

## ADAP Crisis Task Force

### Fact Sheet

November 2016

The ADAP Crisis Task Force (Task Force) negotiates reduced drug prices for all AIDS Drug Assistance Programs (ADAPs). Task Force membership is currently comprised of representatives from Arizona, California, Florida, Illinois, Maryland, Massachusetts, New York, North Carolina, Tennessee, Texas, Virginia, and Washington state HIV/AIDS divisions. The Task Force 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 current agreements with manufacturers reduced ADAPs' antiretroviral costs by **\$338 million** in 2015. The cumulative savings of the Task Force agreements, **from 2003 to 2014**, totals more than **\$2.7 billion**. Task Force negotiated prices for antiretrovirals average a discount of more than 50% from Wholesaler Acquisition Cost (WAC).

#### **ACTF Negotiation Principles**

- State members of the Task Force represent a critical mass (more than 65% of the national ADAP expenditures) 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.

#### **Confidentiality**

Section 340B of the Public Health Service Act (42 U.S.C. § 1396r-8 (b) (3) (D)) and Section 1927(a)(5) of the Social Security Act detail the confidentiality of drug pricing information that applies to negotiated ADAP (sub-340B) pricing. In order to ensure ethical integrity in the negotiations process and other activities within the Task Force, all individuals who participate in negotiations with the Task Force (Task Force members, consultants, and NASTAD staff) sign a confidentiality statement annually agreeing to protect the confidentiality of pricing for each company with which the Task Force negotiates.

#### **Relationship between NASTAD and Task Force**

NASTAD provides logistical support to the Task Force and NASTAD staff and consultants are non-voting members.

## ADAP Crisis Task Force

Arizona - California - Florida - Illinois - Maryland - Massachusetts  
New York - North Carolina - Tennessee - Texas - Virginia - Washington