

# North Carolina's AIDS Drug Assistance Program -

## Addressing Budgetary Shortfalls

Presented at the National ADAP Educational Forum

Washington, DC

May 15 - 18, 2003

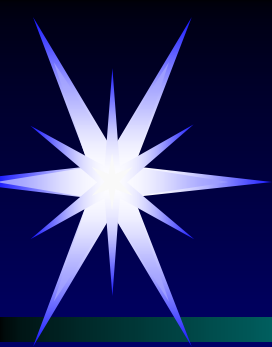
**Stephen G. Sherman**

AIDS Policy and ADAP Coordinator

HIV/STD Prevention and Care Branch

Division of Public Health - NC DHHS

[steve.sherman@ncmail.net](mailto:steve.sherman@ncmail.net) / (919) 715-3111

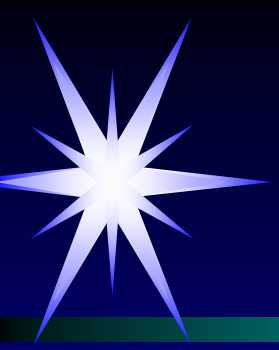


# North Carolina's AIDS Drug Assistance Program - Addressing Budgetary Shortfalls

## NC's AIDS Drug Assistance Program - Overview:

In order to qualify for NC's ADAP, a person must:

- Be HIV+ (have HIV disease or AIDS);
- Reside in North Carolina;
- Not have other third-party coverage (e.g., private insurance or Medicaid) that pays for medications;
- Have a (or several) prescription(s) for medications that are included in the ADAP formulary; and,
- Have a net family income that is at or below 125% of the federal poverty level (the lowest in the country)

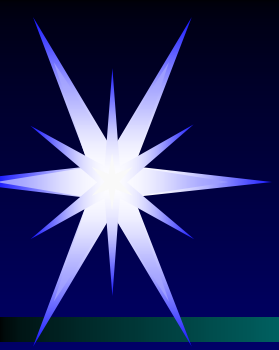


# North Carolina's AIDS Drug Assistance Program -

## Addressing Budgetary Shortfalls

### NC's AIDS Drug Assistance Program - Overview:

- NC's ADAP formulary consists of 53 drugs specific to HIV disease
  - ↗ all 19 antiretrovirals recommended by PHS guidelines (adding Fuzeon, with medical criteria and limit on the number to be covered)
  - ↗ 10 of 16 OI drugs recommended by PHS guidelines (adequate)
  - ↗ 24 drugs to address toxicity and side effects of ARs
  - ↗ 76% of prescriptions and 93%+ of \$ on ARs
- NC's ADAP does not provide
  - ↗ non-HIV related medications (e.g., mental health, hepatitis, etc.)
  - ↗ vaccines
  - ↗ insurance

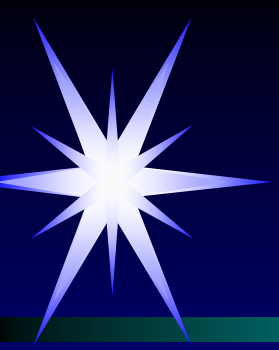


# North Carolina's AIDS Drug Assistance Program -

## Addressing Budgetary Shortfalls

### NC's AIDS Drug Assistance Program - Overview:

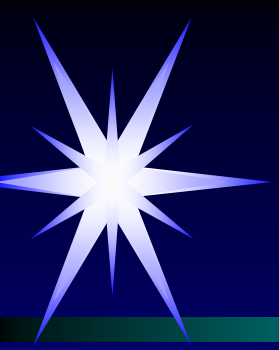
- NC's ADAP - budget and utilization
  - Budget of ~ \$23.7 M in SFY 2003
    - Fed 2002 RW ~ \$10.8 M; Prior Year RW ~ \$1.7 M
    - State Appropriation ~ \$8.4 M; Rebates ~ \$ 2.8 M
    - NC State Appropriation ~ 35% of total ADAP budget
  - Enroll ~ 3,200 individuals; serve ~ 2,750 of them (~ 85%)
  - Serve ~ 1,750 individuals each month @ ~ \$1,100/person served



