

# END THE EPIDEMICS

Californians Mobilizing to End HIV,  
STIs, Viral Hepatitis & Overdose

## End the Epidemics 2024-5 Budget Advocacy Wrap Up

### TL;DR

End the Epidemics' budget asks, which are related to HIV, STIs, and overdose, are part of the state's budget for fiscal year 2024-25.. The Policy & Advocacy Working Group is so grateful to everyone who invested time and energy into our collective win. We want to give a special thanks to our allies in the state legislature, the state LGBTQ caucus, and its committee consultants, Jacob Fraker and Natalia Garcia. We also want to thank the Senate Budget Subcommittee on Health and Human Services, Scott Ogus, for working with us throughout this bumpy budget year. Last and definitely not least, we also want to thank our EtE consultants, Kathy Mossburg and Ryan Souza of Mosaic Solutions, for being so integral to the coalition's successes.

### Background: Budget Process

Over the weekend, the Governor signed the 2024 budget bill and several trailer bills that include EtE's budget asks. Budget and trailer bills are fundamental because they authorize the state to spend money and create the changes in state law that allow funds to be spent. The state constitution requires the Governor to sign the budget act by June 30th, the final day of the state's fiscal year.

### EtE Budget Asks:

The asks focused primarily on modernizing the AIDS Drug Assistance Program by using ADAP Rebate Fund dollars to expand access to treatment and services. California's ADAP helps people living with and vulnerable to HIV pay for medications, health care premiums, copays and coinsurance, and related services so that people can get the care they need.

The following appropriations from the ADAP Rebate Fund will begin on July 1, 2024:

- \$10 million each year for three years for the harm reduction clearinghouse
- \$5 million each year for three years for HIV services offered by Transgender, Gender Nonconforming, and Intersex (TGI)-led organizations;
- \$200,000 in one-time funding to assess and analyze Pre-exposure Prophylaxis (PrEP Assistance Program (PrEP-AP) navigation and retention services;
- \$200,000 in one-time funding to assess and analyze the delivery of ADAP health care navigation and retention services; and
- \$5 million total to fund condom access for pupils grades 9 - 12 in public schools.

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The following ADAP modernizations will begin on January 1, 2025

- Increase income eligibility from 500% to 600% federal poverty level
- Increase the monthly cap on health care premium payment assistance from \$1938 to \$2996 for clients with commercial, employer-based, and Medicare plans.
- Creation of an [open formulary](#).
  - A drug formulary is a list of drugs covered by your insurer or health plan. A drug formulary can be “open” or “closed,” but they all have restrictions. An open formulary is an expansive drug formulary that includes most (not all) drugs approved by the Federal Drug Administration. A client’s access to drugs in an open formulary is less mitigated by common cost utilization strategies implemented by plans and insurers, such as prior authorization, quantity limitations, or step therapy than it would be in a closed formulary.
  - We believe an open formulary is important for client care because it grants timely access to a greater array of drugs than are currently available in any closed formulary system. This is especially important for clients who depend on ADAP for drug coverage because their plans do not fully cover the drugs they want or need.
  - 13 state ADAPs already have open formularies, making California’s ADAP the 14th to implement one.

Restoration of California Overdose Prevention and Harm Reduction Initiative (COPHRI) funds from new Opioid Settlement Funds acquired by the State Attorney General’s Office.

- 1.1 million for FY 24-5—should be more available in upcoming budget years

The budget bill also includes loan payback protections to make sure that ADAP is able to maintain core programs and services, including the following: timely repayment from the administration in the event the fund is unable to pay for core programs and services; and interest on the \$500 million loan to incentivize repayment.

## Background: March “Early Action”

In March, the Legislature took “Early Action” to partially fill the budget hole with about \$17 billion in budget solutions. As mentioned, one of these solutions was a \$500 million loan from the ADAP Rebate Fund. The Governor’s administration proposed this loan in its January budget. While we pushed back on this loan, the legislature agreed to it. While we sympathize with the

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state's challenges in filling the budget deficit, the ADAP Rebate Fund is not an appropriate back up. We will continue pushing the state to devise budget solutions that do not disrupt or withhold safety net programs from vulnerable Californians.

