

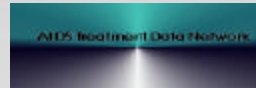
National ADAP Monitoring Project

Annual Report May 21, 2004

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*Also produced in partnership with:
AIDS Treatment Data Network*



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National ADAP Monitoring Project

About the National ADAP Monitoring Project

- First commissioned in 1996 in response to rapid changes in ADAPs.
- The Project provides timely information on the current status of ADAPs, trends over time, and key issues affecting client access.
- The National ADAP Survey, conducted each year, serves as the basis for the Project's *Annual Report*. Other data from NASTAD used to supplement findings.

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The National ADAP Monitoring Project Annual Report, May 2004

- The 8th annual report released by the Project.
- 54 of 57 state and territorial ADAPs responded to the June 2003 survey.
- Data from June 2003 and FY 2003 except where noted
- ADAPs are dynamic programs:
 - ADAPs make changes during course of fiscal year
 - Data may have changed between the data collection period and the release of the *Annual Report*.

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Continued...

- Data provide a “snapshot” of program activity during June 2003 and FY 2003
- In addition, national and state level trends in ADAP utilization, expenditures, funding and other measures over time, since 1996
- Update on ADAP drug formularies and cost containment measures

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Findings

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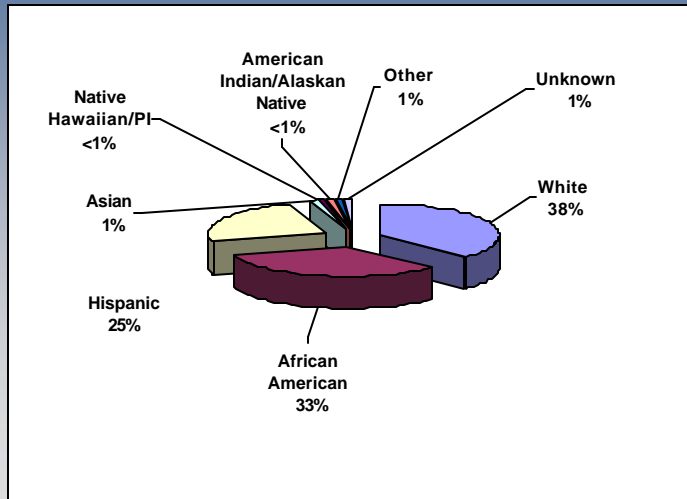
ADAP Client Utilization, June 2003

- ADAPs served 85,825 clients in June 2003 (67% of total clients enrolled in that month—128,465 in June 2003)
- Ten states accounted for 73% of June 2003 clients served
- Clients served ranged from 1 to over 16,000
- Continues to increase, but at slower rate

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ADAP Clients by Race/Ethnicity, June 2003



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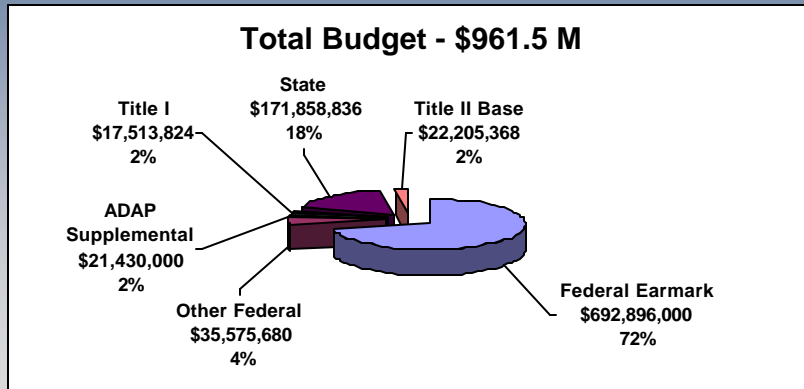
Other Client Demographics, June 2003

- Mostly male (79% were male, 21% female)
- Primarily younger adults (60% between ages 25 and 44)
- Very low-income (81% of clients fell at or below 200% FPL, with 49% at or below 100% FPL)
- Most have no other form of insurance coverage (13% with private insurance; 8% with Medicare; 7% with Medicaid coverage)
- Indications of advanced HIV disease (42% of clients had CD4 count < 350)

