

# END THE EPIDEMICS

It's time to end the HIV, HCV & STD  
epidemics in California.

May 18, 2020

The Honorable Holly J. Mitchell  
Chair, Senate Committee on Budget  
State Capitol, Room 5019  
Sacramento, CA 95814

The Honorable Philip Ting  
Chair, Assembly Committee on Budget  
State Capitol, Room 6026  
Sacramento, CA 95814

## **Re: 2020-21 May Revision – Budget Priorities to Maintain HIV, HCV, and STD Services During COVID-19 Crisis**

Dear Chair Mitchell and Chair Ting:

We are writing today on behalf of End the Epidemics, a statewide coalition of health departments and community-based organizations dedicated to ending the epidemics of HIV, hepatitis C (HCV), and sexually transmitted diseases (STDs) in California. We are mindful of the dramatic economic impact of COVID-19, including a budget deficit of more than \$54 billion. Balancing the state's budget will require difficult decisions, but we believe it is critical to ensure any proposed changes do not dismantle our efforts to address and ultimately end the HIV, HCV, and STD epidemics. We cannot afford to lose further ground addressing these epidemics while confronting another public health crisis.

We are extremely concerned that the COVID-19 pandemic will result in a surge of new cases of HIV, HCV, and STDs at a time when the public health and health care delivery systems are stretched to their limits and have scarce resources to respond to other public health priorities. We are also concerned that already significant disparities in HIV, HCV, and STD health outcomes will become even more pronounced given the disproportionate impact of COVID-19 on communities of color and other vulnerable populations. **If we are to avoid losing the ground we have gained in this fight, we must maintain full HIV, HCV, and STD services while we combat the crisis of COVID-19. For these reasons, we urge the legislature to address the following priorities:**

- 1. Maintain current investments in HIV, HCV, and STD services that are a critical component of the overall public health infrastructure and COVID-19 response;**
- 2. Reject the May Revision proposal to balance the budget with a \$100 million loan from the AIDS Drug Assistance Program Rebate Fund;**
- 3. \$3 million annually – Increase investment in the Syringe Exchange Supply Clearinghouse for essential harm reduction services and COVID-19 supplies;**
- 4. Provide financial relief for community-based organizations to maintain HIV, HCV, and STD services and help address the COVID-19 related needs of their clients.**

## Impact of COVID-19 on Efforts to Address HIV, HCV, and STDs

The COVID-19 pandemic is having a significant impact on California's efforts to address HIV, HCV, and STDs. With a statewide stay-at-home order in place, health departments and community-based organizations have been forced to reduce or suspend critical prevention, testing, and treatment services.<sup>1</sup> Many frontline staff are working from home or being redeployed to address COVID-19 related concerns. The growing economic crisis has led to widespread unemployment, housing instability, mental health and substance use issues, and other challenges associated with poor health outcomes and increased vulnerability to HIV, HCV, and STDs as well as COVID-19. While many people are self-isolating for an extended period of time, others remain at risk of acquiring HIV, HCV, and STDs but without access to the same level of public health services that are so critical to addressing these epidemics.

At the same time, COVID-19 is disproportionately affecting communities most impacted by HIV, HCV, and STDs and compounding their existing health disparities. Early data suggest COVID-19 is hitting black and brown communities especially hard.<sup>2</sup> Communities of color are more likely to experience health and economic challenges due to COVID-19 for a variety of reasons, including higher rates of certain underlying health conditions, limited access to health care, and other economic and social conditions.<sup>3</sup> Immigrants – both documented and undocumented – may not qualify for or may be fearful of accessing health care and other financial assistance programs. The LGBTQ community, particularly transgender individuals, will also be significantly impacted by the health and financial consequences of the current public health crisis.<sup>4</sup> Consequently, COVID-19 may exacerbate existing disparities in HIV, HCV, and STD diagnoses and health outcomes.

Efforts to address HIV, HCV, and STDs have become even more important in light of COVID-19. While a person living with HIV on effective treatment is not expected to be at higher risk of becoming seriously ill with COVID-19, a person with untreated HIV or a low CD4 cell count may be at greater risk of serious complications due to COVID-19.<sup>5</sup> Of the roughly 153,000 people living with HIV in California, 12% remain undiagnosed and 44% are not on effective treatment.<sup>6</sup> In addition, people living with HIV and/or HCV are more likely to have other conditions that carry a greater risk of becoming seriously ill with COVID-19. For example, people with HCV who have not yet been cured can have underlying conditions such as hypertension, liver disease,

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<sup>1</sup> LHD HIV, STI, and Hepatitis Programs Respond and Adapt to COVID-19. National Association of County and City Health Officials. Available at: <http://essentialelements.naccho.org/archives/16865>.

