State Strategies to Sustain an Effective HIV Response

States have primary responsibility for protecting the health of their residents. This can lead to innovation and local leadership, but it can also result in disparate public health outcomes nationwide in the face of significant variation in available resources, public health services, and political will across states. Today, the federal government provides the majority of financing for public health. Over the past year, disruptions and delays in federal grant awards, mid-year cancellations, and reductions in funding have exacerbated pressure on state and local health departments. While these disruptions have not exclusively focused on HIV services, they seriously impact the existing network of HIV programs and services. This comes at a time when states are absorbing large cost shifts in Medicaid from the imposition of new work requirements and reductions in support for food assistance and other social services.

Many critical HIV programs at the state level are funded through the Centers for Disease Control and Prevention (CDC) HIV prevention budget and through the Ryan White HIV/AIDS Program (RWHAP) and its AIDS Drug Assistance Program (ADAP). CDC's HIV prevention funding is provided to state and local jurisdictions to conduct health surveillance activities, fund HIV testing, prevention interventions, and linkage to care.

The RWHAP and ADAP are the anchor of the nation's safety net HIV response. The program, however, effectively has been flat-funded for the past decade (a decline in real funding when accounting for medical inflation and increased need) and currently does not have adequate resources to do more to engage with the roughly 1 in 5 people with diagnosed HIV not in care. The discontinuation of the ACA Enhanced Premium Tax Credits further burden ADAPs, which pay for marketplace premiums for recipients who would otherwise not have insurance.

The FY 2026 HHS budget signed into law by the President largely flat-funds core HIV programs and did not include many of the structural changes proposed in the President's budget. Nonetheless, the disruption to HIV programs in 2025 and proposed cuts highlight the risks to essential HIV prevention and care infrastructure that many jurisdictions cannot readily offset with state funds.

FEDERAL DISRUPTION WEAKENS STATE SYSTEMS OF CARE—STATES MUST ACT

Federal funding cuts are impacting HIV care services. In a national survey of 526 HIV clinicians, 70 percent reported service disruptions affecting their patients, with states in the Midwest and South reporting the highest disruption rates. Programs report cancelled or delayed grants, hiring freezes, and staff layoffs that weaken the basic capacity to provide testing, PrEP and PEP, harm reduction, mental health services, navigation and case management. Cuts to CDC's HIV prevention and surveillance programs can reverse decades of progress in reducing HIV transmission and outbreak response. States report that the cuts to prevention

DISRUPTIONS IN HIV SERVICES ARE ALREADY BEING REPORTED NATIONWIDE

- All regions report high rates of service disruptions, with the Midwest and Southern regions reporting the highest rates.
- The most impacted disruptions include gender-affirming care, housing, HIV PrEP and PEP, mental health, and case management.
- Transgender individuals and immigrants, including undocumented individuals, have been affected the most.

Source: Emergency HIV Clinical Response Task Force, National HIV Clinician Survey Warns of HIV Service Disruptions (Oct. 2025), available at https://www.hivma.org/-/link/a43bb710b2ba49f4a42e952dd7ec4c17.aspx.

STATE ACTIONS TO MITIGATE FEDERAL CUTBACKS

States do not need to be passive in the face of federal changes. While some options may be politically challenging, this is a moment of crisis that calls for difficult choices to protect our HIV progress. Across the country, states are considering:

- Using **rainy-day funds** to cushion one-time shocks, recognizing that these reserves cannot sustain long-term commitments but can help prevent immediate damage to services.
- Adopting **alternate tax strategies** such as new top tax rates on incomes above $1 million, measures to crack down on corporate tax avoidance and excise tax on stocks and investments to fund public services. In 2021, Washington state implemented a 7% capital gains tax on long-term capital assets.
- Increasing **state and local funding** streams towards ADAPs. Wisconsin, Wyoming and Missouri, among others, have in the past increased state funding allocation towards ADAP by more than 100%.
- **Aligning ADAP formularies** with state Medicaid formularies, implementing maximum prescription number caps and prior authorization requirements to contain costs. California, Illinois and Texas have already implemented prior authorization requirements. While these measures might help reduce short-term spending, they can hinder access through administrative barriers.

These steps show that states have tools to respond to federal cost shifts. But they also highlight the limits of ad hoc fixes and the need for more deliberate, long-term strategies to preserve HIV prevention and care.

