



The Continuing ADAP Crisis

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 continues to rapidly expand. 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. As of October 21, 2010, nine states have ADAP waiting lists totaling 3,955. The states with the greatest number of individuals on their lists are Florida (2,207), Georgia (648), Louisiana (529), Ohio (291) and South Carolina (196). Twenty-three states have instituted or anticipate instituting before the end of the ADAP fiscal year ending in March 2011 cost containment measures. 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 major components.

Secure additional resources for ADAP from the federal government:

- Throughout 2010, advocates had been asking for emergency appropriations to ADAPs of \$126 million.
- In July, the Obama Administration announced the availability of \$25 million for ADAPs with waiting lists and other cost containment measures. These funds were awarded in August to 30 states.¹
- States also received a total of \$17.5 million from the Part B base supplemental grants the vast majority of which will help maintain clients on ADAP. However, the funding has not been sufficient to clear all the waiting lists.

¹ States receiving ADAP emergency funding were: Alaska, Arizona, California, Colorado, District of Columbia, Florida, Georgia, Hawaii, Idaho, Iowa, Kentucky, Louisiana, Missouri, Montana, New Jersey, North Carolina, North Dakota, Ohio, Oregon, Puerto Rico, Rhode Island, South Carolina, South Dakota, Tennessee, Utah, Virginia, Washington, Wisconsin, Wyoming and Virgin Islands.

- Hawaii, Idaho, Kentucky, South Dakota and Utah were able to clear their waiting lists, although Idaho has already recapped their program enrollment.
- Additional federal resources are needed to not only help the struggling ADAPs, but to assist all ADAPs to meet the increased demand for their services.

Maintain, restore and increase resources for ADAPs from state governments:

- 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. State funding has been increasing over the same time from 17% in 2000 to 21% in FY2008.
- 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.
- There are signs that states have been successful in restoring some of the cuts:
 - North Carolina Governor and Legislature appropriated an additional \$14 million, bringing the state total to \$25.5 million for ADAP.
- Hawaii, Idaho, Missouri, Nebraska, Pennsylvania, Texas, Virginia, Washington and Wisconsin have all reported that their states have maintained or increased funds to ADAP
- Local coalitions continue to advocate for state legislatures to at least maintain their current level of funding in order to sustain current services.

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.²
- The ACTF has agreements with 12 manufacturers that produced an estimated \$259 million for 2009.
- Since the inception of the ACTF in 2003, the agreements have realized cumulative savings for ADAPs of almost \$1.1 billion. .
- In light of the current ADAP crisis, the ACTF initiated new agreements with the major manufacturers. Recent negotiations have reduced costs by an additional \$160 million per year, effective July 1, 2010.
- These savings allow ADAPs to serve additional clients and avoid implementing new cost-containment measures.

² ACTF membership is currently comprised of representatives from California, Florida, Michigan, New Jersey, New York, North Carolina, Texas and Utah state HIV/ AIDS divisions.