

This report tracks the current and projected fiscal health and cost-containment measures of AIDS Drug Assistance Programs (ADAPs). ADAPs provide life-saving HIV treatment to low income, uninsured and underinsured individuals living with HIV/AIDS in all 50 states, the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, three U.S. Pacific Territories (Guam, the Commonwealth of the Northern Mariana Islands, and American Samoa) and one Associated Jurisdiction (the Republic of the Marshall Islands). Federal funding for ADAPs has remained relatively unchanged over the last decade, while client enrollment and healthcare costs, including prescription drug, insurance premium, and cost-sharing expenditures, have continued to increase.

Table of Contents

TABLE OF CONTENTS	1
REPORTING JURISDICTIONS	1
AT A GLANCE: FISCAL OUTLOOK	2
BUDGET STATUS TREND – FEBRUARY THROUGH OCTOBER 2026.....	3
BUDGET CHANGE SINCE JULY 2026	4
DRIVERS OF BUDGET DEFICITS	4
ACTIVE COST-CONTAINMENT MEASURES: ALL REPORTING PERIODS.....	5
ACTIVE COST-CONTAINMENT MEASURES: WAITING LISTS AND FINANCIAL ELIGIBILITY CHANGES	5
OTHER ACTIVE COST CONTAINMENT MEASURES	6
PROGRAM NOTES	6
WATCH LIST: ADAPS CONSIDERING NEW/ADDITIONAL COST-CONTAINMENT MEASURES	7
REFERENCES & RESOURCES	8

Reporting Jurisdictions

Analysis based on data received in response to a Request for Information (RFI) conducted October 5–20, 2026, from the following 44 jurisdictions:

Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, Puerto Rico, South Carolina, South Dakota, Texas, Utah, Vermont, Virginia, Washington, D.C., Wisconsin, Wyoming

Jurisdictions returning after not responding to the July 2026 ADAP Watch RFI: Colorado, Delaware, Louisiana, Minnesota, and New York. Their responses reflect status as of October 5, 2026, compared against the April 2026 ADAP Watch baseline.

July 2026 respondents that did not respond to the October RFI: Guam, Rhode Island, and Tennessee. Their current status is unknown.

Jurisdictions that have not responded to the July or October 2026 RFIs: Kansas, Mississippi, and Ohio. Of these, Kansas reported active cost-containment measures in April 2026; current status is unknown.

Jurisdictions for which data are not available for any reporting period: Florida (February, April, July, and October data not available), Washington State, and West Virginia.

At a Glance: Fiscal Outlook

Status of ADAP Budgets for the Current RWHAP Part B Fiscal Year (ending March 31, 2027)

Twelve ADAPs report a projected deficit for the current fiscal year — six minor (<5% of total operating budget) and six significant (≥5%). This represents a continued decrease from the 15 deficits reported in July 2026. Two programs that reported significant deficits in July have since resolved them — Connecticut and Massachusetts. No new deficits were reported. Twenty-three ADAPs report balanced budgets, and nine anticipate a surplus.

Metric	Current RWHAP Part B Fiscal Year (ending 3/31/27)
Minor Deficit (<5% of ADAP Budget)	6 ADAPs
Major Deficit (≥5% of ADAP Budget)	6 ADAPs
Balanced Budget	23 ADAPs
Surplus Anticipated	9 ADAPs

ADAPs by anticipated budget status for the current RWHAP Part B fiscal year (ending March 31, 2027):

Minor deficit projected (<5% of total operating budget) — 6 ADAPs:

Idaho, Illinois, Michigan, Nebraska, New Hampshire, Utah

Major deficit projected (≥5% of total operating budget) — 6 ADAPs:

Georgia, Hawaii, Iowa, Missouri, Pennsylvania, Texas

Balanced budget — 23 ADAPs:

Alabama, Alaska, Arkansas, California, Colorado, Connecticut, Delaware, Indiana, Louisiana, Maryland, Massachusetts, Minnesota, Montana, Nevada, New Jersey, New York, North Carolina, Oklahoma, Oregon, South Carolina, Washington, D.C., Wisconsin, Wyoming

Surplus anticipated — 9 ADAPs:

Arizona, Kentucky, Maine, New Mexico, North Dakota, Puerto Rico, South Dakota, Vermont, Virginia

Budget Status Trend – February through October 2026

Status	February 2026	April 2026	July 2026	October 2026
Significant deficit (≥5%)	5	9	9	6
Minor deficit (<5%)	5	10	6	6
Total deficits	10	19	15	12
Balanced budget	—	21	23	23
Surplus anticipated	—	6	5	9
Respondents	44	46	43	44

These comparisons should be interpreted with caution. Respondent composition varies across reporting periods. Of 54 total jurisdictions contributing data across all four rounds, respondent rosters have shifted in each period. Changes in aggregate counts may reflect shifts in respondent composition as well as actual program changes. February data reflect programs forecasting a deficit for the then-upcoming fiscal year; balanced/surplus projections were not collected in February.

