

**ILLINOIS DEPARTMENT OF PUBLIC HEALTH  
ADAP Cost Containment Report  
April 6, 2010**

**BACKGROUND**

The Illinois Department of Public Health administers the AIDS Drug Assistance Program (ADAP), which currently serves on average 4,100 clients each month, accessing an average \$4.1 Million per month in prescription drugs exclusive of dispensing costs. ADAP currently provides 95 different drugs on its formulary; including all anti-retroviral therapies approved by the U.S. Food and Drug Administration (starting June 1, 2010, there will only be 80 drugs on formulary). Clients have a benefit cap of \$2,000 per month. These drug combinations have been successful in treating persons with HIV infection; including the treatment of opportunistic infections frequently associated with HIV; drug treatment adherence; and have been credited with dramatic prolonging of life for individuals infected with HIV.

**ADAP DEMOGRAPHIC COMPOSITION**

Table 1 illustrates the demographic composition of Illinois ADAP for the Federal Fiscal Year (FFY) 2008 compared to 2009. Tables 2, 3 and 4 examine employment and insurance status according to age, race, and gender.

Table 1: Demographic by Employment Status

<b>ADAP Demographics by Employment Status FFY 2008 and FFY 2009 (through December 2009)</b>				
<i>ADAP Clients</i>				
	<b>Employed Client Count Apr08 Mar09</b>	<b>Employed Client Count Apr09 Dec09</b>	<b>Unemployed Client Count Apr08 Mar09</b>	<b>Unemployed Client Count Apr09 Dec09</b>
<b>Total</b>	<b>3,304</b>	<b>3,238</b>	<b>1,774</b>	<b>1,852</b>
<i>Insurance Clients</i>				
	<b>Employed Client Count Apr08 Mar09</b>	<b>Employed Client Count Apr09 Dec09</b>	<b>Unemployed Client Count Apr08 Mar09</b>	<b>Unemployed Client Count Apr09 Dec09</b>
<b>Total</b>	<b>190</b>	<b>238</b>	<b>28</b>	<b>30</b>

Table 2: Employment Status by Age

<b>ADAP Employment Status by Age FFY 2008 and FFY 2009 (through December 2009)</b>				
<i>ADAP Clients</i>				
<b>Age Group</b>	<b>Employed Client Count Apr08 Mar09</b>	<b>Employed Client Count Apr09 Dec09</b>	<b>Unemployed Client Count Apr08 Mar09</b>	<b>Unemployed Client Count Apr09 Dec09</b>
<13	*	*	*	*
13 - 24	78	102	79	125
25 - 44	1,531	1,573	941	981
45 - 64	1,614	1,503	741	732
>=65	80	58	12	13
<b>Total</b>	<b>3,304</b>	<b>3,238</b>	<b>1,774</b>	<b>1,852</b>

ADAP Employment Status by Age FFY 2008 and FFY 2009 (through December 2009)				
<i>Insurance Clients</i>				
Age Group	Employed Client Count		Unemployed Client Count	
	Apr08	Mar09	Apr08	Mar09
<13	*	*	*	*
13 - 24	*	*	*	*
25 - 44	68	108	13	15
45 - 64	116	124	11	12
>=65	5	*	*	*
<b>Total</b>	<b>190</b>	<b>238</b>	<b>28</b>	<b>30</b>

Note: (\*) represent those categories that have <5 clients represented.

Table 3: Employment Status by Gender

ADAP Employment Status Gender FFY 2008 and FFY 2009 (through December 2009)				
<i>ADAP Clients</i>				
Gender	Employed Client Count		Unemployed Client Count	
	Apr08	Mar09	Apr08	Mar09
Male	2,692	2,654	1,438	1,510
Female	594	558	320	324
Transgender Female to Male	*	*	*	*
Refused to Report/Unknown	17	25	16	17
<b>Total</b>	<b>3,304</b>	<b>3,238</b>	<b>1,774</b>	<b>1,852</b>
<i>Insurance Clients</i>				
Gender	Employed Client Count		Unemployed Client Count	
	Apr08	Mar09	Apr08	Mar09
Male	159	196	23	26
Female	30	41	5	*
Transgender Female to Male	*	*	*	*
Refused to Report/Unknown	*	*	*	*
<b>Total</b>	<b>190</b>	<b>238</b>	<b>28</b>	<b>30</b>

Note: (\*) represent those categories that have <5 clients represented.