<sup>2</sup> Younger Blacks and Latinos are Dying of COVID-19 at Higher Rates in California. Los Angeles Times. Available at: <https://www.latimes.com/california/story/2020-04-25/coronavirus-takes-a-larger-toll-on-younger-african-americans-and-latinos-in-california>.

<sup>3</sup> Communities of Color at Higher Risk for Health and Economic Challenges due to COVID-19. Kaiser Family Foundation. Available at: <https://www.kff.org/disparities-policy/issue-brief/communities-of-color-at-higher-risk-for-health-and-economic-challenges-due-to-covid-19/>.

<sup>4</sup> The Lives and Livelihoods of Many in the LGBTQ Community are at Risk Amidst COVID-19 Crisis. Human Rights Campaign. Available at: [https://assets2.hrc.org/files/assets/resources/COVID19-IssueBrief-032020-FINAL.pdf?\\_ga=2.121710281.374936634.1588266388-1135172260.1588266388](https://assets2.hrc.org/files/assets/resources/COVID19-IssueBrief-032020-FINAL.pdf?_ga=2.121710281.374936634.1588266388-1135172260.1588266388).

<sup>5</sup> What to Know About HIV and COVID-19. Centers for Disease Control and Prevention. Available at: <https://www.cdc.gov/coronavirus/2019-ncov/need-extra-precautions/hiv.html>.

<sup>6</sup> The Continuum of HIV Care, 2017. California Department of Public Health, Office of AIDS. Available at: [https://www.cdph.ca.gov/Programs/CID/DOA/CDPH%20Document%20Library/2017\\_HIV\\_CareContinuumFactSheet\\_AllLiving.pdf](https://www.cdph.ca.gov/Programs/CID/DOA/CDPH%20Document%20Library/2017_HIV_CareContinuumFactSheet_AllLiving.pdf).

cardiovascular disease, and diabetes.<sup>7</sup> Roughly 400,000 Californians are currently living with HCV and over half are unaware of their status.<sup>8</sup>

### Current Investments are Critical to Maintain Adequate HIV, HCV, and STD Services

California's public health infrastructure has long been underfunded and inadequate, but in recent years the Governor and legislature have supported limited strategic investments in programs and services to address the state's ongoing crisis of HIV, HCV, and STDs. These investments currently support health departments and community-based organizations in their efforts to expand targeted testing, link individuals to treatment and/or pre-exposure prophylaxis (PrEP), and provide life-saving harm reduction services to people who use drugs. Most recently, the 2019-20 state budget included \$5 million each for HIV, HCV, and STD prevention, testing, and treatment services and an additional \$15 million over 4 years to support harm reduction program staff.

We are grateful the Governor's May Revision maintains critical funding for public health programs, including the recent investment of \$5 million each for HIV, HCV, and STD prevention, testing, and treatment. While preserving these limited investments is a critical part of California's efforts to address these epidemics, we know the need is far greater under the best of circumstances and COVID-19 has increased the challenges on many fronts. Now that critical frontline staff are being reassigned to the COVID-19 response and programs are struggling to adapt to this new environment, further reducing funding for HIV, HCV, and STD services would cripple the advances we have made and leave individuals even more vulnerable to these serious epidemics. We urge the legislature to maintain current investments in HIV, HCV, and STD services to ensure health departments and community-based organizations have the resources they need to respond to the COVID-19 crisis and prevent major disruptions to prevention, testing, and treatment services that will cost far more in the long-term.

