

**Fiscal Year (FY) 2020-21 May Revision**  
**Office of AIDS (OA), California Department of Public Health (Public Health)**

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**Summary/General Fund**

The California Department of Public Health (Public Health)/Office of AIDS (OA) is pleased to announce that the May Revision proposal continues to support California's [Laying a Foundation for Getting to Zero Plan](#) ([https://www.cdph.ca.gov/Programs/CID/DOA/CDPH%20Document%20Library/IP\\_2016\\_Final\\_ADA.pdf](https://www.cdph.ca.gov/Programs/CID/DOA/CDPH%20Document%20Library/IP_2016_Final_ADA.pdf)). The 2020-21 Governor's Budget includes \$10.1 million for the HIV Surveillance program for FY 2019-20 and FY 2020-21, and includes \$28.2 million in FY 2019-20 for the HIV Prevention program (\$5 million ongoing, and one-time funding of \$15.2 over four years, per legislative augmentation in the 2019 Budget Act) and \$28.2 million in FY 2020-21.

**AIDS Drug Assistance Program (ADAP) Detail***Funding*

ADAP is currently funded through Federal Funds and the ADAP Rebate Fund (Fund 3080) - Special Fund (pharmaceutical manufacturer rebates).

FY 2019-20 (Current Year, July 1, 2019 through June 30, 2020):

The 2020-21 Governor's Budget included ADAP Local Assistance funding of \$431.3 million, with no state General Fund appropriation. The revised current year 2019-20 budget is \$414.1 million, a decrease of \$17.2 (- 4.0 percent) when compared to the 2020-21 Governor's Budget. The net decrease is primarily due to a decrease in projected medication, insurance premium, and medical out-of-pocket expenditures. Changes to ADAP's budget authority when compared to the 2020-21 Governor's Budget include:

- No change in Federal Funds.
- Decrease of \$17.2 million in ADAP Rebate Funds.

FY 2020-21 (Budget Year, July 1, 2020 through June 30, 2021):

The 2020-21 Governor's Budget included ADAP Local Assistance funding of \$467.4 million, with no state General Fund appropriation. The revised budget year 2020-21 budget is \$438.3 million, a decrease of \$29.1 (- 6.2 percent) when compared to the 2020-21 Governor's Budget. The net decrease is primarily due to a decrease in projected medication, insurance premium, and medical out-of-

pocket expenditures. Changes to ADAP’s budget authority when compared to the 2020-21 Governor’s Budget include:

- Decrease of \$4.4 million in Federal Funds.
- Decrease of \$24.7 million in ADAP Rebate Funds.

The summary of these ADAP funding sources can be seen in Table 1 on page 4 of the 2020-21 ADAP May Revision Estimate.

*ADAP Utilization*

Approximately 29,905 individuals received ADAP services in FY 2018-19. It is estimated that 30,394 individuals will receive services in FY 2019-20 and 30,661 individuals will receive services in FY 2020-21 (see Figure 1, ADAP Client Count Trend on page 27, 2020-21 ADAP May Revision Estimate).

*Pre-Exposure Prophylaxis-Assistance Program (PrEP-AP) Utilization*

Approximately 1,367 individual received PrEP-AP services in FY 2018-19. It is estimated that 3,490 individuals will receive services in FY 2019-20 and 5,863 individuals will receive services in FY 2020-21 (see Figure 3, ADAP PrEP-AP Client Trend on page 29, 2020-21 ADAP May Revision Estimate).

*Policy Changes (Assumptions)*

**New and Existing ADAP Policy Changes (Assumptions) included in the 2020-21 May Revision Estimate:**

**New Assumptions**

**Decrease in Federal Funds: 2020 ADAP Emergency Relief Funds Grant (ADAP Shortfall Relief Grant)**

Background: The ADAP Emergency Relief Funds grant (ADAP Shortfall Relief grant) is intended for states/territories that demonstrate the need for additional resources to prevent, reduce and/or eliminate ADAP waiting lists through implementation of cost-containment measures. OA’s cost-containment measures include maintaining data match agreements to ensure ADAP is the payer of last resort.