Table 4: Employment Status by Race

ADAP Employment Status by Race FFY 2008 and FFY 2009 (through December 2009)				
<i>ADAP Clients</i>				
Race	Employed Client Count		Unemployed Client Count	
	Apr08	Mar09	Apr08	Mar09
Asian	12	36	20	24
American Indian/Alaskan Native	*	5	*	*
Black or African American	1,162	1,123	792	841
Hispanic	751	760	440	434
More than one race	90	87	46	49

Table 4: Employment Status by Race (continued)

<b>ADAP Clients</b>				
<b>Race</b>	<b>Employed Client Count</b>		<b>Unemployed Client Count</b>	
	<b>Apr08</b>	<b>Mar09</b>	<b>Apr08</b>	<b>Mar09</b>
Other	20	33	13	17
Unknown/unreported	193	193	94	93
White	1,073	1,001	369	394
<b>Total</b>	<b>3,304</b>	<b>3,238</b>	<b>1,774</b>	<b>1,852</b>
<b>Insurance Clients</b>				
<b>Race</b>	<b>Employed Client Count</b>		<b>Unemployed Client Count</b>	
	<b>Apr08</b>	<b>Mar09</b>	<b>Apr08</b>	<b>Mar09</b>
Asian	*	*	*	*
American Indian/Alaskan Native	*	*	*	*
Black or African American	56	75	13	11
Hispanic	25	33	*	*
More than one race	*	*	*	*
Other	*	*	*	*
Unknown/unreported	12	11	*	*
White	90	110	12	16
<b>Total</b>	<b>190</b>	<b>238</b>	<b>28</b>	<b>30</b>

Note: (\*) represent those categories that have <5 clients represented.

The following table reflects enrollment trends for ADAP with particular focus on time frames that the program has encountered significant increases in enrollment. ADAP is observing a 14-17% increase in enrollment from the prior year.

<b>ADAP Monthly Reports</b>								
<b>Month</b>	<b>Clients Enrolled</b>	<b>Clients Served</b>	<b>Drug Expenses</b>	<b>ADAP Dispense Fees</b>	<b>Insurance Costs</b>	<b>New Clients</b>	<b>Reapproved Clients</b>	<b>Denied Clients</b>
Sep-09	5541	3982	\$2,184,694.85	\$109,687.50	\$66,003.13	108	483	18
Oct-09	5563	4112	\$4,253,614.30	\$119,475.00	\$65,074.36	98	507	34
Nov-09	5612	4024	\$3,885,102.76	\$108,337.50	\$67,928.94	107	462	20
Dec-09	5658	4220	\$4,275,465.51	\$121,803.75	\$51,851.08	125	373	37
Jan-10	5,659	4,147	\$3,679,500.92	\$129,103.00	\$90,610.78	102	295	22
Feb-10	5,705	3,895	\$3,504,135.70	\$122,486.00	\$83,646.37	108	323	30