### Reject May Revision Proposal to Balance Budget with \$100 Million ADAP Rebate Fund Loan

We urge the legislature to reject the Governor's May Revision proposal to help balance the budget with a \$100 million loan from the AIDS Drug Assistance Program (ADAP) Rebate Fund. California law requires that ADAP rebate dollars be used "exclusively to cover costs related to the purchase of drugs and services provided through ADAP" and the recently created PrEP Assistance Program (PrEP-AP).<sup>9</sup> Existing law guarantees that ADAP rebate dollars are only used for their intended purpose – to help ensure people living with and vulnerable to HIV have access to life-saving medication and related services. The administration's proposed loan is contrary to existing law and comes at a time when COVID-19 is likely to result in an influx of new ADAP and PrEP-AP clients as a result of loss of income, employment, and/or health coverage. In addition, nothing in the Governor's proposal guarantees these funds will be repaid and nothing prevents the administration from taking additional loans in the future. The proposed

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<sup>7</sup> Information on Coronavirus and COVID-19 for People Affected by Hepatitis B or Hepatitis C. Hepatitis Australia. Available at: <https://www.hepatitisaustralia.com/Handlers/Download.ashx?IDMF=e9924223-888a-47a3-8295-5add820aa204>.

<sup>8</sup> California Viral Hepatitis Prevention Strategic Plan, 2016-2020. California Department of Public Health. Available at: <https://www.cdph.ca.gov/Programs/CID/DCDC/CDPH%20Document%20Library/CA-Viral-Hep-Strat-Plan-2016-2020.pdf>.

<sup>9</sup> California Health and Safety Code 120956. Available at: [https://leginfo.ca.gov/faces/codes\\_displayText.xhtml?lawCode=HSC&division=105.&title=&part=4.&chapter=6.&article=](https://leginfo.ca.gov/faces/codes_displayText.xhtml?lawCode=HSC&division=105.&title=&part=4.&chapter=6.&article=)

loan sets a dangerous precedent and threatens the ongoing sustainability of California's most critical safety-net program for people living with and vulnerable to HIV.

California's ADAP and PrEP-AP are the backbone of the state's efforts to end the HIV epidemic and essential to addressing troubling disparities in HIV diagnoses and health outcomes. ADAP provides financial support for medications, health insurance premiums, and medical out-of-pocket costs for low-income residents living with HIV. The program serves nearly 31,000 Californians each year. The PrEP-AP covers PrEP- and PEP-related medical expenses and medication costs for low-income residents who are at risk of acquiring HIV. Since it was launched in 2018, the program has already helped over 3,500 individuals access PrEP for HIV prevention.

As a covered entity in the 340B Drug Discount Program, ADAP collects mandatory rebate for a majority of prescriptions purchased for ADAP clients. The program also receives voluntary supplemental rebates, over and above the 340B mandatory discount, that are negotiated at the federal level through the ADAP Crisis Taskforce. Mandatory and voluntary supplemental rebates from drug manufacturers account for roughly three-quarters of California's ADAP budget. These rebates allow California's ADAP and PrEP-AP to operate with no state general fund investment. For FY 2020-21, the Office of AIDS estimates that ADAP expenditures will be roughly \$439 million with nearly \$330 million coming from rebate revenue and the remaining \$109 million comes from federal funds. Total rebate revenue in FY 2020-21 is expected to be roughly \$348 million.<sup>10</sup>

Over the past several years, California has been able to use additional rebate dollars to make several critical improvements to its ADAP and PrEP-AP to provide more comprehensive coverage for enrollees. ADAP was expanded to include coverage for medical out-of-pocket costs, employer-based health insurance premiums, and Medigap policies. PrEP-AP is being expanded to provide coverage for youth and insured individuals with confidentiality concerns, among other changes. In 2015, the ADAP income eligibility level was increased from a flat cap of \$50,000 to 500% FPL in order to align program eligibility with other high cost states. The Governor's proposal threatens years of progress in expanding coverage of critical HIV prevention and treatment services for low-income Californians. We urge the legislature to reject the administration's proposal and help ensure these funds are available in subsequent years to provide lifesaving services for people living with and vulnerable to HIV and further the state's efforts to end the epidemic.

### Syringe Services Programs Lack Adequate Supplies to Respond to COVID-19

California syringe service programs (SSPs) are a crucial component of our public health response to COVID-19 and overall public health infrastructure. These programs distribute critical supplies, including personal protective equipment (PPE), to people who use drugs and those often referred to as "hard to reach," including unhoused Californians. SSPs are a critical public health resource for marginalized communities who have traditionally been stigmatized and alienated from other health care settings. They serve as a key point of welcoming contact to connect people to culturally competent care, relieve burdens on emergency rooms, and keep

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<sup>10</sup> ADAP 2020-21 May Revision Estimate. California Department of Public Health. Available at: [https://www.cdph.ca.gov/Programs/CID/DOA/CDPH%20Document%20Library/2020\\_21\\_ADAP\\_May\\_Revision\\_Estimate\\_Final\\_SJ\\_V1.pdf](https://www.cdph.ca.gov/Programs/CID/DOA/CDPH%20Document%20Library/2020_21_ADAP_May_Revision_Estimate_Final_SJ_V1.pdf).

communities safe. The California Department of Public Health has designated SSPs as essential services during the COVID-19 outbreak. However, despite their important work, SSPs do not have adequate supplies to protect their clients and staff during the COVID-19 crisis because funding for the California Syringe Exchange Supply Clearinghouse has not kept pace with demand.

