

Law & Policy:

Policy Notice - 07-05

Document Title: The Use of
the Ryan White HIV/AIDS
Program Part B ADAP Funds to
Purchase Health Insurance

DATE: SEP 19 2007

TO: All Ryan White HIV/AIDS Program Grantees

Attached is the HIV/AIDS Bureau (HAB) updated policy describing the use of Ryan White HIV/AIDS Program Part B AIDS Drug Assistance Program (ADAP) funds to purchase health insurance. This policy was previously published as "Policy Notice 99-01." This updated policy reflects the technical changes in Title XXVI of the Public Health Service Act as amended by the Ryan White HIV/AIDS Treatment Modernization Act of 2006 (Ryan White HIV/AIDS Program) and establishes updated guidelines for the use of Ryan White HIV/AIDS Program Part B ADAP funds for the purchase of health insurance. In essence, the previous policy has not undergone any substantive changes and is being re-issued to reflect the technical changes as a result of the newly reauthorized Ryan White HIV/AIDS Program.

Funds designated to carry out the provisions of Section 2616 of the Public Health Service Act may be used to purchase health insurance whose coverage includes HIV treatments and access to comprehensive primary care services, subject to specific conditions.

If you have any questions regarding the content of the HAB Policy Notice, please contact your project officer. Thank you for your attention to this important matter.



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Attachment

Policy Notice 07-05: The Use of Ryan White HIV/AIDS Program Part B AIDS Drug Assistance Program (ADAP) Funds to Purchase Health Insurance

The following HIV/AIDS Bureau (HAB) policy is being issued to support individual States in the management of their HIV/AIDS programs and to ensure that ADAPs are the payers of last resort.

A. Funds designated to carry out the provisions of Section 2616 of the Public Health Service Act may be used to purchase health insurance whose coverage includes the full range of HIV treatments and access to comprehensive primary care services, subject to the conditions below:

1. Funds must continue to be managed as part of the established ADAP Program.
2. ADAP programs must be able to account for and report on funds used to purchase and maintain insurance policies for eligible clients including covering any costs associated with these policies.
3. Funds may only be used to purchase premiums from health insurance plans that at a minimum provide prescription coverage equivalent to the Ryan White HIV/AIDS Program Part B formulary.
4. The total annual amount spent on insurance premiums can not be greater than the annual cost of maintaining that same population on the existing ADAP program.
5. Funds may be used to cover any costs associated with the health insurance policy, including co-payments, deductibles, or premiums to purchase or maintain insurance policies
6. Current client eligibility guidelines, set under Section 2616(b) of the Public Health Service Act, must be followed.
7. The States must maintain their contributions to their HIV/AIDS care programs as required under Section 2617(b)(7)(E).

8. Ryan White HIV/AIDS Program funds must be the payers of last resort for pharmaceuticals.
 9. The State must assure that ADAP funds will not be used to purchase health insurance deemed inadequate by the State in its provision of comprehensive primary care services.
- B. Prior to the use of ADAP funds for the purchase of health insurance, States must provide the HIV/AIDS Bureau with the methodology used by the State to:
1. Assure that they are buying health insurance that at a minimum includes pharmaceutical benefits equivalent to the Ryan White HIV/AIDS Program Part B ADAP formulary (refer to A.3.), and
 2. Assess and compare the costs of providing medications through the health insurance option versus the existing ADAP program (refer to A.4.).
 3. If the use of ADAP funds for buying insurance is initiated within a grant cycle, the State ADAP will provide notification of intent with the aforementioned assurances to the Grants Management Officer.
- C. Nothing in the above policy may be interpreted or construed to change existing requirements, authorized by law or policy guidelines, regarding, but not limited to: client eligibility, statewide parity for client eligibility, and statewide parity for treatments available in the ADAP formulary.