#### **ADAP FUNDING STREAM FOR FEDERAL FISCAL YEAR (FFY) 2009**

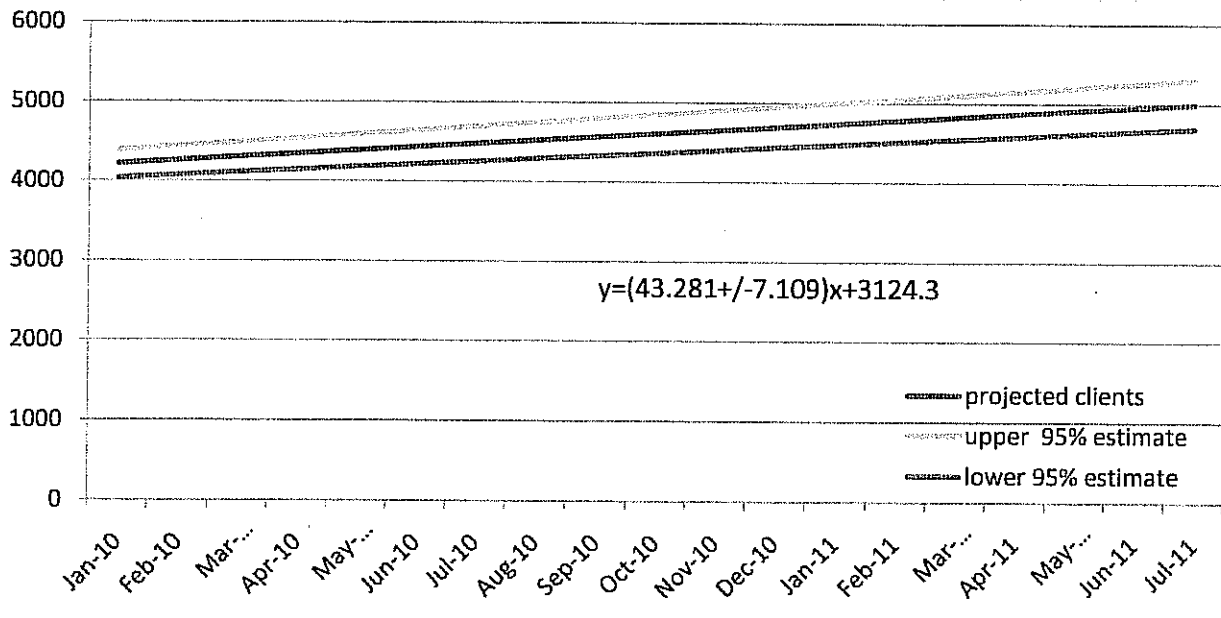
ADAP's current funding sources originate from two main funding streams for federal fiscal year 2009 (FFY09): The Federal Ryan White Part B Grant Award (\$29,009,556.00 includes admin. monies for HIV Section staffing) and General Revenue Fund allocation (GRF) (\$9,602,740) and Federal Rebate (\$658,353.91). In addition, ADAP recently redirected Federal Supplemental funds (\$1,106,997.00), Federal Carryover funds (\$222,731.00), and GRF Correction funds (\$463,500.00) to assist with the current program fiscal year shortfall projected for the federal fiscal year [April 1, 2009 – March 31, 2010]. In addition, ADAP received an additional \$3.5 million from the Governor's discretionary lump sum.

**ADAP Funding Stream  
Federal Fiscal Year 2009  
(April 1, 2009 thru March 31, 2010)**

Category	Federal Funds	General Revenue Funds	ADAP Grand Totals
Federal Ryan White Grant - ADAP Award	\$29,009,556.00		\$29,009,556.00
General Revenue Funds ADAP Award		\$9,602,740.00	\$9,602,740.00
Federal Rebate Funds	\$658,353.91		\$658,353.91
Federal Supplemental Funds Redirected	\$1,106,997.00		\$1,106,997.00
Federal Carryover Funds Redirected	\$222,731.00		\$222,731.00
GRF Correction Funds Redirected		\$463,500.00	\$463,500.00
Governor's Discretionary Funds – received January 2010		\$3,500,000.00	\$3,500,000.00
<b>Totals</b>	<b>\$30,997,637.91</b>	<b>\$13,566,240.00</b>	<b>\$44,563,877.91</b>

**FUNDING PROJECTIONS FOR FFY 2010 – MARCH 2011**

The anticipated cost for ADAP medications for ADAP from the start of the HRSA federal fiscal grant year (April 1, 2010 – March 31, 2011) is \$52 million. This projection is based on trends observed over the past 1.5 years. The 95% confidence interval of projections is between \$49.5 million and \$55 million. These projected growth patterns are calculated with limited cost containment measures implemented by ADAP (i.e., no lowering of Family Poverty Level [FPL], no wait list, no cap on enrollment). This total cost would necessitate a GRF contribution between \$20 and \$26 million. These figures are projected at a cost of \$950.00 per client/month [determined by prescription drug costs and/or insurance copayments for designated clients] for direct services.