The California Syringe Exchange Supply Clearinghouse provides a baseline level of supplies to authorized SSPs, including PPE and hygiene supplies. Since 2015 when the Clearinghouse was established, 16 new SSPs have been authorized reaching 12 additional counties. There are 2 SSPs pending approval now and at least 2 others expected to be authorized in 2020. According to the North American Syringe Exchange Network, the organization that contracts with the Office of AIDS to furnish supplies, there will not be enough funds to provide any supplies to additional SSPs seeking certification this year. The Clearinghouse budget will be completely maxed out at a time when demand for supplies is increasing due to COVID-19.

While the current Clearinghouse budget of \$3 million annually was already inadequate to meet the needs of California SSPs, COVID-19 has only increased the demand for supplies. These programs must now provide PPE and other hygiene supplies needed to comply with public health recommendations. In addition, SSPs are now filling service gaps caused by the COVID-19 crisis and experiencing significant financial strain. Many SSPs are now providing onsite COVID-19 testing, housing navigation, nutrition support, and offering remote charging stations for unhoused clients.

We appreciate the state's recent investment of \$15 million over 4 years for staffing in SSPs to help navigate clients to treatment and other services, but without a similar increase in the Clearinghouse budget these programs will not be able to provide the full range of supplies their staff and clients need to protect themselves during the COVID-19 outbreak. We urge the legislature to support an additional investment of \$3 million annually in the Syringe Exchange Supply Clearinghouse to ensure SSPs can continue providing lifesaving services to people who use drugs and other vulnerable populations during the COVID-19 crisis.

### Community-Based Organizations in Desperate Need of Financial Relief

If we are to prevent a dramatic increase in both disease burden and cost to our public health system, programs that address the needs of the state's most vulnerable residents affected by HIV, HCV, and STDs as well as COVID-19 must continue to provide high quality services.<sup>11</sup> Community-based organizations are the primary entry point for particularly vulnerable populations that face stigma, discrimination, and other access barriers to traditional health care settings. Many of these programs have had to dramatically cut expenses and are struggling to respond to the COVID-19 crisis while maintaining adequate HIV, HCV, and STD services.

Earlier this month, the California HIV/AIDS Policy Research Centers (CHPRC) conducted an online survey of 70 community-based organizations to document the impact of COVID-19 on efforts to address HIV, HCV, and STDs.<sup>12</sup> While the majority (67%) of community-based organizations are now providing many services via telehealth, other critical services related to

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<sup>11</sup> Managing HIV During COVID-19: Working to End One Epidemic While Confronting Another. Kaiser Family Foundation. Available at: <https://www.kff.org/coronavirus-policy-watch/managing-hiv-during-covid-19-working-to-end-one-epidemic-while-confronting-another/>.

<sup>12</sup> COVID-19 Organizational Health Survey. California HIV/AIDS Policy Research Centers. Available at: <https://www.chprc.org/covid-19-organizational-health-survey/>.

HIV, HCV and STDs have been reduced or suspended due to the statewide stay-at-home order and social distancing guidelines. The survey found that 57% of community-based organizations have reduced or suspended HIV testing, 36% have reduced or suspended HCV testing, and 34% have reduced or suspended STD testing. In addition, 34% of respondents have been forced to furlough or layoff staff and 44% have reassigned staff to the COVID-19 response. Community-based organizations must be supported in their efforts to provide vital services for the most vulnerable Californians.

