

# The Strategic Value of ADAP-Funded Insurance: Clinical Excellence & Fiscal Sustainability

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The AIDS Drug Assistance Program (ADAP) serves as a vital safety net for low-income people living with HIV/AIDS (PLWHA) by providing life-saving medications and comprehensive health coverage support. Under the Ryan White HIV/AIDS Program (RWHAP) Part B, ADAPs function as strategic purchasers by providing financial assistance for health care coverage premiums, deductibles, and co-payments. By leveraging Affordable Care Act (ACA) tax credits and 340B manufacturer rebates, this model ensures clients have access to comprehensive care and treatment while generating the flexible revenue necessary to sustain the broader HIV care continuum.

## The Clinical Advantage: Higher Viral Suppression

While ADAPs provide a life-saving safety net for medications, the data are clear: comprehensive health coverage leads to better health outcomes.

- **Superior Suppression Rates:** In CY2024, ADAP clients supported by insurance-only or a dual-program approach achieved a [91% viral suppression rate](#). In contrast, clients relying solely on the full-pay medication program achieved an 86% suppression rate.
- **Leading the Nation:** The 91% suppression rate among insured ADAP clients significantly outperforms the national estimate of 67% for all people PLWHA in the U.S.
- **“Whole-Person” Care:** ADAP-sponsored health coverage allows clients to access expansive networks of primary care, specialists, diagnostics, surgery, and in-patient care—services not covered by a medication-only program or provided by RWHAP-funded clinics.

## The Efficiency Engine: Leveraging the ACA

The ACA has allowed ADAPs to transition from "payer of all" to "strategic purchaser."

- **Leveraging Federal Assistance:** Access to Premium Tax Credits (PTCs) and Cost-Sharing Reductions (CSRs) enables ADAPs to significantly lower their per-client costs. In CY2024, [ADAPs spent \\$796 million on insurance premiums and cost sharing](#)—a highly efficient investment compared to the \$1.85 billion spent on direct medication purchasing and dispensing for the remaining ADAP client population.
- **Scale of Support:** All state ADAPs now report using funds for health care coverage support, providing premium and/or cost-sharing support to [138,000 clients](#) in 2024.
- **Program Growth:** Since the implementation of the ACA in 2013, ADAPs have [more than doubled](#) the number of clients served through health care coverage purchasing.

### The 340B Multiplier: Turning Expenditures into Revenue

Health care coverage purchasing is not just clinically meaningful for clients; it is a revenue generator for ADAPs and the larger state RWHAP Part B programs.

- **Manufacturer Rebates:** When an ADAP subsidizes a Marketplace, off-Marketplace, or Medicare plan, the program can claim 340B manufacturer rebates on dispenses with cost-sharing requirements.
- **National Budget Cornerstone:** These rebates contribute to a total revenue stream that now accounts for [over 50% of total ADAP budgets](#) nationally.
- **Reinvesting in the Continuum:** Unlike traditional grant funds, these rebate revenues are flexible. They are used to:
  - ⇒ Defray insurance purchasing and cost-sharing expenses.
  - ⇒ Offset the high costs of the full-pay medication program.
  - ⇒ Fund a wide variety of RWHAP Part B services (See Below).

### Strategic Reinvestment: Turning ADAP-Funded Insurance Program Rebates into Results

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When ADAPs leverage 340B rebates from insurance purchasing, the program revenue is reinvested to strengthen the entire RWHAP Part B ecosystem:

#### Strengthening the Safety Net

- **Expand Eligibility:** Increase financial benchmarks to maximize enrollment and reach more low-income individuals.
- **Enhance Formulary Access:** Maximizing funds with rebates allows ADAPs to expand their formularies for uninsured clients, providing access to an array of prescription medications required to manage the comorbidities associated with HIV infection.
- **Eliminate Barriers:** Prevent the need for waitlists or cost-containment measures that restrict access to care.
- **Guarantee Continuity:** Simplify recertification and pharmacy access to minimize treatment disruptions.

#### Expanding the Care Continuum

- **Fund Community Partners:** Provide vital grants to CBOs (even those without 340B status) for housing, outreach, and case management.
- **Support Local Providers:** Offer fiscal support to HIV service organizations throughout the state to expand their capacity for PLWHA.
- **Ensure Geographic Equity:** Maintain service parity and access across the jurisdiction, with a focus on reaching rural areas.

#### Driving Clinical Excellence

- **Maximize Medical Services:** Increase the availability of Part B core medical and support services to optimize health outcomes.
- **Innovate Quality Care:** Revitalize Clinical Quality Management (CQM) programs to align with Ending the HIV Epidemic (EHE) goals.