



## ADAP Crisis Task Force

The ADAP Crisis Task Force (ACTF) negotiates reduced drug prices for all AIDS Drug Assistance Programs (ADAPs). ACTF membership is currently comprised of representatives from California, Florida, Michigan, New Jersey, New York, North Carolina, Texas and Utah state HIV/AIDS divisions. The ACTF was formed in December 2002 by a group of state AIDS/ADAP directors concerned about the nationwide fiscal crisis facing ADAPs. In March 2003, NASTAD provided logistical support for the first Task Force negotiation sessions between representatives from the ten (10) largest ADAP programs and the eight (8) companies that manufacture antiretroviral (ARV) drugs. The goal of the first meetings was to obtain significant and multi-year concessions on HIV/AIDS drug prices for all ADAPs.

Following the initial negotiations, agreements were reached with all eight (8) manufacturers. The Task Force has continued its work since 2003, extending the original agreements as well as negotiating when new drugs are approved by the Food and Drug Administration (FDA). Additional agreements with companies that manufacture medications for HIV-related conditions have also been secured. The Task Force currently has agreements with **12 manufacturers** and the negotiations produced estimated savings of **\$259 million** to ADAPs in 2009.

Federal health care reform (Affordable Care Act) which went into effect in 2010, included an additional price reduction for all drugs for state Medicaid and 340B programs (including ADAP). These mandatory price reductions replaced some of the Task Force's existing supplemental discounts/rebates. In light of this change and the growing ADAP fiscal crisis, the Task Force initiated new negotiations with all antiretroviral manufacturers in May 2010. Companies recognized the unique status of ADAPs and the need to provide new supplemental discounts to ensure ADAP prices were below the new lower 340B prices. The new agreements reduce ADAPs' antiretroviral costs by an **additional \$160 million** annually beginning July 2010. The cumulative savings of the Task Force agreements, **from 2003 to 2010**, totals more than **\$1.2 billion**. NASTAD continues to provide logistical support to the Task Force.

### ACTF Negotiation Principles

- ADAPs fiscal condition: State members of the Task Force represent a critical mass for successful negotiations;
- Significant and multi-year concessions on prices of HIV/AIDS drugs;
- All ADAPs must benefit equally from the negotiations;
- No "quid pro quo" arrangements or "strings;"
- Minimize "paper" to expedite implementation (e.g., simple two page term sheet); and
- Minimize formulary restrictions, prior authorization, delays in adding new drugs.

### Agreements

- Abbott, Auxillium, Boehringer Ingelheim, Bristol-Myers Squibb, Gilead Sciences, Genentech, Merck, PAR Pharmaceutical, Savient, Solvay, Tibotec Therapeutics and ViiV Healthcare.

### Future Steps

- Continue to coordinate pricing discussions with the Fair Pricing Coalition;
- Continue to target high cost drugs and manufacturers of all ADAP medications;
- Continue to seek other solutions to the ADAP fiscal crisis; and
- Extend existing agreements beyond current expiration dates.