



THE SECRETARY OF HEALTH AND HUMAN SERVICES  
WASHINGTON, D.C. 20201

July 6, 2010

The Honorable Tom Coburn, M.D.  
United States Senate  
Washington, D.C. 20510

Dear Senator Coburn:

Thank you for your letters expressing concern over the expanding waiting lists for individuals eligible for enrollment in the AIDS Drug Assistance Program (ADAP). Many factors have contributed to the actual and projected ADAP shortfall within states. These factors include but are not limited to: the increased demand for ADAP services; budgetary constraints caused by the economic downturn; cutbacks in state-funded programs; and increases in the number of unemployed and uninsured individuals. The Department of Health and Human Services (HHS) recognizes the need to improve access to critical HIV/AIDS prescription drugs and is working to prevent, and ultimately eliminate, the need for ADAP waiting lists.

Beginning in the last quarter of fiscal year (FY) 2009, HHS has closely monitored ADAP expenditures in order to identify states that are likely to run out of funds before the end of the fiscal year. HHS has initiated contact with the ADAP director in states that have implemented cost containment strategies and those that have instituted waiting lists. Developments are closely monitored on a weekly basis and technical assistance (TA) is provided to enable these state programs to:

- Improve methods used to forecast ADAP utilization;
- Assess current drug purchasing methods to identify additional cost-saving opportunities – e.g., switching from the 340-B Rebate Purchasing Option to the 340-B Direct Purchase Option; and
- Develop strategies to ensure that individuals on ADAP waiting lists have access to alternative resources for HIV/AIDS prescription drugs, such as manufacturer's pharmaceutical patient assistance programs.

As you are aware, there are over 1,900 individuals on state ADAP waiting lists. HHS is reallocating and transferring \$25 million in existing resources to provide lifesaving medicines to these individuals, as well as to respond to our projected need through the end of the year. We are confident this reallocation and transfer of funds will address ADAP needs through the end of FY 2010.

We also made significant funding available for ADAP earlier this year through the Ryan White HIV/AIDS Program. On April 5, 2010, HHS, through the Health Resources and Services Administration (HRSA), awarded a total of \$1.14 billion in Ryan White HIV/AIDS Program Part B funds to all states, the District of Columbia, Puerto Rico, Guam, the Virgin Islands, and Pacific

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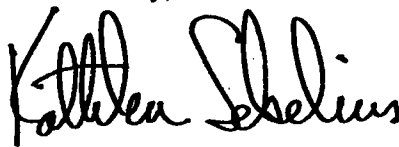
Island Territories. Out of this amount, \$800 million (70 percent) was directed to the ADAP Program. Additionally, \$41.7 million in Part B ADAP Supplemental Grants were awarded on April 12, 2010, to the 25 eligible States, Puerto Rico, and the Virgin Islands. HHS expects to award approximately \$17.5 million in new Part B Supplemental Grant funds by August 1, 2010. States may use these additional funds to support their ADAP Programs. States may also allocate a portion of their Part B base funding for ADAP services.

The 2006 and 2009 statutes reauthorizing the Ryan White HIV/AIDS Program increased the amount of funds available for an ADAP Supplemental Treatment Drug Grant Program (ADAP Supplemental). The 2009 statute also provides a waiver of the ADAP Supplemental matching requirement for states that have already met the Part B matching requirement. However, the ADAP Supplemental waiver does not apply to states with low and moderate HIV/AIDS incidence.

With regard to the recent \$9.5 million awarded to the City of San Francisco under the American Recovery and Reinvestment Act of 2009 (ARRA), this award was made by the National Institutes of Health (NIH) National Center for Research Resources. The awarded funds will provide for the expansion, renovation, and reorganization of three research units in the San Francisco Department of Public Health (SFDPH). The funds will enable the AIDS Office within the SFDPH to increase their capacity to recruit, enroll, and retain large diverse populations of study participants, conduct state-of-the-art HIV research, collaborate between research units and colleagues worldwide, and provide critical data on new HIV/AIDS cases to investigators worldwide. ARRA does not authorize funding for any component of the Ryan White HIV/AIDS Program, including ADAP.

Thank you for your concern for people living with HIV/AIDS. A similar response has been sent to Senators Burr and Enzi.

Sincerely,

A handwritten signature in black ink, appearing to read "Kathleen Sebelius". The signature is written in a cursive, flowing style.

Kathleen Sebelius