Community-based organizations have largely been left out of federal, state, and local relief efforts and/or have experienced great difficulty accessing financial assistance. The Coronavirus Aid, Relief, and Economic Security (CARES) Act included critical funding for small businesses, including the Small Business Administration's Paycheck Protection Program. Many community-based organizations have applied for these funding opportunities, but the application process has been chaotic, many have not been accepted even when they applied on the first day, and support will be inadequate to maintain California's existing HIV, HCV, and STD service levels. According to the CHPRC survey, 74% of community-based organizations have applied for public or private funding, but only 24% have actually been awarded funding. Even with existing funding opportunities, 66% of those surveyed anticipate needing additional funding to maintain services. The total need across all survey respondents to address COVID-19 related challenges and maintain existing HIV, HCV, and STD services was approximately \$50 million. Without additional resources, 40% of respondents indicated they will be required to further reduce services, 39% will be required to furlough or layoff staff, and 11% will be required to merge with another agency or close their doors.

As the legislature considers COVID-19 economic relief packages, we urge you to provide financial support for community-based organizations to allow for the safe continuation of existing HIV, HCV, and STD prevention, testing, and treatment services and to help address the COVID-19 related needs of their clients. This financial support is urgently needed to allow community-based organizations to expand telehealth options, develop innovative outreach efforts to reach clients in their homes, implement home-testing and "express testing" programs to maintain social distancing guidelines, and purchase PPE to keep frontline staff and community members safe. Funding is also needed to support community-based organizations in their efforts to meet the COVID-19 related needs of their clients, including providing benefits and health care navigation and housing case management for individuals impacted by COVID-19. Community-based organizations have a unique ability to reach vulnerable populations impacted by COVID-19 and help ensure they remain engaged in care even after the COVID-19 crisis is over.

We have learned much from our multi-decade battle against HIV, HCV, and STDs that can instruct us how best to respond to the current COVID-19 crisis. As our public health and health care delivery systems are forced to adapt to these new circumstances, we have a unique opportunity to create a system that responds justly, effectively, and appropriately to all infectious diseases and to all Californians affected by them. We look forward to working with you to improve the health of all Californians and maintain progress in the fight against HIV, HCV, and STDs.

Sincerely,

Access Support Network  
ACCESS Women's Health Justice  
ACLU of California  
American Liver Foundation

Any Positive Change, Inc.  
APEB  
APLA Health  
Asian American Drug Abuse Program, Inc. (AADAP)  
Being Alive – Los Angeles  
Berkeley Free Clinic  
Bienestar Human Services  
CAPSLO The Center  
Center for Health Justice  
Children’s Hospital Los Angeles  
Citizens for Choice  
Community Clinic Association of Los Angeles County (CCALAC)  
C.O.R.E. Medical Clinic, Inc.  
Desert AIDS Project  
Divine Truth Unity Fellowship Church  
Drug Policy Alliance  
East Bay Getting To Zero  
East Los Angeles Women’s Center  
Equality California  
Essential Access Health  
Face to Face  
Fresno Barrios Unidos  
Fresno Needle Exchange Program  
Get Screened Oakland  
Glide  
Harm Reduction Coalition  
Harm Reduction Coalition of Santa Cruz County  
Harm Reduction Coalition of San Diego County  
Harm Reduction Institute/AAIMM  
Harm Reduction Services  
Hepatitis C Task Force for Los Angeles County  
HEPPAC  
HIVE  
HIVenas Abiertas  
Hollywood NOW  
Homeless Youth Alliance  
Humboldt Area Center for Harm Reduction  
Inland Empire Harm Reduction  
Los Angeles LGBT Center  
Men’s Health Foundation  
NARAL Pro-Choice California  
Needle Exchange Emergency Distribution (NEED)  
Northern Valley Harm Reduction Coalition  
Positive Women’s Network – USA  
Rainbow Pride Youth Alliance  
Reynolds Health Strategies  
Radiant Health Centers  
San Francisco Drug Users Union  
San Francisco Hepatitis C Task Force  
The Sidewalk Project  
The Source LGBT+ Center

The Spahr Center  
San Francisco AIDS Foundation  
San Francisco Drug Users' Union  
Stockton Harm Reduction Program  
The TransLatin@ Coalition  
Transgender Law Center  
UCSF Team Lily  
Valley Community Healthcare  
Women Organized to Respond to Life-Threatening Diseases (WORLD)  
Women's Foundation California

cc: The Honorable Members, Assembly Committee on Budget  
The Honorable Members, Senate Budget and Fiscal Review Committee  
Senate President pro Tempore Toni Atkins  
Assembly Speaker Anthony Rendon  
Tam Ma, Office of the Governor  
Richard Figueroa, Office of the Governor