The State of ADAPs
Update on the ADAP Crisis

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National Alliance of State & Territorial AIDS Directors
November 12, 2011
Presentation Agenda

- Highlights from the 2011 National ADAP Monitoring Project Annual Report
- Update on the ADAP Crisis
- Questions and Answers
Highlights from the 2011 National ADAP Monitoring Project Annual Report
In FY2010, the national ADAP budget grew to $1.79 billion, a 13% increase from FY2009.

All funding streams increased incrementally over the last year.
In FY2009, ADAPs expended $1.4 billion on prescription drugs, representing 85% of all ADAP expenditures.

ADAPs expended $176.1 million on insurance payments, representing 10% of all ADAP expenditures.

Two percent of ADAP funds were expended for program administration costs.

Total = $1.7 billion
On average, 2,806 new clients were enrolled in ADAP each month in FY2009.
Sixty-eight percent (68%) of ADAP clients are male.
Blacks and Hispanics comprise 55% (33% and 22% respectively) of ADAP clients served.
Almost half (48%) of ADAP clients are between the ages of 45 and 64.
Seventy-five percent (75%) of ADAP clients had income levels at or below 200% of the Federal Poverty Level (FPL).
ADAP Clients Served, by Income Level, June 2010

Federal Poverty Level

- Unknown: 3%
- >400% FPL: 1%
- 301-400% FPL: 5%
- 201-300% FPL: 14%
- 134-200% FPL: 19%
- 101-133% FPL: 11%
- ≤100% FPL: 45%
Twenty-two percent (22%) of ADAP clients had private insurance.

Seven percent (7%) of ADAP clients were dual beneficiaries of both Medicaid and Medicare.
ADAP Eligibility Criteria

- ADAP income eligibility in June 2010 ranged from 200% FPL in eight states to 500% FPL in six.
- Fourteen ADAPs reported having asset limits in place in June 2010.
Clients Served and Estimated Expenditures in Insurance Purchasing and Continuation, 2010

Number of Clients (June)

Fiscal Year Expenditures (in millions)

- 2002: $19, 5,272 clients
- 2003: $30, 7,167 clients
- 2004: $38, 7,277 clients
- 2005: $75, 12,311 clients
- 2006: $84, 13,744 clients
- 2007: $75, 20,960 clients
- 2008: $107, 15,843 clients
- 2009: $159, 30,621 clients
- 2010: $194, 110,369 clients

- 2002: $19
- 2003: $30
- 2004: $38
- 2005: $75
- 2006: $84
- 2007: $75
- 2008: $107
- 2009: $159
- 2010: $194

Number of clients and estimated expenditures in insurance purchasing and continuation, 2010.
In June 2010, 110,338 ADAP clients were served through insurance coordination.

Clients served through insurance coordination more than tripled since June 2009.

Spending on insurance purchasing/continuation represented an estimated $139 per capita in June 2010, about 15% of the average monthly cost per client, based on drug expenditures, in that month ($949).
ADAP Waiting Lists
NASTAD Process for Updates

- **Weekly updates**
  - Monday-Wednesday – connect with ADAPs anticipating cost-containment and waiting lists to check on current program status
  - Thursday – e-mail requesting an updated number of individuals currently on each states ADAP waiting list, as of that date
  - Friday – compile information received and release ADAP waiting list update
NASTAD Reporting Process

- ADAP waiting list update contains individuals who have:
  - Completed the application process for their state ADAP
  - Been deemed eligible for the ADAP in their state
  - Been placed on the state’s ADAP waiting list or unmet need list

- Information captured each week at the same point in time (all states provide an updated number based on a date provided by NASTAD)
What the ADAP Watch Does Not Capture

- Individuals who have not presented to ADAP
- Individuals who have presented but were not eligible
- Individuals who may have been disenrolled
- Individuals who have “fallen out” of ADAP (e.g., no longer taking drugs, moved, obtained other coverage)
- Individuals who may be in one or more of the above categories and accessing a PAP for medications
ADAP Waiting List Update
## ADAP Waiting Lists
(6,489 individuals in 12 states), as of November 3, 2011

<table>
<thead>
<tr>
<th>State</th>
<th>Number of Individuals on ADAP Waiting List</th>
<th>Percent of the Total ADAP Waiting List</th>
<th>Increase/Decrease from Previous Reporting Period</th>
<th>Date Waiting List Began</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alabama</td>
<td>44</td>
<td>0.7%</td>
<td>16</td>
<td>October 2011</td>
</tr>
<tr>
<td>Florida</td>
<td>3,260</td>
<td>50%</td>
<td>-26</td>
<td>June 2010</td>
</tr>
<tr>
<td>Georgia</td>
<td>1,415</td>
<td>22%</td>
<td>-9</td>
<td>July 2010</td>
</tr>
<tr>
<td>Idaho</td>
<td>2</td>
<td>0.03%</td>
<td>-5</td>
<td>February 2011</td>
</tr>
<tr>
<td>Louisiana**</td>
<td>489</td>
<td>8%</td>
<td>-217</td>
<td>June 2010</td>
</tr>
<tr>
<td>Montana</td>
<td>11</td>
<td>0.2%</td>
<td>0</td>
<td>January 2008</td>
</tr>
<tr>
<td>Nebraska</td>
<td>8</td>
<td>0.1%</td>
<td>5</td>
<td>October 2011</td>
</tr>
<tr>
<td>North Carolina</td>
<td>78</td>
<td>1%</td>
<td>8</td>
<td>January 2010</td>
</tr>
<tr>
<td>Ohio</td>
<td>0</td>
<td>0%</td>
<td>0</td>
<td>July 2010</td>
</tr>
<tr>
<td>South Carolina</td>
<td>60</td>
<td>1%</td>
<td>14</td>
<td>March 2010</td>
</tr>
<tr>
<td>Utah</td>
<td>31</td>
<td>0.5%</td>
<td>1</td>
<td>May 2011</td>
</tr>
<tr>
<td>Virginia</td>
<td>1,091</td>
<td>17%</td>
<td>13</td>
<td>November 2010</td>
</tr>
</tbody>
</table>
Waiting List Organization

- Of the 12 states with ADAP waiting lists, seven ADAPs utilize a first-come, first-served model for prioritizing clients.

