



FOR IMMEDIATE RELEASE:
9 a.m. EST, Friday, March 24, 2000

CONTACT:
Jennifer Morales (202) 347-5270
or Amy Weitz (650) 234-9211

STATE AIDS DRUG ASSISTANCE PROGRAMS CONTINUE TO SEE INCREASES IN NUMBER OF CLIENTS AND COSTS

Survey Finds Assistance Highly Varied Across the U.S.

Despite Federal Budget Increases, Access Problems Persist in Some States

WASHINGTON, DC—Despite increases in the national budget for AIDS Drug Assistance Programs (ADAPs) and improved program administration, ADAPs continue to face the challenge of meeting the needs of an increasing client base and high drug costs in an era of rapidly changing treatment standards. A survey of the nation's ADAPs also found significant variation in these programs across states, and that access to ADAPs is highly dependent upon where one lives. The survey, the fourth in a series, was conducted for the Kaiser Family Foundation by the National Alliance of State and Territorial AIDS Directors (NASTAD) and the AIDS Treatment Data Network (ATDN).

“In most states, ADAP programs have been able to fill the gaps in access to prescription drugs for the nation's low-income HIV-infected population. Federal contributions to ADAPs have been growing, but as treatment standards continue to call for newer, more expensive drugs in combination, these programs will continue to be challenged to meet the needs of their clients,” said Drew Altman, President of the Kaiser Family Foundation.

Expenditures and Clients Continue to Increase Along with National ADAP Budget

Since the introduction of combination therapy as the standard of care in late 1995, ADAPs have experienced tremendous growth in monthly expenditures and a large influx of new clients--growth that continues nationally today, although at slower rates. Between 1996 and 1999, the number of clients served by ADAPs doubled, from 27,472 in July 1996 to 54,981 in June 1999. Monthly program expenditures more than tripled from \$13.3 million in July 1996 to \$43.1 million in June 1999. In one year alone, from June 1998 to June 1999, ADAPs experienced a 23% increase in program expenditures and a 16% increase in the number of clients.

Expenditures for antiretroviral drugs have been the main driver of overall expenditure increases, representing almost 90% of all expenditures in June 1999 and increasing 25% since June 1998. Notably, expenditures for drugs for the treatment and prevention of opportunistic infections and for other non-antiretroviral drugs also increased by 21% in this same period.

To respond to the increasing demand for access to new and more effective HIV treatments, Congress appropriated special supplemental funding under Title II of the CARE Act in 1996, specifically to

--MORE--

fund ADAPs. ADAP spending increases are primarily due to supplemental funding. The total FY 99 ADAP budget from all federal and state sources was \$665.5 million—a 30% increase over FY 98. Title II ADAP Supplemental funding increased from \$285.5 million in FY 98 to \$461 million in FY 99—a 61% increase, although the amount of funding for ADAPs from other federal Ryan White sources decreased. State general revenue contributions to ADAP rose 5% nationally, from \$119.4 million in FY 98 to \$125.5 million in FY 99. A total of 15 states, however, do not provide funds specifically for ADAP and rely solely on federal funding to provide ADAP services.

Access to ADAPs Varies from State to State

Uninsured and underinsured people living with HIV face significant variation in access to ADAPs, variation that is highly dependent upon where one lives. For example, financial eligibility to ADAPs ranges from a low of 125% of the Federal Poverty Level (FPL) in Georgia and North Carolina, to a high of over 500% FPL in New York (in 1999, the Federal Poverty Level was \$8,240 for an individual). ADAP formulary coverage also varies across states, from less than 20 drugs covered in some to over 100 drugs covered in others. Variations such as these are in part the result of the availability of resources and state discretion over ADAP eligibility criteria and drug formulary coverage.

In addition, although increased federal funding has helped many ADAPs meet increasing client demand, several states, particularly the Southeast and frontier states of the nation, report persistent limitations in access to ADAP services.

- Twenty states reported one or more current or projected ADAP limitations including 11 states having capped enrollment.
- Six ADAPs have capped or restricted access to protease inhibitors or other antiretrovirals and one does not provide protease inhibitors on its formulary.
- Nine states reported that, based on budget projections, they expect to exhaust their current ADAP budgets before the end of the fiscal year 1999.

“The influx of additional federal ADAP funding alone may not fully ameliorate ADAP limitations in these states since they are likely related to policy choices states have made about Medicaid eligibility and funding for state ADAPs,” said Arnold Doyle, Director of HIV Treatment Programs for NASTAD.

This year’s survey revealed some improvement, however, as more ADAPs have been able to increase access to treatments by raising financial eligibility levels and increasing drug formulary coverage:

- Seven states increased their ADAP income eligibility threshold since last year’s report.
- Two states eliminated special medical eligibility criteria above the basic requirement of documented HIV infection.

Who Are ADAP Clients?

“As the HIV epidemic shifts further into traditionally underserved populations, particularly racial and ethnic minority populations and women, state ADAP programs will be increasingly challenged to improve access and provide treatments to these populations, through innovative outreach and education initiatives,” said Marsha Lillie-Blanton, Vice President for the Kaiser Family Foundation.

--MORE--

Findings from the report show that ADAPs continue to serve clients who are largely low-income, and uninsured and represent a mix of racial and ethnic population groups. Specifically, the report found:

- Eighty percent of ADAP clients served in June 1999 had incomes at or below 200% of poverty, and almost half had incomes below the poverty level.
- Only 7% of clients in June 1999 were reported to also be Medicaid beneficiaries, and only 7% were reported to have private health insurance that included some level of prescription drug coverage.
- Forty percent of ADAP clients in June 1999 were white, almost one third were African American (31%), and one quarter were Hispanic (25%).

The AIDS Drug Assistance Program, or ADAP, is a state-administered program that provides access to the drugs used to treat HIV/AIDS and prevent the onset of related opportunistic infections for low-income people living with HIV/AIDS who do not have adequate private or public health insurance. The program forms one link in the continuum of publicly-funded HIV/AIDS care and services that includes the Ryan White CARE Act, Medicaid, Medicare and local indigent health care programs. The 54 ADAPs—50 states plus the District of Columbia, Guam, Puerto Rico and Virgin Islands—receive federal funds through the Ryan White CARE Act. Some states also contribute funding. The total FY 99 ADAP budget from all federal and state sources was \$665 million. States served over 61,000 clients in June 1999, with monthly program expenditures of over \$46 million. States set the income and clinical eligibility and determine which drugs will be covered and how they will be purchased and distributed.

The Kaiser Family Foundation, based in Menlo Park, California, is an independent national health care philanthropy that is not associated with Kaiser Permanente or Kaiser Industries.

The National Alliance of State and Territorial AIDS Directors (NASTAD) represents the nation's chief state health agency staff who have programmatic responsibility for administering AIDS health care, prevention, education and supportive service programs funded by state and federal governments. State AIDS Directors in all 50 U.S. states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, and the U.S. Pacific Islands are represented by NASTAD with an office in Washington, DC. Programs administered by NASTAD members serve every population affected by and infected with HIV.

The AIDS Treatment Data Network (ATDN) is a national, not-for-profit, community-based organization. Treatment education and counseling services for men, women and children with AIDS and HIV are supported by extensive, comprehensive and up-to-date informational databases about AIDS treatments, research studies, services, and accessing care.

Copies of The National ADAP Monitoring Project: Annual Report, March 2000, are available online at www.aidsinfonyc.org/adap, or at www.kff.org/content/2000/1583, or can be ordered through the Kaiser Family Foundation's toll free publications request line at 1-800-656-4533. Ask for publication #1583.

###