



EARLY TREATMENT FOR HIV ACT (ETHA) FACT SHEET (Senate 860)

What ETHA accomplishes:

ETHA gives states the option of readily amending their Medicaid eligibility requirements to extend coverage to 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), which has allowed 49 states to provide early access to Medicaid to women with cancer. 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 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 also helps address growing waiting lists for access to life-saving medications and limited access to comprehensive health care in many parts of the country.

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. PwC's study found that ETHA slows disease progression, increases life expectancy, and is cost effective. The study's findings include:

- Over ten years, **ETHA would reduce by 50% the death rate for persons with HIV on Medicaid.**¹
- Over ten years, disease progression would be significantly slowed and health outcomes improved, with 35,000 more individuals having CD4 levels above 500 under ETHA.
- Employing *traditional* budget analysis rules, the five-year cost of ETHA would be \$359 million, and the ten-year cost would be \$2,453.6 million. However, traditional budget analysis fails to recognize many of the benefits and savings of ETHA. PwC's analysis found that **the “true cost” of ETHA is \$55.2 million over five years, and that ETHA would save \$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 alone reduce gross Medicaid costs by 70%, accounting for \$1,472.6 million in unrecognized savings.²

ETHA can help prevent HIV transmission:

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 as provided under ETHA is an important HIV prevention tool.

**The Early Treatment for HIV Act Is Cost-Effective, Improves Health,
Reduces HIV-Related Deaths, and Helps Prevent the Spread of HIV.**

¹ A Stanford/RAND study, funded by the federal Agency for Healthcare Research and Quality and published in the *Journal of Health Economics* (2003) confirms these results. The study found that expanding **Medicaid coverage for HIV/AIDS patients could reduce HIV-AIDS related deaths by up to 66%**.

² The savings associated with providing access to early intervention health care to those who enter Medicaid toward the end of an initial ten-year period are not recognized under traditional budget rules.

For more information contact Robert Greenwald at rgreenwald@taepusa.org