



## A Coordinated Strategy to Save America's ADAPs March 2010

AIDS Drug Assistance Programs (ADAP) play a key role in the federal and state response to the U.S. domestic AIDS epidemic by providing medications to individuals who are living with HIV and are uninsured or underinsured. ADAPs, as critical safety net programs, are at the center of a perfect storm brought on by the extended economic downturn. ADAP enrollment and utilization are rapidly increasing while federal appropriations have barely risen, state allocations are shrinking due to state fiscal crises, and drug costs continue to climb.

As a result, many ADAPs are experiencing a fiscal crisis which is rapidly expanding, as documented in NASTAD's March 9, 2010 [ADAP Watch](#). This crisis contributes to a variety of cost containment measures and access restrictions for ADAP, including waiting lists, eligibility and formulary reductions as well as other program caps and restrictions. In addition, as states cobble together available funding to continue ADAP services, other care and treatment and support programs are experiencing cost containment measures and access restrictions.

In order to meet the needs of more than 166,000 individuals living with HIV receiving ADAP services and tens of thousands more who will turn to the program throughout the next year to meet their HIV medication needs, ADAPs, state and federal governments and industry partners must all work together to solve the ADAP crisis. Many organizations and coalitions have joined together and are pursuing a coordinated strategy to help save America's ADAPs. This strategy consists of three components:

- 1. Secure additional resources for ADAP from the federal government:** A large gap remains for ADAPs in FY2010 in spite of a \$20 million federal appropriations increase. Many organizations are currently advocating for an emergency supplemental appropriation of \$126 million to help sustain current services and eliminate waiting lists and other cost containment measures. The total ADAP federal need number for FY2011 is an increase of \$370 million for a total appropriation of \$1.205 billion, including the \$126 million supplemental needed in FY10.
- 2. Maintain, restore and increase resources for ADAPs from state governments:** ADAPs have long had a strong state-federal partnership. The federal share of the national ADAP budget has been declining from a high of 68 percent in 2000 to the current share of 49 percent. Over that same time, state revenues for ADAPs have increased to help meet program demands. However, the economic downturn is now forcing states to decrease or

eliminate their state support of ADAP as well as other care and treatment programs. In FY2008, states contributed \$329 million, or approximately 20 percent, of the overall ADAP budget. In FY2009, the state share fell to approximately 14 percent. Local coalitions are advocating for state legislatures to at least maintain their current level of funding in order to sustain current services.

- 3. Secure additional agreements between ADAPs and pharmaceutical manufacturers to augment existing agreements:** The ADAP Crisis Task Force (ACTF) negotiates with manufacturers for reduced drug prices on behalf of all 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 has agreements with 14 manufacturers that produced an estimated savings for ADAPs of \$222 million in 2008 with a cumulative savings of over \$1 billion since 2003. The ACTF will be meeting with pharmaceutical companies in May 2010 in an effort to forge agreements that:
  - a. Provide additional rebates and discounts to provide a temporary financial bridge for ADAPs until the new health reform law is fully implemented;
  - b. Provide multiple year cost protections to ADAPs which will allow all increased revenues to go toward eliminating waiting lists, providing medications to new clients, and maintaining formularies; and
  - c. Work toward standardization of Patient Assistance Program (PAP) application forms and procedures as well as expedite the processing of individuals on ADAP wait lists by allowing ADAP eligibility determination in each state to replace each company's financial eligibility screening for PAPs.