Louisiana AIDS Drug Assistance Program Crisis

Without continued unchecked client demand for services, the Louisiana AIDS Drug Assistance Program (LA ADAP) faces a potential shortfall of $11.7 million for FY 2010. This federally-funded program has experienced significant increases in client utilization costs without a corresponding increase in resources. More than 3,500 low-income Louisianans living with HIV were served by ADAP in 2009 and, due to funding shortages, will be impacted when cost containment measures are implemented.

Since 2008, the cost of providing medication services through the LA ADAP has increased 33% and the number of clients served has increased 15%. At the current rate of growth, $31.4 million is projected to be needed to maintain the program through March 2011. Federal funding allocated for this program has been outpaced by the needs of the client base. The Health Resources & Services Administration (HRSA) has awarded Louisiana $17.7 million to serve a projected 3,900 clients from April 2010 through March 2011. This award, combined with approximately $2 million anticipated in rebates from pharmaceutical companies, leaves Louisiana with the need to address an $11.7 million shortfall.

Addressing the funding shortage
The Louisiana HIV/AIDS Program began preparing for the anticipated deficit in January 2010 by discontinuing the funding for other HIV/AIDS services throughout the state and prioritizing the sustainability of LA ADAP. The State has implemented restriction on funding in other services areas that total greater than $2 million:

1. Discontinuation of diagnostic laboratory services reimbursed through the LA ADAP formulary: **$492,000**
2. Discontinuation of primary medical services: **$1,230,000**
3. Discontinuation of local drug assistance services, legal services, peer group support and home health services: **$774,450**

What is ADAP?
AIDS Drug Assistance Programs (ADAPs) provide medications for the treatment of HIV disease. These state-administered programs are discretionarily funded through the Ryan White HIV/AIDS Treatment Extension Act of 2009 which provides grants to States and Territories and is overseen by the Health Resources & Services Administration (HRSA) of the federal Department of Health & Human Services. ADAPs are the safety net under other public programs, such as Medicare and Medicaid. This last resort resource is often the only means for clients to obtain necessary anti-retroviral medications (ARVs) and opportunistic infections medication (OIs). ADAPs are able to purchase from pharmaceutical companies at a reduced cost, making this an extremely cost-effective program. Although each state sets their own eligibility guidelines, all persons accessing ADAP services are low-income and either uninsured or under-insured.

Why is ADAP important?
ADAP is a crucial access point for ARVs. These medications, when taken appropriately, can delay disease progression from HIV to AIDS, as well as reduce the amount of virus in the body, which may reduce transmission of HIV to others. Without this program, many clients would potentially go without medication and become sicker faster.
Due to the federal HIV funding structure, these cuts will disproportionately affect people living with HIV/AIDS outside of the New Orleans and Baton Rouge metropolitan areas. Services in these two areas have not yet received the same reductions. Although LA ADAP serves the entire state, non-ADAP HIV services funding for New Orleans and Baton Rouge are administered independently through the city governments.

HIV/AIDS Program staff is acutely aware that these cost containment measures will not offset the projected client need for core services funded through Ryan White Part B resources. As such, additional cost containment measures and programmatic restrictions will most surely need to be implemented during the 2010/11 program year.

The first additional proposed measure is to **cap new enrollment to LA ADAP on June 1, 2010**. From 2007 to 2009, new enrollment in LA ADAP increased 67%. If new enrollment in fiscal year 2010/11 were to occur at the same rate as fiscal year 2009/10, Louisiana ADAP would realize a cost savings of up to **$4,653,700** by implementing this program restriction.

All persons newly eligible for LA ADAP after June 1st, but unable to become enrolled due to this cost containment measure, will be referred to Patient Assistance Programs (PAPs) administered by pharmaceutical manufacturers. Sometimes called “compassionate care” resources, these programs have client eligibility criteria that are similar to LA ADAP. Ryan White-funded case managers and contracted ADAP pharmacy staff will assist clients in completing the

**How does LA ADAP work?**

LA ADAP contracts annually with ten Louisiana State University regional medical centers **across the state** to provide pharmacy services to eligible program participants. Once screened for program eligibility requirements, the outpatient pharmacies at each of the ten medical centers dispense medications on the LA ADAP formulary at no charge to the client. The cost of these medications are then tabulated and submitted to the HIV/AIDS Program, in conjunction with required client level data, on a monthly basis.