- Of the 12 states with ADAP waiting lists, four ADAPs utilize a medical criteria model for prioritizing clients.

- One ADAP utilizes an income criteria model to prioritize clients on their waiting list.
Waiting List Demographics

ADAP waiting list clients, by Race/Ethnicity, as of August 3, 2011

- Non-hispanic Black/African American (48%)
- Hispanic (16%)
- Native Hawaiian/Pacific Islander (<1%)
- Multi-racial (1%)
- Unknown (4%)
- Non-hispanic White (25%)
- Asian (<1%)
- American Indian/Alaskan Native (<1%)
- Other (4%)

ADAP waiting list clients, by Gender, as of August 3, 2011

- Male (71%)
- Transgender (<1%)
- Female (26%)
- Unknown (2%)
Case management services are being provided to clients on ADAP waiting lists through:

- ADAP (1 ADAP)
- Ryan White Part B (8 ADAPs)
- Contracted agencies (4 ADAPs)
- Other agencies, including other Parts of Ryan White (5 ADAPs).
ADAP Cost-containment Measures
As of August 3, 2011, ADAPs reported the following factors contributing to consideration or implementation of cost containment measures:

- Level federal funding awards (28 ADAPs)
- Higher demand for ADAP services as a result of increased unemployment (27 ADAPs)
- Increased demand for ADAP services due to comprehensive HIV testing efforts (23 ADAPs)
- Escalating drug costs (20 ADAPs)
- Decreases in state general funding for ADAPs (16 ADAPs)
<table>
<thead>
<tr>
<th>State</th>
<th>Lowered Financial Eligibility</th>
<th>Disenrolled Clients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arkansas</td>
<td>500% to 200% FPL</td>
<td>99 clients (September 2009)</td>
</tr>
<tr>
<td>Illinois</td>
<td>500% to 300% FPL</td>
<td>Grandfathered in current clients from 301-500% FPL</td>
</tr>
<tr>
<td>North Dakota</td>
<td>400% to 300% FPL</td>
<td>Grandfathered in current clients from 301-400% FPL</td>
</tr>
<tr>
<td>Ohio</td>
<td>500% to 300% FPL</td>
<td>257 clients (July 2010)</td>
</tr>
<tr>
<td>South Carolina</td>
<td>550% to 300% FPL</td>
<td>Grandfathered in current clients from 301-550% FPL</td>
</tr>
<tr>
<td>Utah</td>
<td>400% to 250% FPL</td>
<td>89 clients (September 2009)</td>
</tr>
</tbody>
</table>
ADAPs with Cost-containment and Anticipated Cost-containment

- **Examples of cost-containment measures currently in place or anticipated:**
  - Reduced formulary
  - Restricted eligibility criteria
  - Capped enrollment
    - Once the enrollment cap is reached, ADAP will establish a waiting list.
  - Expenditure caps
  - Client cost-sharing
The ADAP Year in Review
The “Perfect Storm”

Minimal increases in federal appropriations

Fluctuations in state funding

Increased demand due to unemployment and other economic challenges

Revised HIV treatment guidelines; earlier treatment

Heightened national efforts on HIV testing and linkages into care

High drug costs
Patient Protection and Affordable Care Act (PPACA) signed into law in March 2010.

Some portions of reform that will impact ADAPs specifically are:
- Medicaid eligibility expansion (2014);
- Increase in the number of individuals covered by insurance plans (2014);
- ADAPs’ Medicare Part D expenditures counting toward True Out Of Pocket (TrOOP) expenditures (2011);
- Narrowing and closing of the Medicare Part D “doughnut hole (ongoing);”
- An increase in the Medicaid rebate amount for purchased drugs; and (2010); and
- 340B pricing transparency.
In May 2010, pharmaceutical partners augmented current agreements with ADAPs including:

- Providing deeper discounts;
- Increased rebates; and/or
- Price freezes to ADAP.

Savings to ADAPs total $1.2 billion since May 2003.

Pharmaceutical partners expanded the reach of Patient Assistance Programs (PAPs) and participated in Welvista for waiting list clients.
Funding for FY2011

- **ADAP FY2011** began on April 1, 2011
  - FY2011 (ongoing) federal awards recently released
    - $40 million additional appropriations (Emergency Relief Funding)
      - Continued $25 million in FY2010 emergency funding
      - 30 states received awards ranging from $74,324 (ND) to $6,979,996 (FL) – 5 states received $3 million
    - State fiscal years began July 1, 2011
Coordinated Strategy to Save America’s ADAPs

- Secure additional resources for ADAP from the federal government:
  - The HIV/AIDS community is advocating for an increase of $106 million for ADAPs for a total funding of $991 million in FY2012.

- Maintain, restore and increase resources for ADAPs from state governments.

- Continue agreements between ADAPs and pharmaceutical manufacturers to provide financial stability and augment existing agreements, when possible.
Questions and Answers
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