

# AIDS Drug Assistance Program (ADAP) and other AIDS/HIV Subsidy Programs

## AIDS Drug Assistance Program (ADAP)

### What are ADAPs?

AIDS Drug Assistance Programs (ADAPs) provide HIV-related prescription drugs to low-income people with HIV/AIDS who have limited or no prescription drug coverage. With more than 210,000 enrollees nationally in FY 2013, ADAPs reach approximately one third of people with HIV estimated to be receiving care nationally.<sup>2</sup> In June 2013 alone, ADAPs provided medications to more than 152,000 clients nationally - the largest number in ADAP history - and insurance coverage to thousands more.

Read this [Kaiser Family Foundation ADAP fact sheet](#) for history, background and description of program structure nationally. The fact sheet provides citations to the 1990 Ryan White Program that is the source of the funding allocated to states for this program. This law has been reauthorized by Congress four times.

In New York State, ADAP has four programs for uninsured or underinsured persons living with HIV:

- New York's regular ADAP program, which provides access to a comprehensive formulary of drugs for uninsured or underinsured persons with HIV infection.
- The ADAP Plus program, which covers primary care, including early intervention and ongoing treatment for HIV disease.
- The HIV Home Care program.
  
- The ADAP Plus Insurance Continuation program (APIC), which pays for commercial health insurance premiums for ADAP-eligible clients who have existing private coverage.

## **FINANCIAL ELIGIBILITY -See [NYS DOH website](#).**

**Nationally**, financial eligibility ranges from 200% FPL in 8 states to 500% FPL in 5 states. See [Kaiser Fact Sheet](#). Thirteen ADAPs also use asset limits to determine eligibility and 14 ADAPs include domestic partners in income calculations.

**In New York State**, to be eligible for ADAP, the household income limit is based on 435% of the Federal Poverty Level (FPL). In 2014, for singles this is \$ 50,764 and for households of two it is \$68,425. Financial eligibility is calculated on the gross income available to the household, excluding Medicare and Social Security withholding and the cost of health care coverage paid by the applicant.

NY Households cannot have liquid assets greater than \$25,000. Liquid assets are cash, savings, stocks, bonds, etc. Liquid assets do not include car, home or federally recognized retirement accounts. at or below \$44,000/year for households of one, \$59,200/year for a household of two and \$74,400/year for households of three or more.

**REFERENCE:** NYS Dept. of Health AIDS Institute ADAP Pharmacy Provider Manual (revised June 2012)

## **ADAP Relationship with Medicare Part D and Medicaid --**

Anyone eligible for Medicare Part D must enroll in a Part D plan as a condition of ADAP eligibility.

### **1. ADAP COORDINATING WITH MEDICAID TO OBTAIN EXTRA HELP WITH MEDICARE PART D**

- ADAP is generally secondary payer to Medicare Part D plans. except in cases when the participant has a Medicaid Spend-down, and Medicaid has not been activated yet. This often happens because the spend-down is so high. But if Medicare Part D always paid first, the participant might never meet their Medicaid spend-down.
- If the participant meets the Medicaid spend-down even in just one month, s/he automatically qualifies for Extra Help with Part D - the Low Income Subsidy. This subsidy reduces the coinsurance and copayments due under Part D to minimal levels AND subsidizes or even eliminates the Part D premium and the deductible.
- The State wants to make it easier for participants to qualify for Extra Help with Part D, since that would eliminate any further need for ADAP to subsidize the Part D medications. To accomplish that, ADAP will be the PRIMARY payer for medications -- with Medicare Part D as secondary - but only to the extent needed to meet the spend-down. Once the spend-down is met, the pharmacy bills the Part D plan.

- ◆ The reason this system works is because of a 1991 law implemented in this NYS Directive --

#### NYS 91 ADM-11: Medical Expenses Paid/Incurred by a Public Program of the State or Its Political Subdivisions

Under this law, expenses paid BY the ADAP program count toward the individual's spend-down. This is an exception to the usual rule, which allows only expenses billed to the MEDICAID RECIPIENT to count toward the spend-down. Here, even though the recipient has no responsibility to pay the expense, the full amount paid by ADAP can be used to meet the spend-down. This special rule applies only to expenses paid by public health insurance programs operated by states or local counties or cities -- such as ADAP and the EPIC pharmaceutical program for people age 65+.

Because AIDS/HIV drugs are so expensive, this special rules allows even someone with income of 435% FPL -- who would have a very high Medicaid spend-down -- to qualify for Medicaid, just by ADAP paying for their drugs for one month, or even less.

For the procedure used by the pharmacies to coordinate ADAP and Medicaid, see PAGES 3-4 of the [NYS Dept. of Health AIDS Institute ADAP Pharmacy Provider Manual](#).

- Billing ADAP as primary payer in these instances allows ADAP to meet the participant's Medicaid Spenddown and ensure comprehensive health care coverage for the participant.  
The ADAP Program will only pay for the medication or medications required to meet the amount of the Medicaid Spenddown.

## **2. ADAP Payments Count Toward "TROOP" To Get Out of Part D Doughnut Hole**

A provision of the ACA changed the relationship between ADAPs and Medicare. As of January 1, 2011, payments made by ADAPs on behalf of a Medicare Part D beneficiary are now allowed to count toward "TrOOP" (a beneficiary's true out-of-pocket costs - [explained in the outline posted here](#)), allowing the client to pass through the doughnut hole into catastrophic coverage. The Patient Protection and Affordable Care Act of 2010, Pub. L. No. 111-148.

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For more information on the services available in these ADAP programs, visit <http://www.health.state.ny.us/diseases/aids/resources/adap/index.htm> and [NYS Dept. of Health AIDS Institute ADAP Pharmacy Provider Manual](#).

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