The table below shows the historical amount OA applied for and the amount that was received:

Table 4: ADAP Emergency Relief Funds (Shortfall Relief) Grant		
Grant Budget Period	Application(s)	Funds Received
2016 (04/01/2016 – 03/31/2017)	\$11,000,000	\$10,991,645
2017 (04/01/2017 – 03/31/2018)	\$9,000,000	\$9,000,000
2018 (04/01/2018 – 03/31/2019)	\$11,000,000	\$11,000,000
2019 (04/01/2019 – 03/31/2020)	\$11,000,000	\$11,000,000
2020 (04/01/2020 – 03/31/2021)	\$10,000,000	\$6,537,311

Description of Change: On November 4, 2019 OA applied for the maximum amount of \$10 million for the competitive 2020 ADAP Emergency Relief Funds grant which is \$1 million less than in prior years. On February 21, 2020, OA received the notice of award for the 2020 ADAP Emergency Relief Funds grant in the amount of \$6.5 million.

Discretionary: Yes.

Reason for Adjustment/Change:

- The ADAP Emergency Relief Funds grant is a competitive funding opportunity.
- Prior funding does not guarantee that funding will be provided in the future.

Fiscal Impact and Fund Source(s): Decrease of \$4.5 million Local Assistance in 2020-21. The fund impacted is the Federal Trust Fund (Fund 0890).

**Existing Assumptions**

**Access, Adherence, and Navigation (AAN) Program**

Background: Beginning in 2017-18, OA began allocating funds to a select number of ADAP enrollment sites with the highest uninsured client caseloads to navigate uninsured individuals to comprehensive health coverage and to support ADAP clients with achieving and maintaining viral suppression. OA initially selected the top 19 sites with the largest ADAP medication-only client population to participate in the AAN Program. Of the 19 ADAP enrollment sites invited to participate, ten enrollment sites declined due to a variety of reasons. These reasons include lack of capacity and lack of infrastructure to bill for clients with private insurance. Additionally, financial disincentive due to reduced reimbursement rates from private insurance plans compared to higher reimbursement rates received for some Ryan White Part A funded ambulatory health services contributed to declining enrollment.

To align with the federal grant year and allow for the program to operate during an additional open enrollment period, OA amended program contracts to extend the contract end date from June 30, 2019 to March 31, 2020.

Also, because of lower than anticipated enrollment site participation, OA allocated an additional \$120,000 in 2018-19 and \$90,000 in 2019-20 to five of the nine participating enrollment sites identified as having the highest number of medication-only clients. The increased funding is being leveraged to add additional resources at these sites to navigate more clients to comprehensive health coverage.

Description of Change: The AAN program has been valuable in helping to understand the unique barriers clients face by county in accessing health care coverage. Since contract inception, navigators have navigated 1,088 clients to comprehensive health coverage. The current AAN contracts with the nine participating enrollment sites expire on March 31, 2020, after which OA plans to use information learned during the program to expand the geographic scope of navigation services statewide by centralizing these functions in-house. OA plans to have approximately 18 existing state staff funded through the Ryan White Part B grant absorb this work and conduct outreach to clients and provide linkage to certified Covered California enrollment sites. OA staff maintain collaborative workgroups with insurance plans during the open enrollment period and will be able to provide specialized assistance to uninsured clients. Approximately 12,000 ADAP clients or one-third of all ADAP clients statewide are uninsured, with more than half of uninsured clients receiving ADAP services in Los Angeles County where six of the nine AAN sites are located and where a majority of the enrollment barriers have been identified. By widening the geographic scope, OA is increasing the pool of clients that can be engaged and anticipates being able to increase the number of client interactions that lead to successful navigation outcomes.

Discretionary: Yes

Reason for Adjustment/Change:

- To expand navigation services statewide and maximize outreach and enrollment into comprehensive health coverage.
- Increase overall health coverage enrollment among all ADAP clients.

Fiscal Impact and Fund Source(s): Estimated net savings for 2019-20 is \$1.3 million from navigating an estimated 243 clients to comprehensive health insurance. Estimated net savings for 2020-21 is \$4.2 million from navigating an estimated 362 clients to comprehensive health insurance. No additional budget authority is needed. The funds impacted are the Federal Trust Fund (Fund 0890) and ADAP Rebate Fund (Fund 3080).