June 4, 2009

The ADAP Watch

As of May 20, 2009, there were 99 individuals on AIDS Drug Assistance Program (ADAP) waiting lists in four states. This is an increase of 37 individuals and one additional state since the last ADAP Watch was published in March 2009. Eleven ADAPs, one with a current waiting list, anticipate implementing new cost-containment measures by the end of March 2010 which is the end of the FY2009 ADAP grant period. Six of those states anticipate implementing a waiting list. Factors identified as contributing to the need for cost containment measures reported by states are:

- Higher demand for ADAP services as a result of higher unemployment (8 ADAPs)
- Level federal funding awards (7 ADAPs)
- Increased insurance/Medicare Part D wrap-around costs (7 ADAPs)
- Higher demand for ADAP services due to increased testing efforts (7 ADAPs)
- Increased drug costs (6 ADAPs)
- Decreases in state general funding for ADAPs (5 ADAPs)
- State Medicaid or other state program budget cuts (5 ADAPs)
- Reduced contributions from Part B into ADAP (4 ADAPs)
- Reduced contributions from Part A into ADAP (2 ADAPs); and,
- Higher demand for ADAP services in general (2 ADAPs).

Analysis of the recently awarded FY2009 federal Ryan White grants for Part B and ADAP show that thirteen states and six territories experienced reductions in overall awards compared to FY2008. (This does not include Part B Base Supplemental and MAI awards which are still to be awarded). Six states and six territories experienced reductions from FY2008 in their Part B Base awards and five states experienced reductions in their ADAP awards. Of the 21 states receiving ADAP Supplemental awards, 15 experienced a reduction in their FY2009 awards (five new jurisdictions received ADAP Supplemental awards in FY2009 with only a slight increase in available funding).

State funding for ADAPs is in flux as states tackle their budget deficits. According to a recent NASTAD survey, approximately 54 percent of state HIV programs reported a decrease in state general revenue funding in state FY2009 and 71 percent of states reported anticipating a decrease in state funding in FY2010. The majority of states reported decreases directed by an administrative authority (e.g., health department, governor's office, state legislature, etc.) to cut a pre-determined amount from their state budgets. The full impact of state FY2009 budget decreases may not be realized until the end of June 2009 however the average reduction of state general revenue for HIV programs is approximately 14 percent.

Amid state fiscal crises and level federal funding, most ADAPs have been able to stave off waiting lists and additional reductions in services to the clients they serve. However, it is becoming increasingly difficult for states to bear the burden of funding allocations not equivalent to client needs, particularly as a result of decreased state general revenue funding. Therefore, increased federal funding is needed to maintain current clients and serve new clients seeking ADAP and other Ryan White services. The President's FY2010 budget requests $2.3 billion for the Ryan White Program, an increase of $54 million over FY2009. The budget provides a $20 million increase for state ADAPs for a total of $835 million and a $10 million increase for the Part B Base for a total of $419 million. For FY2010, ADAPs need an increase of $269 million for a total of $1 billion and the Part B Base needs an increase of $113 million for a total of $514 million to meet the increased demand for the comprehensive array of life-saving therapies, outpatient medical care and support services.

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. In addition, some ADAPs provide insurance continuation and Medicare Part B wrap-around services to eligible individuals. Ryan White Part B Programs provide necessary medical and support services to low income, uninsured, and underinsured individuals living with HIV/AIDS in all states, territories and associated jurisdictions.

ADAPs with Waiting Lists (99 individuals, as of May 20, 2009)

Indiana: 26 individuals
Montana: 19 individuals
Nebraska: 51 individuals
Wyoming: 3 individuals

ADAPs with Other Cost-containment Strategies (instituted since April 1, 2009)

Wyoming: annual expenditure caps

ADAPs Anticipating New/Additional Cost-containment Measures (before March 31, 2010*)

Arizona: waiting list, reduced formulary, lowered financial eligibility, capped enrollment, client cost sharing, annual and monthly expenditure caps
Arkansas: waiting list, reduced formulary, lowered financial eligibility, capped enrollment
California: reduced formulary, lowered financial eligibility, client cost sharing
Hawaii: waiting list
Idaho: waiting list, capped enrollment
Kentucky: waiting list
Mississippi: reduced formulary, client cost sharing
Ohio: lowered financial eligibility, client cost sharing
Tennessee: waiting list
Washington: reduced formulary (as an incentive for clients to enroll in insurance program)
Wyoming: client cost sharing

** March 31, 2010 is the end of ADAP FY2009. ADAP fiscal years begin April 1 and end March 31.*

NASTAD (www.NASTAD.org) is a nonprofit national association of state health department HIV/AIDS program directors who have programmatic responsibility for administering HIV/AIDS and viral hepatitis health care, prevention, education, and supportive services programs funded by state and federal governments. To receive *The ADAP Watch*, please e-mail Britten Ginsburg at bginsburg@NASTAD.org.