

Federal Budget Sequestration would cut \$10 million from HIV/AIDS Services in Illinois

On January 2, 2013, absent any change in federal law, a process called “sequestration” will cause sweeping across-the-board automatic budget cuts. President Obama and the U.S. House and Senate in 2010 agreed to these budget cuts as part of deficit reduction negotiations in 2011.

Discussions are ongoing in Washington to replace sequestration with a balanced package of revenue increases and budget cuts. To educate policymakers and the community, the AIDS Foundation of Chicago (AFC) estimated the impact of sequestration on HIV prevention, treatment, housing and supportive services in Illinois.

There are an estimated 42,700 people living with HIV in Illinois. In 2010, Illinois received \$121.4 million in federal funding for HIV prevention, care and housing and other services.ⁱ Illinois would lose an estimated \$10 million in federal HIV funding, based on the scheduled 8.2% cut resulting from sequestration. These funding cuts would further strain access to housing, medical care, HIV prevention services, mental health, substance abuse treatment and other services that lower costs by supporting engagement in care and access to preventive services. The methodology for developing the estimates of budget cuts is explained in the endnotes.

HOUSING: A \$610,227 cut will mean **125 families will lose long-term or short-term housing** through the Housing Opportunities for People with AIDS (HOPWA) program.ⁱⁱ

RYAN WHITE PROGRAM: **613 fewer people will receive medications** through the AIDS Drug Assistance Program (ADAP) as a result of a \$3 million cutⁱⁱⁱ

- **\$3.01 million would be cut from Ryan White Program** services funded by Part A (services in the Chicago metro area) and B (statewide services). As a result, people with HIV in Illinois would receive:^{iv}
 - 2,500 fewer primary care visits
 - 1,100 fewer dental visits
 - 6,800 fewer mental health visits
 - 3,700 fewer substance abuse treatment visits
 - 2,600 fewer linkage to care, peer, or referral services
 - 2,800 fewer nights of housing

November 2012

- 271 fewer legal aid visits
- 240,00 fewer meals

CDC-FUNDED HIV PREVENTION SERVICES: A \$1.74 million cut to HIV prevention services will mean that:^v

- 4,300 HIV fewer HIV tests will be conducted
- As a result, 66 people with HIV will not be diagnosed,^{vi} losing an opportunity to link them to treatment to reduce their long-term treatment costs
- 434 newly diagnosed people will not receive partner services to identify individuals who may have been exposed to HIV to offer them testing and treatment
- 52 people will be newly infected because undiagnosed people will not know to prevent HIV transmission, partners will not be identified and linked to care, and high-risk negatives will not receive counseling.^{vii}
- The lifetime medical treatment cost for these 52 newly-infected people is \$23.3 million.^{viii}

For more information, contact John Peller, Vice President of Policy, 312-334-0921 or jpeller@aidschicago.org.

ⁱ 2010 is the most recent year for which complete funding totals are available. Kaiser State Health Facts, Total Federal HIV/AIDS Grant Funding, FY 2010, <http://www.statehealthfacts.org/comparetable.jsp?ind=528&cat=11> accessed 11/9/12

ⁱⁱ AFC estimate based on amfAR and National Minority AIDS Council, “Estimating the Human Impact of Budget Sequestration on HIV/AIDS in the United States in Fiscal 2013”, October 2012, p 2.

ⁱⁱⁱ AFC calculation based on amfAR & NMAC study.

^{iv} AFC estimate. We calculated the unit cost of services provided in each category (ambulatory care, oral health, mental health, etc.), and the percentage of total spending in each category in Cook County Part B funds. We then applied the same funding distribution to the \$3 million estimated funding cut, and determined how many service units would not be provided. We assume that all Ryan White Program funds in Illinois are allocated the same way across the state, which may not be the case.

^v Based on methodology used by the Illinois Department of Public Health to determine impact of a state funding cut in 2012. Assumes that all CDC prevention funds in Illinois and Chicago are allocated to the same mix of testing, partner services, linkage to care, and other direct services.

^{vi} Assumes a 1.1% positivity rate.

^{vii} Based on the estimate that every 100 people who do not know their HIV status are likely to transmit the virus to 8 people per year.

^{viii} Based on CDC estimate of \$380,000 lifetime cost of treatment per person with HIV.