AIDS Treatment Activists Coalition (ATAC) -
SAVE ADAP Committee

The AIDS Drug Assistance Program
A Fiscal and Moral Crisis

What is the AIDS Drug Assistance Program?

The AIDS Drug Assistance Program (ADAP) is a federal program funded primarily through Title II of the Ryan White CARE Act. It provides access to HIV/AIDS treatments for low-income people who are uninsured or lack adequate prescription drug coverage. It is administered by the states and, in some cases, augmented by state funding. Because it is administered by the states, programs vary widely from state to state, including number of available drugs on the formulary, financial and clinical eligibility criteria, and other program controls.

Who utilizes ADAPs?

An estimated 90,000 people monthly utilize ADAP for their HIV medications. ADAPs serve a very diverse population of people living with HIV. In 2002. 81% of the ADAP clients earn less than $18,000 a year, 68 % are minority Americans (33% African American, 25% Hispanic). The number of clients served increased by **160%** between July 1996 and June 2002. This includes a **10%** increase in clients served in the last year alone.

The current fiscal crisis in ADAP

ADAP is currently at a budget shortfall of $145 million. The shortfall is largely a result of several consecutive years of underfunding compounded by increasing demand. Many ADAPs across the country are experiencing severe financial crises, resulting in limits to treatment access.

Widespread Program closures and access restrictions have already started. Nearly 600 people are currently on ADAP waiting lists across the country. Twelve states have capped enrollment (**Alabama, Alaska, Arkansas, Colorado, Idaho, Kentucky, Nebraska, North Carolina, Oregon, South Dakota and West Virginia**). Three states (**New York, Washington and Oklahoma**) have restricted access using other means (lowering financial eligibility caps, reducing formularies) and at least six additional states (including **Texas and California**) have reported that they anticipate implementing substantial new restrictions.

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If the current fiscal crisis continues, states may seek to control costs in ways that threaten the health of both the program and the thousands of Americans who rely on it. States are looking at lowering the financial eligibility criteria and capping new enrollment. ADAP medical advisory boards are dropping medications currently provided on formularies and delaying adding new Anti-HIV drugs. States are also considering co-pays or medical pre-authorizations that may put the program out of reach for the most vulnerable and create additional barriers to access for many others.

America's investments in research, which have yielded increasingly effective therapies, will not be fully realized in health improvements due solely to the inability of Americans living with HIV to access these therapies.

What is driving the ADAP crisis?

There are several factors contributing to the ADAP problem:

- **Inadequate federal funding.** Congress appropriated less than half of the needed increase in FY03, while the demand on ADAP continues to grow. More people are living with AIDS due to effective therapies. AIDS death rates in the U.S. have fallen from 40, 000 to 15,000 per year with corresponding drops in morbidity.

- **Increases in costs of new treatments.** Management of HIV disease has become increasingly complex, requiring new drugs to treat viruses that have become resistant to available therapies. New and effective treatments have recently been approved by the FDA, including three new antiretrovirals in the past year alone.

- **Increase in HIV testing programs across the country.** The new CDC rapid testing initiative will increase the number of people being tested, leading to increasing demand for treatment and care. A quarter of the estimated 1 million HIV positive Americans are unaware of their status, while more than 40,000 new infections continur to occur each year. Approximately 25% of these newly identified HIV positive individuals will need to access treatment and care through ADAP.

- **Increase in the number of uninsured Americans.** The current economic crisis has produced record number of unemployment, increases in insurance premiums and co-pays, as well as Medicaid cut backs. Without ADAP and Ryan White funded services, HIV + Americans with no healthcare coverage will have no access to life-saving medications and healthcare.

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What must be done to end the crisis?

Congress must appropriate an increase of $283 million in federal funding for ADAP for Fiscal Year 2004 (October 1, 2003 to September 30, 2004). This figure **includes** the current $145 million shortfall plus an $138 million increase needed in the next fiscal year to provide adequate financial relief to ADAP.

The President's goal, as articulated in his FY2003 budget, of reducing the number of new infections 50% by 2005, cannot be achieved without a sufficient funding commitment on the part of the federal government. There is a direct fiscal and epidemiological relationship between testing, surveillance, care and treatment, individual longevity, and reduction in new infections. The national response to AIDS carried out through the various federal agencies (e.g., NIH, CDC, HRSA, etc.), is a linked strategy. Shortfalls in one program area inherently impact capacity and success in other program areas.

Although funding for the CARE Act has grown over the past ten years, federal and state funding have not kept up with growing demand for services. The states' Ryan White care and treatment programs are safety net programs. They are the payer of last resort and provide services to those most in need. Without an increase of, at minimum, $283million in FY'03, states will be unable to maintain their existing programs, much less enroll new clients.

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