

## CA State ADAP Advocacy

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## A Broken System – ADAPs in Crisis

- Factors potentially affecting ADAP
  - Employer based insurance limitations
  - Job and insurance loss
  - Epidemic disproportionate in low income communities with less access to health care
  - Inadequate federal funding
  - IOM report quantifies people without needed care at 58,697

## A Broken System- ADAPs in Crisis

- Drug price increases
- Cuts and “reforms” in Medicaid
  - Formulary restrictions
  - Unprecedented cost sharing obligations – ADAP pays or people lose Medicaid
- Impact of Medicare Prescription Drug Benefit
  - Dually Eligible (50,000 people living with AIDS) lose Medicaid wraparound
- CDC Advancing HIV Prevention Initiative could bring more into care

## CA State ADAP

- New Governor/Administration - \$14B Deficit
- Mixed messages
  - Campaign promises not to cut health
  - Finance Director, Donna Arduin - history of cuts to health
  - Kim Belshe – Secretary of Health and Welfare, history of support for health programs
  - Unacceptable Budget Proposal for ADAP
- Unclear if the Legislature would challenge a popular Governor

## The Administration's Proposal

- Cap ADAP enrollment at 23,900; allow for attrition replacement, estimated savings \$550,000
- Funded the program at \$207 million; leaving a \$25 million shortfall
- Cap would create a waiting list (est. 1440)
- Shortfall could necessitate removal of whole classes of drugs from the formulary

## Reactions

- Meetings – Legislators, Legislative Budget staff
- Rally – 300 people in SF; 750 in Sacramento
- Testimony at the Budget Hearings
- Meetings with the Governor's health staff
- Meeting with Kim Belshe, Secretary of Health and Welfare
- Letters
- Media

## Reactions

- Broad assumption of no new general fund
- Multiple agendas and cost savings ideas
- State involved academia, providers, advocates early
  - Created a more objective process to look at cost savings
- Some advocates took unrealistic proposals to the Legislature
- Work was required to help key legislative staff develop effective strategy for budget proposal
- Preliminary UARP data - important waiting list implications and showed excellent and cost effective state administration

## CA ADAP – Budget Action

- **Assembly and Senate Concur**
  - Reject Cap
    - “Buy out” savings with additional program savings of \$800,000 from changes to prescription refill policies
  - Utilize \$15 M of \$21M accumulated rebate funds to fill part of program shortfall
  - Establish a Special Deposit Fund with continuous appropriation for the \$15 M and future rebates
  - “Backfill” general fund with \$6 M in recognition of deficit

## CA ADAP – Budget Action

- Governor's May Revise
  - Funded program at \$234 million
  - \$67M in state general fund
  - \$3M GF increase – MOE argument
  - \$21M in accumulated rebate
- Still Need – Special deposit fund with continuous appropriation

## Lessons Learned

- Saving ADAP requires essential partnerships
  - State Office of AIDS, Academics, State Budget Legislative Staff, Legislators, Administration, Industry
- Don't get stuck doing cost efficiencies by Legislature or Administration only
- Involve all stakeholders in cost savings discussions
- Advocacy still works – rallies, demonstrations, media
- Remembering roles and understand pressures
- Consider all tools – rallies, administrative requirements, medical advisory boards, academic studies

## Working in Crisis

- Tensions get heightened
- Building and maintaining trust and communication is critical
  - Particularly between advocates and state administrators
- Clarity around roles
- Depersonalize as many issues as possible
- If you get a win, take time to acknowledge it