The increases in ADAP costs can be attributed to the following factors:

1. Dramatic escalation of client enrollments due to job loss experienced in 2008-2009;
2. Increased medication adherence as a result of patient education;
3. Increased utilization due to program awareness by case managers and advocates; and
4. Quarterly increases in the 340B pricing index for HIV/AIDS medications.
5. CDC Opt-Out Testing recommendations have increased identified positives.
6. Individuals living with HIV have increased life spans which increase the level of yearly reapplications.

**ADAP Funding Stream  
Federal Fiscal Year 2010  
(April 1, 2010 thru March 31, 2011)**

Category	Estimated Federal Funding	Estimated General Revenue Funds	Estimated ADAP Grand Totals
Federal Ryan White Grant ADAP Award FFY 2009	\$29,009,556.00		\$29,009,556.00
General Revenue ADAP Award from SFY 2010		\$9,602,740.00	\$9,602,740.00
General Revenue Funds Request for ADAP over SFY 2010 ADAP Award for SFY 2011  (anticipated costs are based on continued increased enrollment with no cost containment measures)		\$16,387,704.00	\$16,387,704.00
<b>Totals</b>	<b>\$29,009,556.00</b>	<b>\$25,990,444.00</b>	<b>\$55,000,000.00</b>

\* Budget figures are developed anticipating flat funding on both federal and state levels. ADAP Supplements is not incorporated as federal grantee has not carved out this amount for Illinois.

**COST CONTAINMENT OPTIONS THAT ARE BEING IMPLEMENTED BY ADAP**

IDPH HIV/AIDS Section, as a means to demonstrate fiscal accountability/stewardship, is already implementing the following cost containment action steps within ADAP:

1. Daily monitoring of clients seeking monthly refills for Medicaid and Medicare eligibility to ensure ADAP is payer of last resort. This protocol has yielded on average 12 clients monthly successfully transitioned off ADAP.
  - Medicaid Savings to ADAP - **\$1,445,803.96**, Total Clients 107
  - Medicare Savings to ADAP - **\$1,770,323.55**, Total Clients 93
2. Transitioning eligible clients to an Illinois Healthcare and Family Services Program called the Health Benefits for Workers with Disabilities (HBWD), which will yield an estimated **cost savings of \$966,199.93**.
3. Review and update of medications for ADAP formulary, which resulted in the removed of the following drugs. The formulary changes were approved by the ADAP Medical Issues Advisory Board on March 15, 2010 and will be implemented on June 1, 2010, which will yield an estimated **cost savings of \$825,374.91**.

ADAP Formulary Category	Prescribing Guideline Changes	Drug being Removed
Category I	<b>Ritonavir (Norvir)</b> - tablets dispensed unless capsules/soft gels are required by prescribing physician due to tolerance issues for the client.	None
Category II	<b>Atovaquone (Mepron)</b> - will require prior approval for all clients if prescription is for > 21 days. Pre-approval form will need to be completed.	Adefovir (Hepsera) Telbivudine (Tyzeka)
Category III	None	Ketoconazole (Nizoral) Terconazole (Terazole 3 and 7) Terbinafine (Lamasil) Dronabinol (Marinol) Megestrol Acetate (Megace)

