EARLY TREATMENT FOR HIV ACT (ETHA) FACT SHEET

What ETHA accomplishes:

ETHA gives states the option of readily amending their Medicaid eligibility requirements to include uninsured, pre-disabled poor and low-income people living with HIV. ETHA is modeled after the successful Breast and Cervical Cancer Prevention and Treatment Act of 2000 (BCCA) that allows states to provide early access to Medicaid to women with cancer. Forty-nine states have implemented this initiative, designed to preserve health and prevent unnecessary and high-cost medical interventions. As with the BCCA, ETHA includes an enhanced federal match rate of 65%-83% to encourage states to participate.

ETHA represents a significant step forward:

ETHA addresses a cruel irony in the current Medicaid system—that under current Medicaid rules people must become disabled by AIDS before they can receive access to Medicaid provided care and treatment that could have prevented them from becoming so ill in the first place. ETHA brings Medicaid eligibility rules in line with federal government guidelines on the standard of care for treating HIV. ETHA helps address the fact that increasingly, in many parts of the country, there are growing waiting lists for access to life-saving medications and limited to no access to comprehensive health care.

The health and economic benefits of ETHA:

The Treatment Access Expansion Project (TAEP) retained PricewaterhouseCoopers (PwC) to assess the effects of early health care access under ETHA. The study found that ETHA delays disease progression and increases life expectancy.

- Over ten years, **ETHA reduces by 50% the death rate for persons living with HIV on Medicaid**, with the percentage of those who die at 12 percent under baseline Medicaid[1] compared with only 6 percent under ETHA.

- Over ten years, disease progression is significantly slowed and health outcomes improved, with 35,000 more individuals having CD4 levels above 500 under ETHA than under baseline Medicaid.

- A Stanford/RAND study, funded by the federal Agency for Healthcare Research and Quality and published in the *Journal of Health Economics* (2003), confirmed these results. The study found that expanding **Medicaid coverage for HIV/AIDS patients could reduce HIV-AIDS related deaths by up to 66%**.

Employing traditional budget analysis rules, PwC found that the five-year cost of ETHA is $359 million, and the ten-year cost is $2,453.6 million. However, the PwC study also found that while traditional budget scoring recognized all federal budgetary costs, it failed to recognize many of the benefits and savings of ETHA. The analysis found that **the "true cost" of ETHA is $55.2 million over five years, and $-31.7 million over ten years.**

- If a full ten-year time period is considered for each ETHA participant, including those who enter the program in later years, Medicaid offsets reduce gross Medicaid costs by 70%, accounting for $1,472.6 million in unrecognized savings.[2]
- $192.8 million in costs under ETHA are the result of a declining death rate, as ETHA serves individuals living with HIV who would otherwise have died due to a lack of access to early intervention health care. $72.8 million in costs in the traditional analysis are the result of an enhanced federal Medicaid match rate in ETHA.

The prevention benefits of ETHA:

Access to HIV therapies reduces the amount of HIV virus present in a person's bloodstream (viral load), a key factor in curbing infectiousness and reducing the ability to transmit HIV.

- A recent study published in *AIDS*, (2004) found that **HIV therapies reduce infectiousness by 60%**. The study confirmed that early access to HIV therapies provides is an important HIV prevention tool.

ETHA Is Cost-Effective, Improves Health, Reduces HIV-Related Deaths and Helps Prevent the Spread of HIV.

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[1] Baseline Medicaid is the current Medicaid program, which in most cases denies access to care until a person receives an AIDS diagnosis.

[2] The savings associated with providing access to early intervention health care to those who enter ETHA toward the end of an initial ten-year period take place outside of that initial time frame and are not recognized under traditional budget rules.

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