton, the Honorable Juan Pichardo, The Honorable Elizabeth Roberts, The Honorable David Cicilline, Jane Hayward, John Young, Paul Loberti, members of the press and the AIDS community

Dear Dr. Gifford,

On Friday, December 9, you asked HIV care providers to attend an emergency meeting on Monday, December 12.

At that meeting, you revealed drastic overspending in Title II, which are federal funds for the provision of drugs and supportive services for people living with HIV. Currently, the Federal government provides \$2.1 million each year for this program, with no contribution of funds from our state, making us one of only 13 states that do not provide our own funds to this vital program.

You have explained that the program is **currently overspent by** 1.7 million dollars. You also have identified a projected shortfall of 3.4 million dollars to meet current utilization by the end of the contract year (March 31, 2006). You have offered no projection to date on the total shortfall for the current fiscal year. You explained that the current over spending and projected shortfall occurred for two primary reasons:

- 1) Increased utilization of the AIDS Drug Assistance Program, which pays for lifesaving pharmaceutical treatment and comprises the largest part of Title II spending;
- 2) Overly optimistic estimates of what would be obtained through drug purchasing rebates to the ADAP, which have been traditionally re-allocated towards the end of the contract year to bolster Title II services and in FY 05 were committed to Title II providers for their programs, through contracts.

On Monday, December 18, AIDS service providers will gather at the standing Provision of Care meeting, where they will be asked to confirm, over the following two days, what they can give back out of their current contracts to the program to start to address this shortfall.

However, HEALTH acknowledges that it will still be necessary to go to the legislature in early January for supplemental funds to address the shortfall.

Thus, there are several distinct issues at hand:

- 1) HEALTH has overspent existing funds, and needs additional funds in order to fill a projected shortfall of 3.4 million by the end of the contract year (March 31, 2006) and a yet undisclosed shortfall by the end of the fiscal year (June 30).
- 2) HEALTH has yet to disclose what management error allowed overspending to a 1.7 million dollar deficit and significant projected shortfall for current contract obligations, and what prevented the department from recognizing this issue.

- 3) The increasing expenses associated with of Title II services, primarily in ADAP services, has occurred due, in part, to an increase of the number of people living with HV and in need of these services. Thus, we recognize the need for a stable, increased funding base for these services.

It is no longer sustainable for our state to not commit funds to Title II. It is clear that we must have an ongoing commitment of resources in order to maintain the lifesaving infrastructure that must expand every year as more people are living with HIV, including expansion of funds from the Federal government and a proportionate contribution from the State itself.

There has been no attempt on the part of HEALTH to involve those most affected – people living with HIV who use Title II and related services -- throughout this process.

The undersigned organizations represent people living with HIV, their families and concerned community members. Together, we request that HEALTH show us, by the end of this week, a demonstrated commitment and aggressive timeline for the following action steps:

- 1) Full and immediate participation of people living with HIV (including those who do not work for funded organizations), members of affected communities, and direct service staff in any and all discussions of budget cuts, give-backs, and future planning.
- 2) Establishment of a permanent body comprised of people living with HIV (including those who do not work for funded organizations), members of affected communities, and direct service staff to give informed, ongoing and timely input into Title II planning and programs.
- 3) Agreement to match any programmatic cuts with equal or greater cuts to HEALTH administrative spending.
- 4) Assurance that any changes to the ADAP formulary (list of covered drugs) would not put people with HIV in jeopardy of losing coverage at any point if they are shifted to pharmaceutical company patient assistance programs that could change their policies.
- 5) A full explanation as to what management errors led to this crisis, and submission of an action plan to ensure ongoing and complete transparency in HEALTH accounting and oversight to which HEALTH agrees to be accountable.
- 6) Including an ongoing appropriation of state dollars to Title II services in budget requests, in addition to emergency supplemental funds to deal with the current crisis.

We are ready and able to fight for our own lives and the lives of people we love. Our success in saving our own lives, and the lives of people we love, should not be penalized with cuts. We invite HEALTH to work with us, in good faith, to resolve this crisis, to establish operational oversight and efficiency, and to guarantee an appropriate, sustainable funding base for Title II in the coming years.

Please contact Martha Lang at 508-517-1600 (mobile) at your earliest convenience to discuss these matters.

Sincerely,

Campaign to End AIDS / Rhode Island
Community HIV/AIDS Mobilization Project (CHAMP)
Save ADAP

List in formation