ADAP Formulary Category	Prescribing Guideline Changes	Drug being Removed
Category IV	<b>Metronidazole Oral</b> - will move under Category III - Antibiotics.	Interferon Alfa 2B (Intron A) Danazol (Danocrine) Multivitamins-minerals Tinidazole (Tindamax) Clobetasol Propionate Cream Podofiloz (Condylox) Ezetimibe (Zetia) Atorvastatin (Lipitor)
Category V	<p><b>Fuzeon (enfuvirtide)</b> - requires additional application, and re-approval for current prescriptions; limited to cap of 15 clients. IDPH may require yearly re-approval.</p> <p><b>Atovaquone (Mepron)</b> - will require prior approval for all clients if prescription is for &gt; 21 days. Pre-approval form will need to be completed.</p> <p><b>All prescriptions</b> for multi-source drugs (drugs available in a brand-name and ≥1 generic formulation) will be filled with the lowest cost option available.</p>	None

**EFFICIENCY STEPS ADAP IMPLEMENTS TO COST SAVE**

1. Purchase drugs at contract price based on 340-B: (Public Health Service Discount) = AWP less 25-35% or more.
  - Based off purchasing 1 (30) day supply of each drug that was utilized in FFY09, 340-B cost - \$32,141.43; AWP Cost - \$40,176.79, which is an **estimated monthly savings of \$8,035.36** (based on 340B costs 25% AWP). **Annual savings** is estimated at **\$96,424.32**.
2. Back-bill Medicaid for services when client transitions.
  - Based off being able to back bill up to 6 months worth of services the **cost savings realized has been \$1,255,185.23**.
3. Confirm Medicare and Medicaid eligibility prior to each refill.
  - Checking eligibility assists with the savings that ADAP see in transitioning clients to Medicaid and Medicare and contributes to the savings in back billing on utilization.
    - Medicaid Savings to ADAP - **\$1,445,803.96**, Total Clients 107
    - Medicare Savings to ADAP - **\$1,770,323.55**, Total Clients 93
4. Review all utilization for accurate billing (monthly reconciliation report).
  - Savings for CY 2009 realized by ADAP was **\$82,635.58**.
5. Review applicant income statement for evidence of insurance.
  - Verifying possible insurance through paystubs allows ADAP to make determination of insurance that applicant may have not disclosed on the application, which allows ADAP to make copayments as opposed to supplying medications out of ADAP's drug inventory.

6. Pay premiums for those with health insurance (CHIC).
  - Total CHIC clients currently enrolled – 188. CHIC pays up to \$500.00 premium max and the average cost per client on ADAP is \$950 per month. The annual differential in savings is \$1,015,200.00.

### COST CONTAINMENT OPTIONS OBSERVED NATIONALLY

1. **Changing Family Poverty Level (FPL):** Limiting program eligibility by reducing the eligibility criteria from 500% to 300% of federal poverty level could yield a cost savings of \$3.1 million.

Table 1 looks at the current FPL for ADAP applicants for FFY 2008 and FFY 2009. Table 2 illustrates the impact on clients at differing FPL brackets. The greatest yield is at 300% which yields a 3.1 million savings. Table 3 reveals the dispense fees by FPL.

Table 1: FPL breakdown for FFY 08 and 09

FPL	ILA-Client Count Apr08 - Mar09	Drug Cost – Dispense Fee	INS-Client Count Apr08 - Mar09	Insurance Cost	ILA-Client Count Apr09- Dec09	Drug Cost – Dispense Fee	INS-Client Count Apr09 - Dec09	Insurance Cost
<100	2,499	\$19,044,994.35	118	\$562,547.10	2,683	\$16,260,519.00	80	\$392,814.85
100 - 200	1,438	\$11,159,088.31	156	\$983,573.23	1,524	\$9,548,531.63	160	\$981,203.61
201-300	738	\$5,858,627.45	136	\$994,540.63	734	\$4,726,087.33	159	\$1,073,940.98
301-400	266	\$2,100,376.46	102	\$702,619.48	271	\$1,733,025.83	99	\$687,492.97
401-500	71	\$561,829.82	23	\$112,481.70	72	\$507,343.42	27	\$174,567.52
<b>Total</b>	<b>5,012</b>	<b>\$38,724,916.40</b>	<b>535</b>	<b>\$3,355,762.15</b>	<b>5,284</b>	<b>\$32,775,507.20</b>	<b>525</b>	<b>\$3,310,019.93</b>