## North Carolina's AIDS Drug Assistance Program -

### Addressing Budgetary Shortfalls

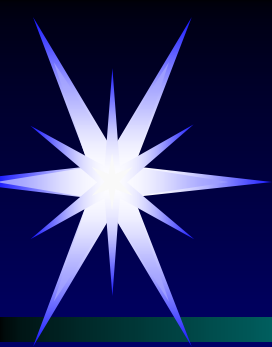
- If we ignore the fact that the financial eligibility for NC's AIDS Drug Assistance Program has been "at or below 125% of the Federal Poverty Level" for some time (which we define as a crisis!), then the ADAP Program has been in crisis since December 15, 2001.
- Imposition of a Waiting List on December 15, 2001 was to assure that adequate funds would be available to the Program to pay for all of the clients enrolled as of that date for the remainder of the year.



# North Carolina's AIDS Drug Assistance Program -

## Addressing Budgetary Shortfalls

- NC's ADAP Waiting List has been in place for most of the past 16 months - and will likely be in and out of "Waiting List status" as a "cost containment strategy" for most of the upcoming State fiscal year
  - Impose the Waiting List and accumulate applicants on the List
  - Monitor utilization of clients in the Program and fiscal resources available - "summarized data" available every 2 weeks
  - If/when possible and given utilization and budgetary projections, move # of clients feasible into active Program status
  - Re-impose Waiting List and monitor the Program....
- Selected Aspects of Operating a Waiting List:
  - "1st on, 1st off" vs. medical/need criteria
  - \$ available vs. time within the year
  - "Overcommitting" vs. underspending

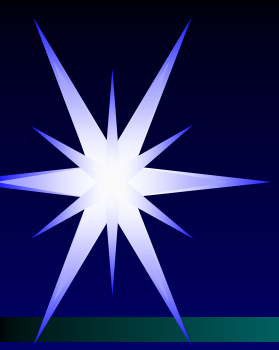


# North Carolina's AIDS Drug Assistance Program -

## Addressing Budgetary Shortfalls

### NC's AIDS Drug Assistance Program - Cost Saving Options Considered... (always looking for additional revenue!)

- and Implemented/"in process":
  - Impose a Waiting List - operating this way since December 2001
  - Increase emphasis on VA benefits for those that qualify
  - Improve "payback/recovery" from Medicaid
- and Rejected:
  - Remove medications from the formulary - limited formulary ▲ little benefit
  - Impose co-pays - income eligibility so low ▲ participants couldn't pay a large enough co-pay to generate any budgetary relief; administrative burden to collect small amount not justified
  - Reduce financial eligibility - not seriously considered



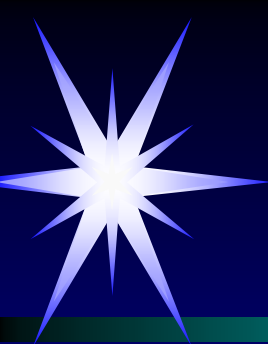
# North Carolina's AIDS Drug Assistance Program -

## Addressing Budgetary Shortfalls

### NC's AIDS Drug Assistance Program - Cost Saving Options Considered...

- and Still being considered:
  - Moving to a “central/direct purchase” model instead of the current “reimbursement and rebate” model *or*
  - Reducing what ADAP pays to pharmacies for the medication (e.g., from AWP - 10% to AWP - 12.5%/15%) and/or for the “dispensing fee” (e.g., from \$5.60/\$4.00 to \$2.50/\$1.50)
  - Imposing medical eligibility criteria for ADAP (e.g., consistent with DHHS Guidelines for initiation of antiretroviral therapy)
  - Offering “suggested (i.e., most cost-effective) medication protocols” for treatment-naïve patients
  - Capping monthly/annual benefits clients may receive (e.g., # of ARs, \$ value of medication, etc.)