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National ADAP Budget by Source, FY 2003



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National ADAP Budget

- FY2003 budget grew to \$961.5 million (increase of \$83 million, or 9% over FY02)
- Federal earmark is largest component (72%), with state general revenue at 18%
- Title II base funding decreased by 23% from FY02, dropping to \$22.2 million
- Title I contributions to ADAP decreased by 11% from FY02, dropping to \$17.5 million

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ADAP Drug Expenditures, June 2003

- ADAP drug expenditures totaled \$77.4 million in June 2003 (when annualized, represents \$928.7 million, or 97% of the budget)
- Ten states accounted for 77% of June 2003 expenditures
- Expenditures ranged from \$620 to \$16.3 million
- Continues to increase, but at slower rate

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ADAP Drug Expenditures by Class, June 2003

- 54 states provided expenditure data by class—representing nearly all of total expenditures
- Antiretrovirals continue to account for the bulk of expenditures (86%)
- OI and other drugs make up 10% of drug spending
 - Including 4% spent on the 14 “A1” drugs recommended by the PHS/IDSA guidelines
- Similar to last year’s breakdown

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Per Capita Drug Expenditures, June 2003

- \$902 per client in June 2003 (increase from \$838 in June 2002)
- If annualized, represents \$10,824 per person per year
- Per capita expenditures range from \$319 to \$1,402 in June 2003

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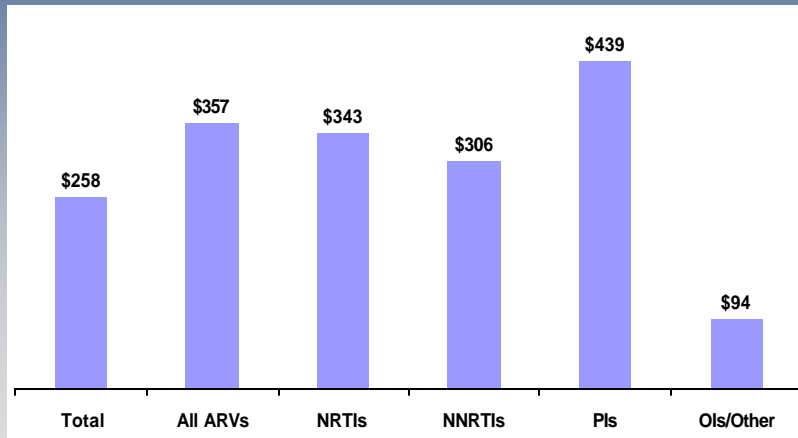
ADAP Prescriptions Filled by Class, June 2003

- ADAPs filled 300,540 prescriptions in June 2003
- Antiretrovirals (ARVs) represented 61% of total prescriptions filled
- Opportunistic Infection (OI) and other drugs represented 37%
 - Including 11% spent on the 14 “A1” drugs recommended by the PHS/IDSA guidelines
- Similar to last year’s breakdown

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*ARVs Most Expensive:
Expenditures per Prescription, June 2003*



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ADAP Drug Formularies, FY 2003

- Range from 18 to 474 drugs covered; 4 jurisdictions with open formularies
- Sixteen states did not provide all approved antiretroviral drugs at the time of the survey (not including Fuzeon).
- Seventeen states offer all 14 PHS/IDSA guideline drugs for the prevention of OIs (up from 15 last year)
 - 39 states cover 10 or more (same as in June 2002)
 - 2 states cover none (down from 3 in June 2002)

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ADAP Drug Formularies, continued

- 33 states provide Fuzeon (first drug in a new class of drugs – fusion inhibitors)
- 20 states reported coverage of hepatitis C (HCV) treatments
- 22 states offer hepatitis A and B vaccines

