October 9, 2007

NASTAD™
NATIONAL ALLIANCE OF STATE & TERRITORIAL AIDS DIRECTORS

As of September 26, 2007, there were no individuals on AIDS Drug Assistance Program (ADAP) waiting lists. Three ADAPs have implemented cost-containment measures in the six months since the ADAP fiscal year began on April 1, 2007. Three ADAPs anticipate the need to implement new or additional cost-containment measures during the current ADAP fiscal year ending March 31, 2008. Two states with previous waiting lists did not report waiting lists for this *ADAP Watch:* Alaska reported eliminating its waiting list due to ADAP Supplemental funding and South Carolina received both state and federal funds, allowing them to move all clients on the waiting list into the ADAP.

The absence of waiting lists is good news for clients in states that have historically struggled with universal access to ADAP. A combination of events within the last year has allowed several ADAPs to eliminate waiting lists and in some cases expand their program. These events include:

- Significant state and grassroots advocacy efforts yielded increased state appropriations in several states;
- HRSA released FY2007 ADAP Supplemental awards in September, funding fourteen states and two territories with a total of $39.4 million;
- Ten states moved or are planning to move funds from their Ryan White Part B awards into their ADAP to keep the program whole due to ADAP funding formula reductions;
- The Medicare Part D Prescription Drug Benefit has provided program savings for a number of ADAPs.

For ADAPs that received increased funding, particularly as a result of ADAP Supplemental funding, program expansion has become an option for the first time in many years. As a result of additional funds, twenty-three ADAPs have expanded their formularies; four have increased their financial eligibility level; five have expanded or eliminated their enrollment cap; and six are providing additional program support previously unavailable (i.e., wrap-around for Part D, expanded medication caps, and coverage for individuals waiting for admission to the state high risk insurance pool).

Although current funding has enabled ADAPs to meet the demand for Highly Active Antiretroviral Therapy (HAART) and other HIV-related medications and for the first time since July 2002, there are no waiting lists for access to HIV-related medications, other states continue to report cost containment measures to maintain their programs. In addition to cost containment measures, there remains a significant variation in ADAPs across the nation in both formularies and eligibility criteria. Thirty (30) ADAPs require that an applicant's income not exceed 300 percent of the Federal Poverty Level (FPL) with

eleven of those ADAPs allowing a maximum of 200 percent of FPL. Thirty-seven (37) ADAPs continue to restrict their formulary to only HIV related medications, providing no drugs for the myriad of other conditions that may affect ADAP clients, including opportunistic infections.

The effort to increase funding for ADAPs should continue since the present fiscal condition remains fragile and is not guaranteed beyond FY2007. Shifts in funding as a result of reauthorization of the Ryan White Program and one-time additional funding to Part B in FY2007 render the fiscal future of ADAPs uncertain. Without the assurance of sustainability, ADAPs are not likely to make significant programmatic changes. In addition, several new therapies are being approved this year which ADAPs will be adding to their formularies and thus increasing costs. FY2008 funding for ADAP is currently under consideration by Congress – a $41 million increase is included in the House bill and a $25.4 million increase is in the Senate bill. ADAP received a $2 million increase in FY2006 and was flat funded in FY2007. Continued funding increases are needed each year to ensure that waiting lists and other cost-containment measures are not reinstituted in states and do not become permanent features of this critical program. ADAP expenditures have grown, on average, $110 million a year since FY1997.

ADAP provides life-saving HIV treatments to low income, uninsured, and underinsured individuals living with HIV/AIDS in all 50 states, the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, Guam, the Northern Mariana Islands, the Federated States of Micronesia, American Samoa, and the Republic of the Marshall Islands. Since the advent of HAART in 1996, AIDS deaths have declined and the number of people living with HIV/AIDS has markedly increased. ADAP has played a critical role in making HAART more widely available.

ADAPs with Other Cost-containment Strategies (instituted since April 1, 2007)

Alabama: Capped enrollment
Indiana: Capped enrollment
Michigan: Formulary management

Five ADAPs have capped enrollment for Fuzeon access (44 ADAPs reporting);
One ADAP does not include Aptivus on its formulary (44 ADAPs reporting);
One ADAP has capped enrollment for Selzentry access and 24 ADAPs do not include the drug on their formularies (44 ADAPs reporting) – NOTE that this drug was approved by the FDA on August 6, 2007.

ADAPs Anticipating New/Additional Cost-containment Measures (before March 31, 2008*)

Idaho
Kansas
Louisiana

** March 31, 2008 is the end of ADAP FY 2007. ADAP fiscal years begin April 1 and end March 31.*