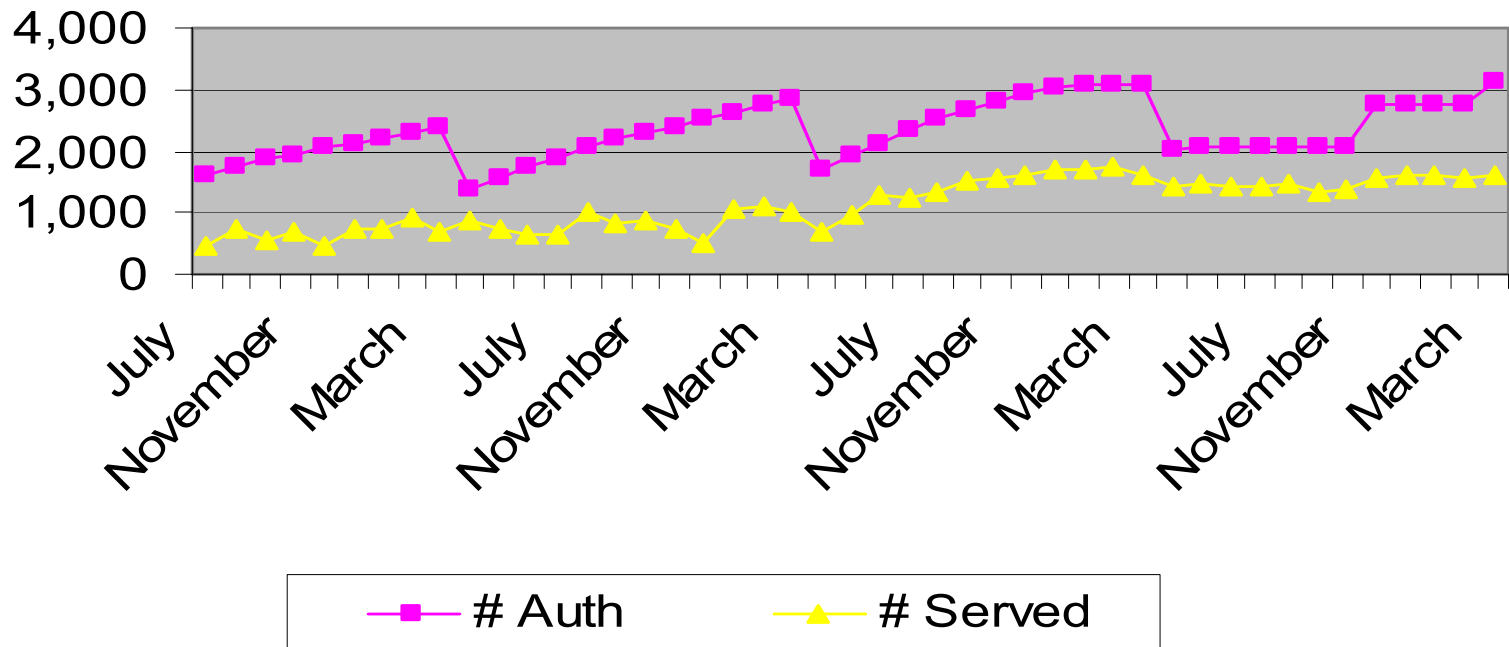


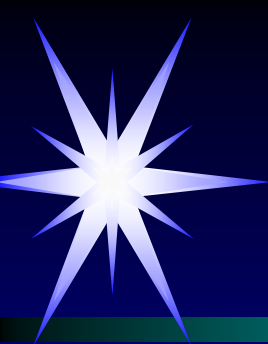


# North Carolina's AIDS Drug Assistance Program -

## Addressing Budgetary Shortfalls