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Key Themes & Trends

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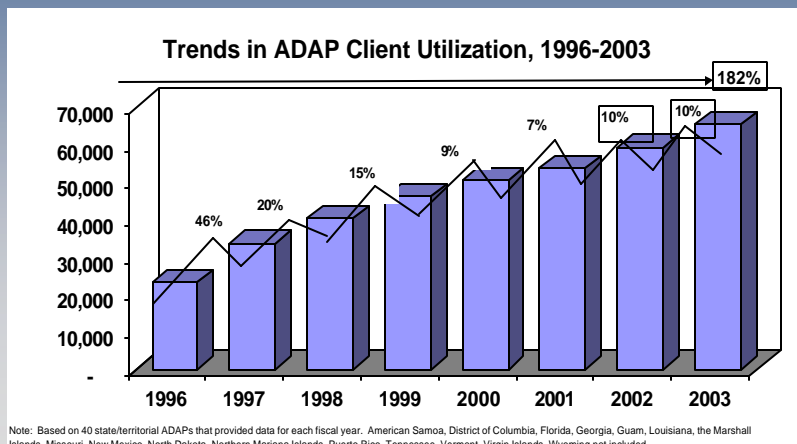
Trends in Clients Served and Drug Expenditures

- Increasing, but biggest increase early on, after earmark introduced and HAART
- National trends mask important differences at state level; between June 2002 and June 2003:
 - 41 ADAPs had an increase in clients served, 11 had decreases
 - 35 ADAPs had increases in drug expenditures, 18 had decreases
- Clients served and Drug Expenditures largely function of the budget

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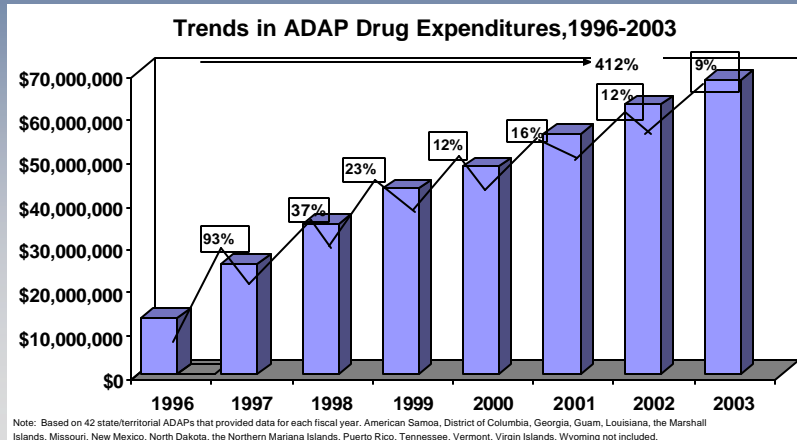
Increasing ADAP Client Utilization Over Time, but at Slower Rates



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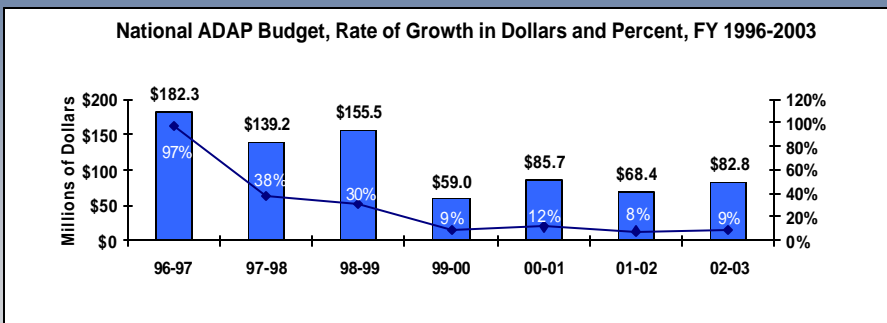
Increasing ADAP Drug Expenditures Over Time, but at Slower Rates



