



## News Release

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### **SPENDING AND NUMBER OF PATIENTS SERVED CONTINUE TO GROW FOR AIDS DRUG ASSISTANCE PROGRAMS**

#### *But Budget Shortfalls and Program Restrictions Persist in Many States*

Washington, DC—A new survey of AIDS Drug Assistance Programs (ADAPs) shows that these federally funded, state-administered programs continue to expand their role in providing HIV-related drugs to underinsured and uninsured people living with HIV/AIDS. However, increases in the number of clients, rising drug costs and more complex treatment regimens have led many states to place limitations on their ADAP programs. The survey, the fifth in an annual 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).

Since 1996, the number of people served by ADAPs has more than doubled due to increases in the number of people living with HIV/AIDS, the availability of more effective therapies, and increases in federal and state ADAP funding. The total national ADAP budget for fiscal year 2000 was \$724.5 million, a 9% increase over fiscal year 1999. The state contribution amounted to \$128.8 million (18%), representing a 3% increase compared to last year.

“ADAP programs continue to fill the gaps for many people with HIV who don’t have access to high cost prescription drugs and aren’t eligible for Medicaid. The challenge facing the federal government and the states today is how to meet the growing need in the face of state budget pressures and rising drug prices,” said Drew Altman, Ph.D., president and CEO of the Kaiser Family Foundation and a former state Human Services Commissioner in New Jersey.

#### **Clients Served and Expenditures Continue to Increase**

The number of clients served by ADAPs and monthly drug expenditures have continued to increase yearly since 1996. ADAPs served 69,407 clients in June 2000, a 12% increase in clients served over last year.

ADAP drug expenditures have increased more than threefold since 1996:

- ADAP expenditures in June 2000 were \$58.5 million, a 22% increase in expenditures compared to June 1999.
- Antiretroviral drugs (ARVs) continue to account for most program expenditures (87%). In June 2000, ADAPs spent \$51.3 million on ARVs, a 23% increase from the \$41.3 million spent in June 1999.
- ADAPs spent more on drugs for the prevention and treatment of opportunistic infections (OIs), such as sulfadiazine, acyclovir, and azithromycin, and other non-ARV drugs. Overall, ADAPs expended \$7 million on OI/other drugs in June 2000, 36% more than the \$5.1 million spent in June 1999.

While Medicaid represents the largest source of public funding for care of persons with HIV/AIDS (\$4.1 billion in fiscal year 2000), ADAPs are a critical source of prescription drugs for the low-income and uninsured population. The demographic makeup of the ADAP client population has remained relatively stable over the past several years. Based on findings from June 2000:

- Over 80% of ADAP clients reported incomes at or below 200% FPL, with almost half of all clients at or below 100% FPL.
- Only 10% of ADAP clients served had private insurance with some level of prescription drug coverage. About 7% of ADAP clients were reported to be Medicaid beneficiaries, and about 8% were reported to be Medicare beneficiaries.
- ADAP clients are racially and ethnically diverse: White, non-Hispanics comprise about 40% of the national ADAP client population; African Americans comprise slightly over 30%, Hispanics represent about one-quarter; Asian/Pacific Islanders and American Indians/Alaska Natives, about 1% each. The majority of ADAP clients continue to be male (79%) and over the age of 19 (98%).

"ADAPs continue to see an influx of new clients and persistent increases in monthly expenditures--trends that we expect to continue into the foreseeable future. Intensified efforts at the national level to encourage more people -- especially hard hit populations like African Americans and Latinos -- to be tested for HIV and linked to care services will undoubtedly increase the burden on ADAPs and other Ryan White CARE Act-funded programs," said Arnold Doyle, Director of HIV Treatment Programs for NASTAD. "These increases will require a continued and expanded commitment of federal and state resources to ADAPs if all ADAP-eligible individuals are to receive the basic, recommended standard of HIV treatment," he added.

#### **Budget Shortages and Program Restrictions**

ADAPs rely on annual federal appropriations, plus whatever funds states choose to provide, to determine how many clients they can help and what services they can offer. While some states provide significant funding, others provide little or none at all. Thirty-seven out of 51 jurisdictions responding to the survey contributed funds to their program in fiscal year 2000, while 14 relied solely on federal funding.

Ten states reported that they expect to exhaust their ADAP operating funds prior to the end of the program's fiscal year (March 31, 2001). Budget shortfalls for many ADAPs have led states to implement program restrictions such as lowering financial eligibility criteria, limiting drug formularies (lists of drugs covered by the program), imposing caps on enrollment, and restricting access to antiretroviral medications. Seventeen states reported one or more current and/or projected ADAP limitations, including 10 that reported capping enrollment to their ADAPs (9 reported capping enrollment as of September 2000; 1 projected an enrollment cap for early 2001).

#### **Access to ADAPs Varies from State to State**

Access to ADAPs continues to depend greatly upon what state a person with AIDS lives in. These variations are both the result of the availability of resources and of state discretion over ADAP program design. For example, income eligibility varies greatly across states, from a low of \$10,438 for an individual (125% of the Federal Poverty Level/FPL) in North Carolina, to a high of \$44,000 (over 500% of FPL) in New York (in 2000, the FPL was \$8,350 for an individual). Since last year's survey, six ADAPs increased their financial eligibility levels, and almost two-thirds (62%) of ADAPs now have financial eligibility set at or above \$25,050 (300% of FPL).

While coverage of ARVs by ADAPs is nearly uniform, coverage of OI drugs remains uneven across states:

- The total number of drugs covered by ADAP formularies ranges from fewer than 20 in five states (Colorado, Idaho, Louisiana, Montana and Utah) to over 400 in New York.

- Every ADAP except one covers all ARV drugs approved by the FDA. Five states, however, reported capped or restricted access to ARVs.
- Only eight states currently offer all of the 16 OI drugs highly recommended by the Public Health Service/Infectious Disease Society of America guidelines. Thirty-one states now cover 10 or more of the recommended OI drugs (up from 23 states during the previous survey period). Four states do not cover any of the recommended OI drugs.

### **Methodology**

The National ADAP Monitoring Project Annual Report was designed by researchers at the Kaiser Family Foundation, the National Alliance of State and Territorial AIDS Directors and the AIDS Treatment Data Network. The survey of state ADAP programs was conducted between July and October 2000. Fifty-one of the 54 states and territories with ADAP programs responded to the survey.

**AIDS Drug Assistance Programs (ADAPs)** are state-administered programs that provide access to the drugs used to treat HIV infection and prevent and treat HIV-related opportunistic infections for underinsured and uninsured people living with HIV/AIDS. 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 program forms one link in the continuum of publicly funded HIV/AIDS care and services that includes other Ryan White CARE Act funded services, local indigent health care programs, and health insurance coverage through Medicare and Medicaid.

The **Kaiser Family Foundation**, based in Menlo Park, California, is a non-profit independent health care philanthropy dedicated to providing information on health issues to policymakers, the media and the general public. The Foundation 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 2001 (document # 1626) as well as an accompanying fact sheet on ADAPs (document # 1584b) are available online at [www.kff.org/hiv](http://www.kff.org/hiv), or by calling the Foundation's publications request line at (800) 656-4533.***

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