### # Authorized and Served by ADAP - July 1999 - March 2003

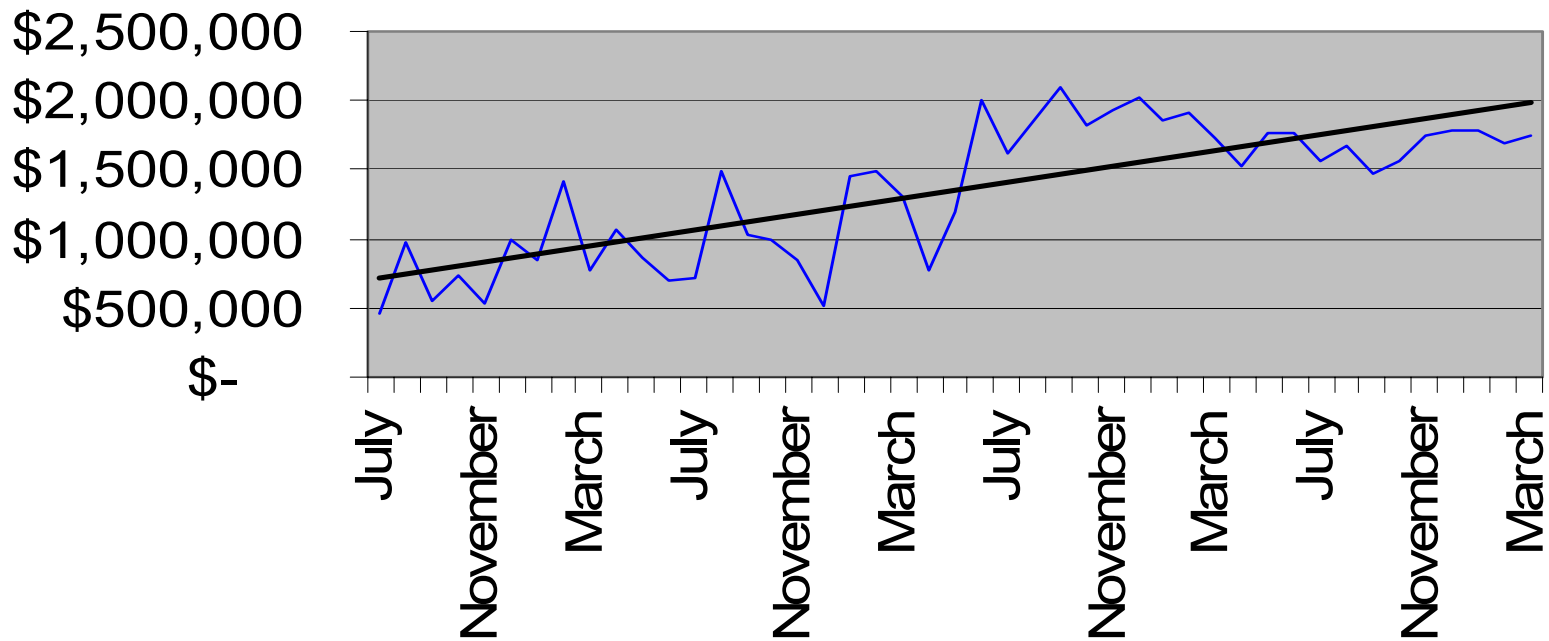


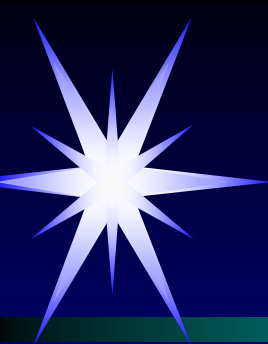