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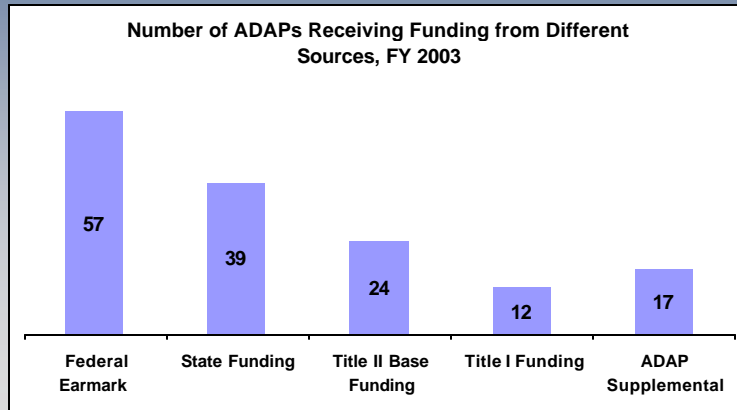
Increasing ADAP Budget Over Time, but at Slower Rates



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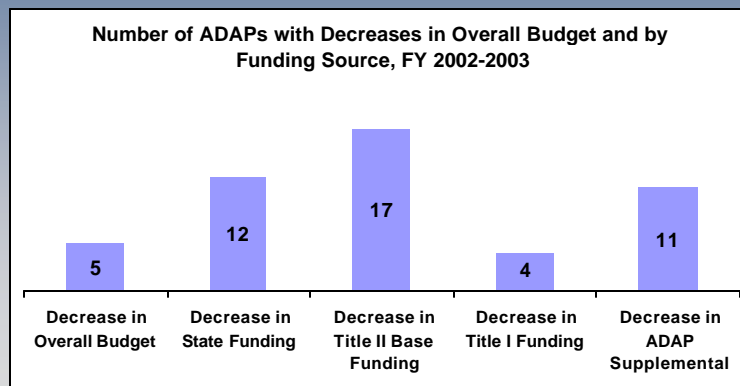
Other than Earmark, Additional Sources of Funding Highly Variable and Not Available to all ADAPs



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Several ADAPs Faced Budget Cuts Overall or For Particular Funding Sources



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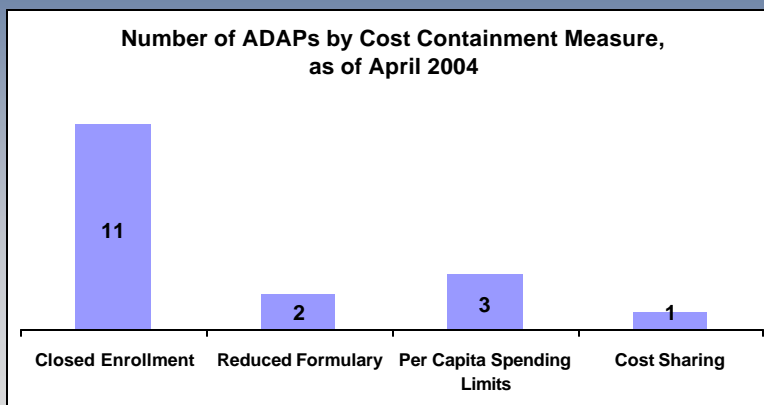
What People Get Depends on Where They Live

- Income eligibility ranges from 125% FPL to 500% FPL
- Formulary variation significant in terms of number and types of drugs offered (4 to 474, not all recommended drugs offered)
- Variations in access are the result of both the availability of other resources – and therefore the size of the “gap” ADAPs are asked to fill – and state discretion over ADAP program design
- Not just variation across the country, but program changes may occur at multiple times during fiscal year for any given ADAP