## Additional Budget Wins

### Public Health

- 276.1 million total, \$184.1 million for local assistance - Thanks to the California Can't Wait Coalition; EtE signed onto as supporters
- Governor's May Revision proposed a full elimination of state funds to public health, which totals \$300. The breakdown is \$100 million for state operations, \$200 million for local assistance, meaning funds for local health departments and counties.
- State funds support public health workforce and public health infrastructure (physical tools and structures to do work, such as disease surveillance systems, laboratories, mobile units, etc.) at the state and local level.
- 1,100 public health professionals, including nurses, infectious disease specialists, etc.
- Returns (reverts) \$41.1 million in unspent funds from the current fiscal year (2023-24)

### Indian Health Services - \$23 million

- Funds primary care to the state's indigenous communities, who are at increased risk for STIs and fatal overdose, among other causes of illness and death.

### In-Home Supportive Services (IHSS) for undocumented Medi-Cal recipients - \$94.2 million

- Critical service that provides Medi-Cal recipients with assistance for daily living. Definitely would have been discriminatory to withhold IHSS from undocumented Californians. In addition, this is an especially important benefit because it helps undocumented people avoid public charge, which bars pathways to citizenship.

### Backfill for Victims of Crime Act (VOCA) funding - \$103 million

## Additional Harm Reduction Items

- Medication Assisted Treatment (MAT) - freeze on spending for start-up costs for new treatment facilities - \$22 million
- "Includes the Behavioral Health Federal Funds Adjustment of \$96,670,000 to reflect an adjustment to the projected federal funds to support mental health and substance use disorder services based on grants awarded in fiscal year 2023-24." (p. 11) - from the [Assembly Budget Floor Report](#)
- \$39 million in savings to the Naloxone Distribution Project (NDP) due to cost-savings from lower-priced drugs

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## LGBTQ Health items

### AB 1163 (Luz Rivas) LGBT Disparities Reduction Act of 2023

- Expands data collection efforts to include intersex people in state health care records.
- \$132k general fund (GF) to Department Health Care Services (DHCS) to implement
- \$432k GF for California Department of Public Health (CDPH) to implement

## Health Care Access

- No budget appropriation for AB 4 (Arambula), the mirrored marketplace for undocumented Californians to purchase commercial health plans.
  - Despite our joy that Medi-Cal was expanded to all income-eligible (the threshold is 138% federal poverty level based on family size) Californians, regardless of documentation status, on January 1st of this year, approximately 600,000 undocumented Californians earn too much to qualify for Medi-Cal. These Californians can purchase private health care plans and individual health insurance policies, but these plans are not subsidized or employer-based, meaning that undocumented Californians would have to pay the full cost of coverage out-of-pocket. Currently, because Covered California, the state's health benefits marketplace, receives federal funds, undocumented Californians cannot benefit from plans offered via the marketplace.
  - The bill has an accompanying budget proposal that was not included in the budget bill. The budget proposal asked to use a \$15 million appropriation from the Health Care Accessibility Reserve (HCAR) fund to launch the mirrored marketplace. The final budget is using HCAR funds to help fill the budget hole.

## Next Steps

The state legislature will adjourn for its summer recess on July 4th and reconvene on August 5th. The Policy & Advocacy Working Group will continue watching the legislative process for trailer bills and "budget bill jr.'s," which amend the budget act, and the legislative bills we have prioritized.

We will also be assessing California's legislative landscape for the upcoming November election to take positions on ballot measures. We will also be brainstorming asks for next year's budget advocacy. Brainstorming is an open process, and we welcome your ideas.

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## Questions?

Hit me up! Sebastian Perez: [sperez@aplahealth.org](mailto:sperez@aplahealth.org). If you'd like to join the policy & advocacy working group listserv, hit up Ryan Clary: [clarystrategies@gmail.com](mailto:clarystrategies@gmail.com).