Table 2: Impact and Savings for Lowering FPL

FPL Change	Clients Impacted Apr09-Dec09	Drug Cost & Dispense Fee	Insurance Clients Impacted Apr09-Dec09	Insurance Cost
Lower-400	72	\$507,343.42	27	\$174,567.52
Lower-350	185	\$1,250,952.42	66	\$444,710.28
<b>Lower-300</b>	<b>343</b>	<b>\$2,240,369.25</b>	<b>126</b>	<b>\$862,060.49</b>

Table 3: Dispense Fees by FPL

FPL	ILA-Client Count Apr08 - Mar09	Dispense Fees	ILA-Client Count Apr09 - Dec09	Dispense Fees
<100	2,499	\$591,367.50	2,683	\$483,873.75
100 - 200	1,438	\$334,350.00	1,524	\$278,583.75
201-300	738	\$182,441.25	734	\$144,146.25
301-400	266	\$62,876.25	271	\$50,636.25
401-500	71	\$17,538.75	72	\$15,693.75
<b>Total</b>	<b>5,012</b>	<b>\$1,188,573.75</b>	<b>5,284</b>	<b>\$972,933.75</b>

2. **Changing Monthly Drug CAPs:** If the monthly cap was changed from \$2000 to \$1500 it would result in an estimated \$2.7 million annual savings. Table 1 illustrates the breakout of CAPs for clients by FPL. Table 2 reveals the **cost savings of \$2,857,600.00** if ADAP lowered its CAP to \$1,500 per client.

Table 1: Client CAPs by FPL

FPL	ILA-Client Count Apr08 Mar09	CAP	ILA-Client Count Apr09 Dec09	CAP
<100	1,650	<1000	1,736	<1000
	687	>=1000 and <=1500	771	>=1000 and <=1500
	101	>=1501 and <=1800	113	>=1501 and <=1800
	61	>=1801 and <=2000	63	>=1801 and <=2000
100 - 200	917	<1000	923	<1000
	427	>=1000 and <=1500	495	>=1000 and <=1500
	58	>=1501 and <=1800	72	>=1501 and <=1800
	36	>=1801 and <=2000	34	>=1801 and <=2000
201-300	464	<1000	422	<1000
	214	>=1000 and <=1500	253	>=1000 and <=1500
	37	>=1501 and <=1800	36	>=1501 and <=1800
	23	>=1801 and <=2000	23	>=1801 and <=2000
301-400	167	<1000	176	<1000
	72	>=1000 and <=1500	68	>=1000 and <=1500
	16	>=1501 and <=1800	16	>=1501 and <=1800
	11	>=1801 and <=2000	11	>=1801 and <=2000
401-500	32	<1000	35	<1000
	29	>=1000 and <=1500	29	>=1000 and <=1500
	6	>=1501 and <=1800	5	>=1501 and <=1800
	4	>=1801 and <=2000	3	>=1801 and <=2000
<b>Total</b>	<b>5,012</b>		<b>5,284</b>	

Table 2: Cost Saving for Lowering CAP from \$2,000 to \$1,500.

CAP Change	ILA-Client Impacted between Apr09 - Dec09	Cost Savings
Lowering to \$1500	376	<b>\$2,857,600.00</b>

Reason for change in last month's calculations:

- Removed regimen changes from calculation.
- Verified fill cycle - 21 day re-fill cycle instead of a 30 day cycle.
- Verified PROVIDE database with Amerisource Bergen for our contracted drugs. Corrections were implemented in regards to the ADAP formulary.

3. **Wait List:** In the history of the Illinois ADAP there has never been a wait list for services. However, current economic conditions have required other states to implement of this cost containment strategy. It is projected that if client utilization was capped at 3,772, the annual cost of ADAP would be \$43 million. This would result in a **potential cost savings of \$12 million.**