

ADAP Working Group

An AIDS Drug

Annual Health Care Costs
and Ryan White CARE Act - ADAP Needs

Projection Methods

Ryan White CARE Act, Title II
AIDS Drug Assistance Program (ADAP)

Introduction to the ADAP Budget Projection Model, Fiscal
Year 2001

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The ADAP Working Group is a unique ad hoc coalition of HIV/AIDS community-based organizations, biotechnology, pharmacy and pharmaceutical research companies. Our mission is to ensure adequate access to HIV/AIDS-related therapies through the AIDS Drug Assistance Program (ADAP), funded under Title II of the Ryan White CARE Act.

The ADAP Working Group believes that the enclosed budget projection provides an accurate representation of the cost of providing a basic standard of HIV/AIDS care to those on ADAP in Fiscal Year 2001, which runs April 1, 2001 - March 31, 2002.

The cost of treating a person with AIDS on Medicaid can be upwards of \$40,000 a year*. In fiscal 2001, adequate treatment per person on ADAP will average little more than \$10,000 for the year, including costs for treating and preventing opportunistic infections. Without adequate ADAP funding, uninsured and underinsured people with HIV will have to wait until they are sick and disabled in order to qualify for Medicaid and receive the treatment that could have prevented their illness. This is clearly unsound health care policy.

The impact of multi-drug anti-HIV therapy has been well publicized over the past two years. The many incremental gains in the prevention and treatment of opportunistic infections have also made a significant contribution to extending and improving the lives of people with AIDS. The stunning two-thirds drop in deaths from AIDS nationally since 1995 is the most recent testament to these facts. Also the National Institutes of Health and the Public Health Service have released guidelines on the use of antiretroviral therapy that promise to further improve the standard of care for people with HIV and AIDS.

The ADAP Working Group believes that we cannot afford to deny optimum HIV and AIDS treatment to all those that could benefit from it. The ADAP population is particularly vulnerable, often depending on a fractured system of care and on other vital Ryan White services. They should not have to decline into disability to receive the treatments they need.

The following summarizes the ADAP Budget Projections:

FY 2001	
Projected total ADAP budget need for FY 2001:	\$895,457,834
Projected base budget for FY 2001:	\$732,530,408
Current projected ADAP Shortfall for FY 2001:	(\$162,927,426)

To address this shortfall we project needs as

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Projection Methods

A computer model, developed by respected pharmacoeconomists, was used to estimate the cost of providing the standard of care to these utilizing ADAP clients on a month-by-month basis out to March 2002. The same model has been utilized by the ADAP Working Group to project ADAP need for the past four years.

The model uses real world information about the immune system status of ADAP clients to project the need for preventive and acute treatment with outpatient drugs. The expected incidence of illness is based on an analysis of data from the Multicenter AIDS Cohort Study (MACS) by Bacellar et al (Journal of Infectious Disease 1994;170). The same model has predicted individual state ADAP expenditures within 5% of the actual totals. A total of 22 states have utilized this model for fiscal projection purposes.

The model makes assumptions about antiretroviral therapy as described in the new NIH/PHS Guidelines. In addition to their basis in the new NIH/PHS Guidelines, these projections mirror current trends in State ADAPs.

The model cannot anticipate the changes and refinements in the standard of care that may occur within the timeframe of this projection. The ADAP Working Group will update the projection model whenever new and validated information that impacts the model becomes available.

It should be noted that the advent of more effective antiretroviral treatment in 1996 led to a surge in growth of both utilizing clients and expenditures for ADAPs. One of the challenges of projecting future ADAP budget needs is estimating the number of new clients that will enter and utilize the program. Since our initial projections for FY 1997 and FY 1998, the monthly growth in new clients has increased slightly, then slowed, necessitating revised estimates for subsequent projections. In 1996/1997, the average increase in utilizing ADAP clients was 998 per month nationally. This increased slightly to 1010 in 1997/1998. Towards the end of 1998, the ADAP Working Group noted a trend towards a decrease in new clients to 933 per month. As a result the FY2000 projections were based on a conservative figure of 800 new clients per month to accommodate this trend towards slower growth. Now that data is available for 1999, the monthly increase in utilizing clients has been reported as 654 per month. As a result our original FY 2000 projections over-estimated client growth. For our current FY 2001 projection we have incorporated the new data for a projected growth of 650 new utilizing clients per month.

The following slides provide more details on the methodology and the results.

FY 2001 ADAP Budget Projections
archives: 1997-2000 Summary & Projections
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