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funds will lead to termination of support and syringe service programs, HIV and STI testing, harm-reduction outreach, and infrastructure for surveillance and outbreak response. When these funds are delayed or reduced, services close or shrink, and communities lose established HIV prevention infrastructure and linkage to care. Furthermore, changes in policies can increase out-of-pocket costs, accrue avertable HIV infections, and increase overall HIV incidence. This would be further exaggerated by funding cuts to the U.S. Substance Abuse and Mental Health Services Administration, which remain a threat, impacting support for people experiencing addiction, homelessness and mental illness. The harm is not equal across states. Southern states face a severe shortage of rural clinics, and most have not expanded Medicaid to include low-income individuals. Further, many of these states are not positioned to make up the difference for limited federal funding towards HIV prevention. Reports have shown Alabama, Louisiana, Kentucky, Mississippi, and Missouri allocating zero state funds towards HIV prevention last year. Michigan, Colorado, and New York, by contrast, allocated approximately 40%, 50%, and 88% respectively, of their HIV prevention budgets from state budget appropriations.

POLICY ACTIONS TO SUPPORT STATE HIV EFFORTS

While HIV stakeholders continue to push for sustained federal investments, states must take policy action to protect the HIV care system. Critical considerations include:

Raise Revenue Before Cutting Services: When federal policy shifts costs onto states, the default response often is to reduce provider rates, trim social benefits, or narrow eligibility. States should explore other options. They can slow or reverse recent tax cuts targeted to high-income households and explore fair revenue measures and taxation that protect essential health programs. They can consider directing some Opioid Settlement Funds toward public health infrastructure and syndemic response to sustain much needed HIV services for communities impacted by the Opioid epidemic. Partnerships with state budget organizations and partnerships can help advocates and officials identify sustainable revenue options tailored to their state context.

Protect Core Services: Because prevention resources are most vulnerable, states should explicitly prioritize evidence-based services for groups most at-risk for HIV transmission. This includes syringe services programs (SSPs) and other harm reduction services as part of comprehensive substance use disorder (SUD) programs, HIV and STI testing, PrEP and PEP access, and gender-affirming care that can provide an entry point for HIV prevention and care services. These services are often targeted for reduction, but can be the most cost-effective at reducing HIV transmission.

Implementation Timing to Protect At Risk Groups: Advocates should document service disruptions and coverage losses in real time, mitigate harm by shielding the most essential services and populations, and design revenue and program reforms that make the HIV response more resilient and equitable. One way is through adjusting timing of implementation for certain policies to reduce coverage-disruption risk for groups least able to absorb it. For example, some states sequenced Medicaid renewals to delay processing for certain vulnerable groups until later in the unwinding period.

Auto Renewal using Available Data: As Medicaid work requirements and more frequent redeterminations take hold, state HIV programs should also focus on making it easier for people to stay enrolled through automated renewals using existing data and hands-on support from case managers. This would be universally beneficial and would help ensure people remain in care, instead of needing to re-prove eligibility multiple times a year. Documenting the direct impact of funding cuts on communities, not just through data, but firsthand accounts from people provides meaningful stories showing who is most affected that advocates can use to lobby congressional representatives of districts impacted by cuts.

THE TIME IS NOW

States always have been on the frontline of the HIV response and today, in the face of federal uncertainty, ever greater state leadership is needed. States should explore all opportunities to raise revenue before cutting services. For advocates, it is critical to document impact, mitigate harm, prioritize critical programs, protect vulnerable populations, and sustain funding for organizations closest to the ground to ensure every community has the prevention and care it needs.

TO LEARN MORE

For additional background information, see:

NASTAD's ADAP and RWHAP Part B annual report documents key trends, challenges and successes. https://nastad.org/adap-monitoring-project

NASTAD's ADAP Watch Report tracks current and projected fiscal health and cost-containment measure of ADAPs. https://nastad.org/sites/default/files/2026-02/nastad-adap-watch-february-2026_2.pdf

The State Priorities Partnership website provides a directory of partner organizations in each state, offering issue-area resource libraries on taxes, budgets, health care, and more. https://statepriorities.org/

For our related Quick Take, *Protecting HIV Programs and Services in the FY 2026 Budget* and the hyperlinked citations, see the link below.

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