# North Carolina's AIDS Drug Assistance Program -

## Addressing Budgetary Shortfalls

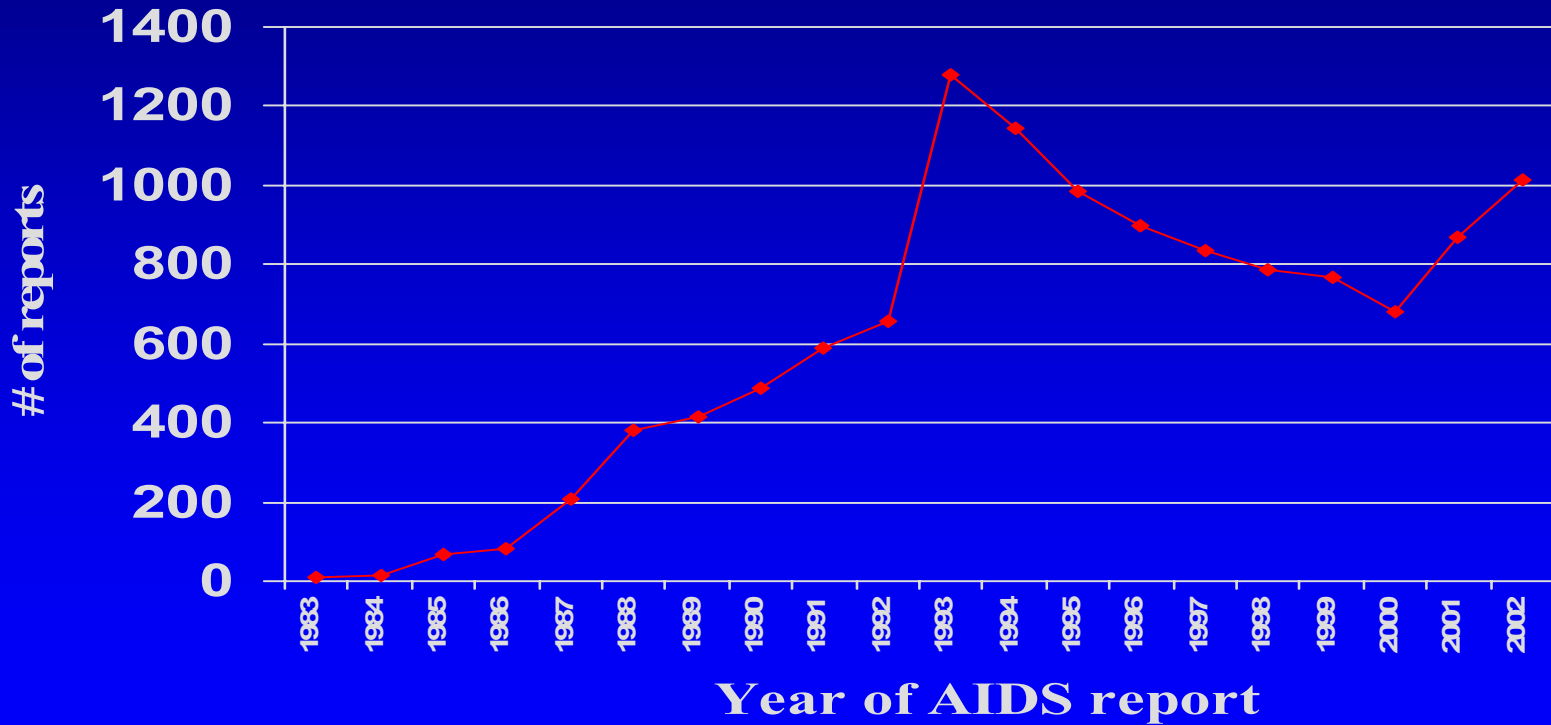
### Monthly Expenditure by ADAP - July 1999 thru March 2003