The LA ADAP formulary currently covers all FDA-approved HIV antiretroviral medications as well as 33 pharmaceuticals for the treatment and prevention of OIs. These medications comprise the minimum basic formulary supported by the US Public Health Service.

**Eligibility requirements for LA ADAP include:**

- Documented HIV infection
- Documented Louisiana residence
- Documented household income at or below 300% of the Federal Poverty Level
- No third party payer source for ADAP formulary outpatient medications (i.e., Medicaid, Medicare Part D)
- Current prescription for medication(s) covered by the ADAP formulary, written by a licensed physician
- No financial assets exceeding $4,000 (excluding a house and a car)
applications and providing the necessary documentation to the PAPs. Staff at the HIV/AIDS Program will continue to provide training and support to these individuals as they assist clients, and are available to consult on a case-by-case basis for complex client situations.

Secondly, requests will be made to the cities of New Orleans and Baton Rouge for a contribution to offset the drug costs of clients in these areas. Approximately 67% of LA ADAP clients receive ADAP services in one of these cities, which accounted for 63% of all LA ADAP expenditures in 2009.

All of the implemented and proposed cost containment measures will be monitored closely, with the ultimate goal of preventing the complete closure of the Louisiana ADAP as the 2010/11 program year progresses. If this outcome were to occur, all persons currently receiving services through Louisiana ADAP would be dis-enrolled in the program and referred to pharmaceutical manufacturer Patient Assistance Programs for their HIV-related medications until April 1, 2011, when the next LA ADAP program year would begin. Current projections related to client utilization and medication expenditures show the possibility of this occurring in January 2011.

A National ADAP Problem

Louisiana is one of at least twenty-two states anticipating an ADAP funding shortage and thirteen that have already implemented cost containment measures similar to the ones proposed in this brief. Nationwide, pressure on state ADAP resources has increased substantially due to a combination of factors:

- The cost of daily medications may be $12,000 or more per year, in addition to the costs of medications to address opportunistic infections, side effects, and other co-morbidities.

- AIDS mortality has decreased dramatically in the United States since 1995, but estimated HIV incidence has not. Therefore, the total number of people living with HIV disease who could benefit from access to antiretroviral medications continues to climb.

- Aggressive HIV testing initiatives funded through the Centers for Disease Control and Prevention (CDC) have identified additional persons living with HIV.

- The epidemic is growing rapidly among minorities, who have historically experienced higher risk for poverty, lack of health insurance, co-morbidities, and disenfranchisement from the health care system. The result is a growing number of people living with HIV disease who require public support.

- Efforts to decrease the “unmet need” for HIV-related care and treatment have encouraged individuals who know their HIV status but are not accessing services for their HIV disease to become linked to care for the first time, or return to HIV services if they have “fallen out of care.”

- Despite proactive and assertive negotiations on behalf of the ADAP Crisis Task Force to garner favorable drug pricing for all 54 ADAPs, the cost of medications to treat HIV disease has continued to rise.
The current economic climate has fostered an increase in persons who have lost employment and, as a result, often lost their insurance coverage and/or the resources that were previously available to pay for medical appointments, diagnostic laboratory services and HIV-related medications.

The National Alliance of State and Territorial AIDS Directors (NASTAD) is advocating at the federal level for emergency ADAP funding from HRSA. According to NASTAD, an additional $126 million in funding for state ADAPs who have implemented, or will have to implement, cost containment measures is necessary to continue client services and prevent further cost containment measures in the 2010/2011 program year. Advocacy groups are working diligently to raise awareness of this need at the federal level and encourage a one-time emergency FY 2010 appropriation to ADAPs in crisis to assist in mitigating further program closures and restrictions on the access to these essential medications.

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