NASTAD

NATIONAL ALLIANCE OF STATE AND TERRITORIAL AIDS DIRECTORS

Ryan White CARE Act Issue Profile #1

ADAP Flexibility: A Key to Providing Cost Effective and Comprehensive HIV Treatment Services

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The Ryan White CARE Act, as reauthorized in 1996, states that federal ADAP funds should be used to "provide assistance for the purchase of treatments…and the provision of such ancillary devices that are essential to administer such treatments" and to "facilitate access to treatments." In responding to the rapidly evolving HIV/AIDS treatment environment and exponential growth in clients and program expenditures, state ADAPs have found new and innovative ways to meet these CARE Act directives. Through congressional recommendation and federal policy, states have been given increased flexibility to utilize ADAP funding to address the multiple challenges of *providing* HIV treatments and *supporting access* to treatments for an ever-growing pool of eligible clients.

- *The Use of ADAP Funds to Purchase Insurance*

State ADAPs have been charged by Congress and the federal government with providing and facilitating access to HIV/AIDS treatments for low income, uninsured and underinsured individuals in the most cost effective manner possible. States have developed a variety of innovative ways to maximize ADAP resources including the development of insurance continuation and purchasing programs, while serving as many eligible clients as possible. These programs have allowed many states to stretch limited ADAP dollars, purchase more comprehensive health care services for clients, serve more clients overall and expand their ADAP drug formularies. In several states, including **Minnesota**, **Oregon**, **Washington** and **Wisconsin**, insurance purchasing and continuation programs are fully integrated components of the state HIV health care system and ADAP, in particular.

States always have been permitted to use federal Title II dollars to fund insurance continuation programs under the Ryan White CARE Act (i.e., these programs pay premiums for eligible clients on existing insurance policies that are being continued at the clients own expense, for example, under COBRA). However, a number of states also created cost-effective, state-funded and Title II -funded insurance purchasing and maintenance programs to purchase insurance policies—often from state high risk pools—for eligible clients. Congressional appropriators, recognizing the enormous utility of these programs, directed the federal government to permit states to utilize ADAP-earmarked funds for insurance purchasing programs as well. The HIV/AIDS Bureau

(HAB) of the Health Resources and Services Administration (HRSA) responded to this congressional request by developing a policy (HAB Policy Notice 99-01) to help guide states that choose to utilize federal ADAP funds to purchase and maintain insurance for eligible clients.

There has been growing interest among states in insurance purchasing/maintenance programs, owing to the well-documented success of these programs in a number of states and the increased flexibility to use ADAP dollars for this purpose. A survey of state ADAPs conducted for the Henry J. Kaiser Family Foundation found that almost two-thirds of all ADAPs planned to utilize some portion of their ADAP funding for insurance programs. Considering the current level of integration insurance programs have in state HIV health care systems, continued support of state flexibility to utilize ADAP dollars to help fund these cost-effective and cost-saving programs is essential.

- *Use of ADAP Funds for Services to Maintain and Support Individuals in Treatment*

Since the advent of combination antiretroviral therapy in 1995, the standard of care for HIV has changed—and continues to change—dramatically. States have responded to this rapidly changing standard of HIV care, not only by adding new antiretroviral drugs to their ADAP formularies, but also by addressing a constellation of new challenges associated with monitoring the impact of these therapies, providing patient and provider education and supporting client adherence to complex treatment regimens. The provision of treatments and "facilitating access to treatment" has indeed become a multifaceted and multi-disciplinary task.

In addition to CD4 counts, providers must also utilize viral load tests to appropriately monitor a patient's response to HIV therapy. Furthermore, new and expensive monitoring technologies like viral resistance (genotypic/phenotypic) testing are being integrated into the standard of HIV treatment. Patients, who also must adhere to complicated treatment regimens in order for them to be effective, often require adherence support mechanisms/programs.

Congressional appropriators, recognizing the complexities inherent in the appropriate provision of HIV treatments through ADAPs, encouraged HRSA to allow states to utilize a portion of federal ADAP funding for services "that enhance the ability of eligible people living with HIV/AIDS to access, adhere to and monitor their progress in taking HIV-related pharmaceuticals" and that such services "can include coverage of medical care, laboratory tests, and services to enhance patient adherence to pharmaceuticals." The appropriators also suggested that decisions about the amount of funding that the state would use to support these treatment services should be determined by HRSA "in collaboration with the states" since specific HIV treatment needs vary greatly across jurisdictions. For this reason, an across the board, federally imposed cap on the "reasonable portion" of ADAP dollars that may be utilized for these treatment services may not appropriate.

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