



DEPARTMENT OF AUDITS AND ACCOUNTS

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January 25, 2019

Honorable Sharon Cooper
Chairman, Health & Human Services
436 State Capitol
Atlanta, GA 30334

SUBJECT: Fiscal Note
House Bill (LC 33 7549)

Dear Chairman Cooper:

This bill would establish a three-year pilot program to provide pre-exposure prophylaxis (PrEP) drug assistance to individuals at risk of being infected with human immunodeficiency virus (HIV). If taken as directed, PrEP greatly reduces the risk of HIV infection. The bill gives the Department of Public Health (DPH) discretion in choosing which counties to fund for the program.

Costs of Pilot Program

As requested by the committee, we estimated the cost of a three-year pilot program in five specific counties: Fulton, Fannin, Haralson, Murray, and Towns. The costs are for quarterly testing of individuals for HIV and other sexually transmitted infections (STIs). DPH officials expect the pharmaceuticals to be provided free of charge by the manufacturer. The annual cost of testing is \$371 per program participant.

Assuming a 50% retention rate of program participants, we estimated costs of \$57,351 for year one, \$143,001 for year two, and \$188,710 for year three (Table 1). If clients are retained at a 25% rate, we estimated costs of \$49,260 for year one, \$99,345 for year two, and \$114,243 for year three (Table 2).

Table 1. Estimated Costs of Pilot Program – 50% Annual Retention

Fiscal Year	Fulton	Fannin	Haralson	Murray	Towns	Annual Total
2020	\$45,056	\$2,062	\$5,094	\$4,309	\$831	\$57,351
2021	\$112,344	\$5,142	\$12,700	\$10,744	\$2,072	\$143,001
2022	<u>\$148,253</u>	<u>\$6,785</u>	<u>\$16,760</u>	<u>\$14,178</u>	<u>\$2,734</u>	<u>\$188,710</u>
Grand Total	\$305,653	\$13,989	\$34,554	\$29,230	\$5,637	\$389,063

Table 2. Estimated Costs of Pilot Program – 25% Annual Retention

Fiscal Year	Fulton	Fannin	Haralson	Murray	Towns	Annual Total
2020	\$38,699	\$1,771	\$4,375	\$3,701	\$714	\$49,260
2021	\$78,047	\$3,571	\$8,823	\$7,464	\$1,439	\$99,345
2022	<u>\$89,751</u>	<u>\$4,108</u>	<u>\$10,146</u>	<u>\$8,583</u>	<u>\$1,655</u>	<u>\$114,243</u>
Grand Total	\$206,497	\$9,451	\$23,344	\$19,757	\$3,808	\$262,848

See Table 3 for the annual enrollment in each county and the enrollment at the end of the three years.

Table 3. Annual Enrollment and Estimated Enrollment at End of Year 3

	Fulton	Fannin	Haralson	Murray	Towns
Annual Enrollment	325	15	37	31	6
End of 2022 – 50% Retention	452	21	51	43	8
End of 2022 – 25% Retention	279	13	32	27	5

Methodology

The estimated cost of the bill is based on data from a PrEP program in Fulton County, as well as DPH data on testing costs, and the number of individuals in each county who may be referred to a PrEP program. We assumed that the rate of the individuals testing negative for HIV who were referred to the PrEP program in Fulton County (22.2%) would be the same in the other four counties.

We provided estimates for two different retention rates – 25% and 50%. It should be noted that Fulton County’s program had lower retention. In 2016, the program enrolled 325 individuals, but just 18% were still receiving medication after six months. If retention is lower than our models, the costs will be less. It is also important to note that program participants who are beginning and discontinuing the treatment regimen are commingled throughout the estimated annual enrollment period.

We assumed that the additional costs to the state will be limited to the cost of quarterly testing of individuals for HIV and STIs. The cost of the testing is \$371 annually. PrEP’s pharmaceutical manufacturer currently provides the drug at no cost to Fulton County, and DPH officials expect the company to provide the drug at no cost to participants in other counties as well. DPH officials stated that PrEP is already promoted as an HIV prevention tool, so additional costs for promotion and education would not be incurred. Finally, DPH officials stated that supportive services for individuals receiving PrEP and personnel to prescribe the drug already exist in county health departments.

Sincerely,

A handwritten signature in blue ink that reads "Greg S. Griffin".

Greg S. Griffin
State Auditor

A handwritten signature in blue ink that reads "Kelly Farr".

Kelly Farr, Director
Office of Planning and Budget

GSG/KF/jca