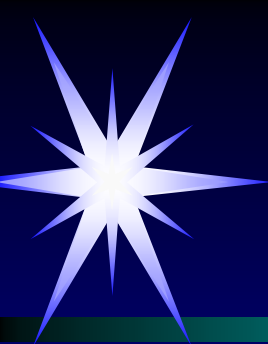




# North Carolina's AIDS Drug Assistance Program - Addressing Budgetary Shortfalls

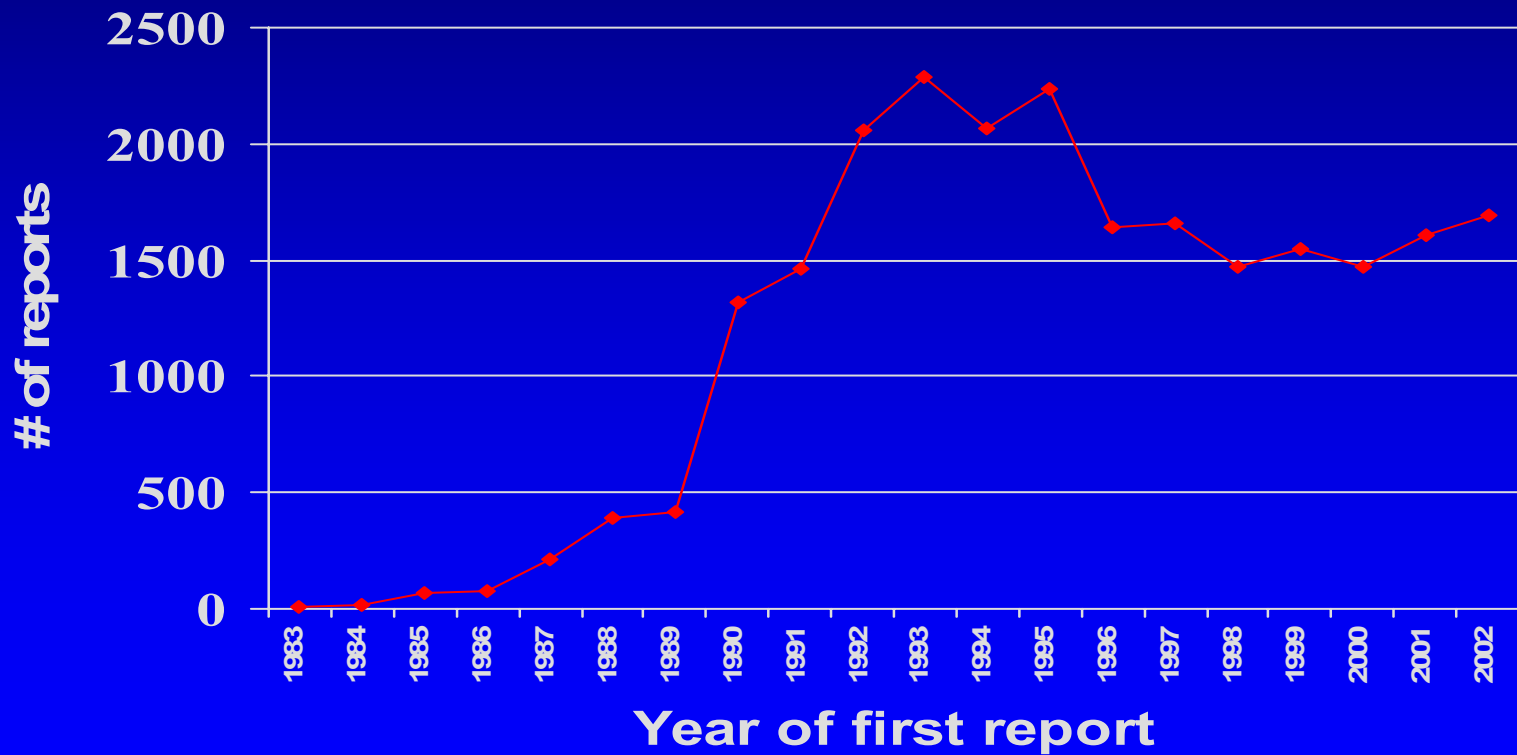
## North Carolina AIDS Reports (Total = 12,177)

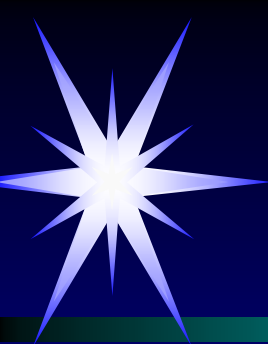




# North Carolina's AIDS Drug Assistance Program - Addressing Budgetary Shortfalls

## North Carolina HIV Disease Reports (Total = 23,770)





# North Carolina's AIDS Drug Assistance Program - Addressing Budgetary Shortfalls

Persons Living with HIV in NC (report/data based = 16,894)