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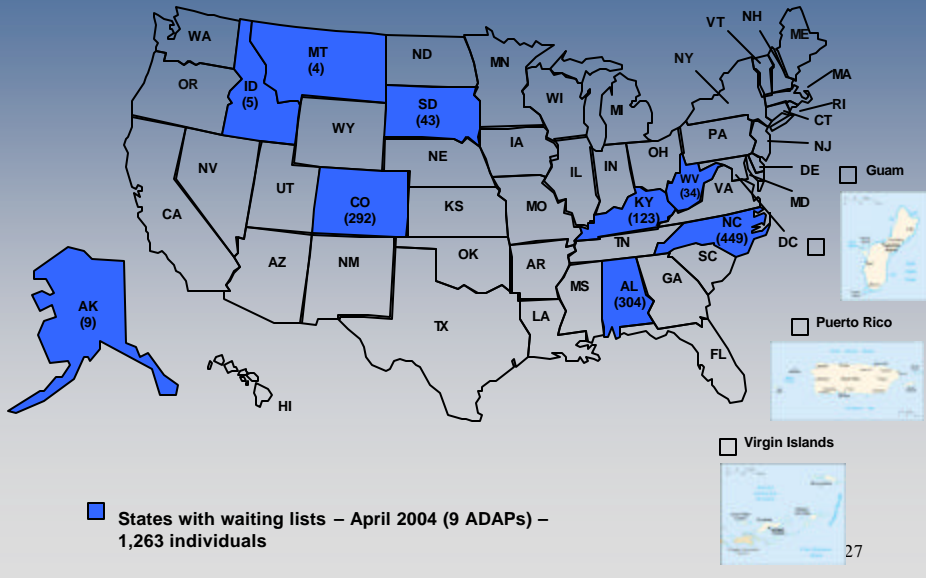
Resource Constraints Lead to Cost Containment Measures that May Limit Client Access



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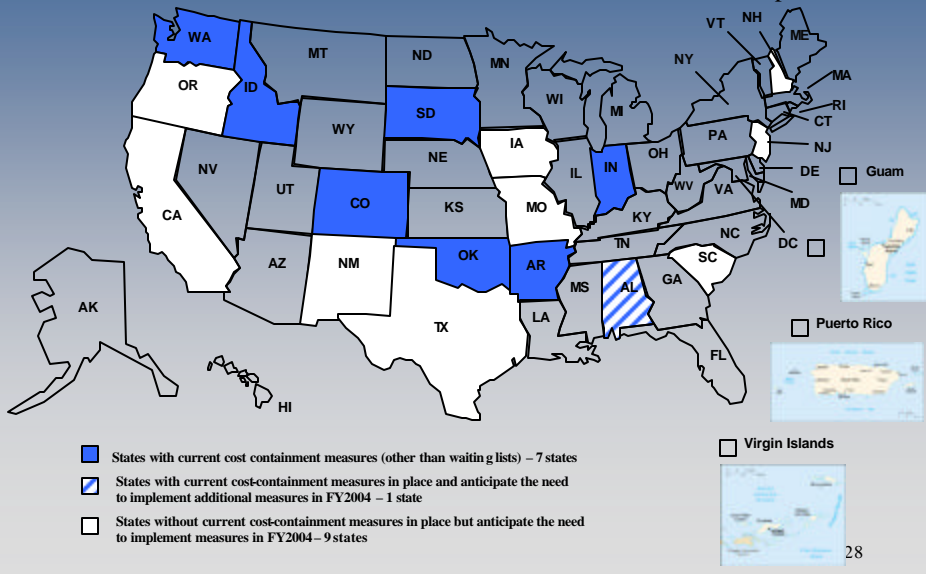
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State ADAPs with Waiting Lists, as of April 2004



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ADAPs with Current or Planned Cost-Containment Measures, as of April 2004



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Looking Forward...

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- Importance of ADAPs, particularly for low-income, uninsured people with HIV/AIDS
 - Growing over time
 - Challenges of fiscal and treatment environment
 - Health and fiscal benefits due to ADAP, but do not directly accrue to the program
- Key issues on the horizon:
 - State Fiscal Environment, Medicaid, and ADAPs
 - Medicare Prescription Drug Law
 - IOM Report
 - Reauthorization of the CARE Act in FY 2005
 - ADAP Crisis Task Force

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IOM Report Recommendations

- Establish and fund an entitlement program for low income PLWH administered by the states
- 250% of FPL eligibility
- Uniform benefits package
- Reimbursement rates commensurate with Medicare
- Purchasing prices for drugs equal to VA to save \$
- Demonstration – Centers for Excellence
- Coordinate with Ryan White CARE Act