

**AIDS Healthcare Foundation Archives**  
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**THE LEGAL DEPARTMENT COLLECTION**  
**ACCESSION NO. #####-##**

**PRESS RELEASE**

COMMUNITY RELATIONS DEPARTMENT

2 June 1998  
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***AIDS Healthcare Foundation, L.A. County Supervisors***  
**Reach Settlement in AIDS Drugs Billing Dispute:**  
**Differences in Federal, State Billing Regulations Cited as**  
**Conflict's Catalyst**

2 June 1998, LOS ANGELES, CA—In a stunning and decisive vote during an executive session called during their weekly public meeting, the LOS ANGELES COUNTY BOARD OF SUPERVISORS voted today to settle a long-simmering dispute between the County and *AIDS Healthcare Foundation (AHF)*, the nation's largest HIV/AIDS medical provider, over billing practices for AIDS medications. The Foundation—which provides medical care to over 5,000 County residents regardless of their ability to pay—has long-maintained that differences in federal and state regulations led to the County's initial confusion over allowable reimbursement rates for life-saving AIDS medications AHF provided its patients through its pharmacy program. (With the centralization of California's AIDS Drug Assistance Program [ADAP] through one San Francisco-based provider in mid-1997, AHF's pharmacy program has since closed.) AHF insisted all along that it followed federal billing guidelines which gave rise to the County dispute.

<b>Dates</b>	1997-Present
<b>Extent</b>	335 digitized items, including documents, audio files, and videos
<b>Creator</b>	AIDS Healthcare Foundation
<b>Access/Use</b>	The digitized collection is open for research. Copyright is retained by the AIDS Healthcare Foundation. Files can be accessed on the database at <a href="http://ahfarchives.org">ahfarchives.org</a>

<b>Language</b>	English
<b>Finding Aid</b>	This guide is available online.
<b>Acquisition/Appraisal</b>	This collection comes in-house from the AIDS Healthcare Foundation and materials acquired from past and current employees starting in 2011.
<b>Description Control</b>	Finding aid content adheres to that prescribed by Describing Archives: Content Standard. Processed by Hilary Clifford, Miki Jackson, and Mary Ann Cherry
<b>Preferred Citation</b>	Archive number, Box number, Legal Collection, AIDS Healthcare Foundation Archives.
<b>Subject Heading</b>	AIDS Healthcare Foundation Nonprofit organizations Legal documents Lawyers Procedure (Law) Legal correspondence Legal services AIDS (Disease) Patient advocacy

## Historical Note

The AIDS Healthcare Foundation began working with legislation when Tom Myers joined as the chief of public affairs and general counsel in 1998. Based in Washington D.C., the in-house attorney's guide AHF's legislation on issues such as drug pricing, reform of the Ryan White Care Act, and shaping PEPFAR (the President's Emergency Plan For AIDS Relief). It is important to HIV/AIDS advocacy that AHF has the resources to challenge the federal government and the large drug companies. Because of AHF, the majority of PEPFAR funding went to antiretroviral therapy. PEPFAR was also required to provide an annual report detailing the amount of people living with HIV/AIDS who were able to use treatment as a result of the program. Tom Myers set up a permanent base for the legal department in Washington D.C. in 2004.

Since the creation of PEPFAR, AHF was able to exert more influence in legislation. However, when Tom Myers first signed on to AHF he had to focus on defending lawsuits from creditors and collectors after Michael Weinstein made the decision to buy the AIDS cocktail in 1996. From 1996 to 2000 AHF was financially unstable. AHF sued for \$1 million and ended up only having to pay \$200,000 as a result of settlements. By suing large pharma corporations for their drug pricing (cardinal rather than wholesale), AHF uses settlements to fund international and pharmacy expansion, and to generally help the foundation grow. The Legal Department developed a business model, where expansion, public relations, and federal funding get passed through. The Legal Department also practices policy lobbying in order to get larger funders to adopt AHF practices.

One of AHF's more notable lawsuits was the constitutionality of Measure B. The County of Los Angeles Safer Sex In the Adult Film Industry Act, or Measure B, is the law that requires the use of condoms in all scenes involving intercourse in pornography productions filmed in LA County. As a result of this measure, the porn production companies also have to obtain a health permit.