Budget Change Since July 2026

Change Category	Count	States
New deficit (not reported in July)	0	—
Continuing — worsened since July	1	Missouri
Continuing — unchanged since July	6	Georgia, Idaho, Illinois, Iowa, New Hampshire, Texas
Continuing — improved since July	5	Hawaii, Michigan, Nebraska, Pennsylvania, Utah
Deficit resolved since July	2	Connecticut, Massachusetts
No change (balanced/surplus)	30	Alabama, Alaska, Arizona, Arkansas, California, Colorado, Delaware, Indiana, Kentucky, Louisiana, Maine, Maryland, Minnesota, Montana, Nevada, New Jersey, New Mexico, New York, North Carolina, North Dakota, Oklahoma, Oregon, Puerto Rico, South Carolina, South Dakota, Vermont, Virginia, Washington, D.C., Wisconsin, Wyoming

Drivers of Budget Deficits

Among the 12 programs reporting projected deficits, the following drivers were cited (respondents could select all that apply):

Driver	Count (n=12)	% of programs with deficits
Increased drug costs/expenditures per client	10	83%
Increasing premium costs	8	67%
Increased client enrollment	8	67%
Decreased 340B rebate revenue	6	50%
Expiration of enhanced premium tax credits	5	42%
Changes in federal allocations or supplemental funding	4	33%
State revenue reduction	0	0%
Other	1	8%

Iowa cited termination of a contract pharmacy arrangement as an additional driver; this is not captured in the standard response categories above. As in prior ADAP Watch reports, increased drug expenditures remain the most widely cited driver, followed by increasing premium costs and increased client enrollment. No programs cited state revenue reduction in October.

Active Cost-Containment Measures: All Reporting Periods

Cost-Containment Measure	Feb 2026	Apr 2026	Jul 2026	Oct 2026	Change Jul-Oct
Reduced Part B Funding	10	13	10	16	▲ 6
Premium Assistance Changes	5	9	5	5	—
Reduced Formulary	6	4	4	5	▲ 1
Expenditure Caps	5	3	2	5	▲ 3
6-Month Recertification	4	4	1	1	—
Lab/Ancillary Discontinued	0	0	0	0	—
Other Operational Measures	—	6	4	4	—

These comparisons should be interpreted with caution. Respondent composition varies across all four reporting periods. February 2026 data include Florida, which did not respond to the RFI but for which public information was available; subsequent counts exclude Florida. The "Other Operational Measures" category was not used in the February report. Three July respondents (Guam, Rhode Island, Tennessee) did not respond to the October RFI; five programs (Colorado, Delaware, Louisiana, Minnesota, New York) responded in October after missing July. Programs reporting "continuing and active" measures in October include some classified as "under consideration" in July, reflecting implementation between rounds. Counts are not directly comparable on a like-for-like basis across periods.

Active Cost-Containment Measures: Waiting Lists and Financial Eligibility Changes

Two ADAPs report active waiting lists. Iowa's list has continued its gradual decline since April, while Utah's has grown since July.

State	Individuals on List	Waiting List Start Date	Change from July
Iowa	1,020	March 9, 2026	Down from 1,035 in July
Utah	84	March 19, 2026	Up from 48 in July

Iowa anticipates resolving its waiting list by the next ADAP Watch reporting period.

ADAPs Establishing a Maximum Number of Clients Served

One ADAP reports an active enrollment cap: Indiana (maximum of 5,500 clients annually, continuing from prior reporting periods). Utah, which reported a cap of 255 clients in July; an update was not provided in October.

ADAPs Implementing Financial Eligibility Changes

No new reductions or restorations were reported in October. Pennsylvania confirmed its prior eligibility reduction remains in effect. Delaware, returning after missing the July round, reports no change from its April 2026 baseline, indicating its prior reduction remains in effect. Rhode Island did not respond to the October RFI; its status is unknown. Kansas has not responded to either the July or October RFIs; its prior reduction status remains unknown.

Other Active Cost Containment Measures

Measure	New since July 2026	Continuing from July 2026	Resolved since July 2026
Reduced Part B Funding	—	Alabama, Delaware, Hawaii, Illinois, Indiana, Iowa, Louisiana, Massachusetts, Michigan, Missouri, Montana, Nevada, Pennsylvania, Puerto Rico, South Carolina, Washington, D.C.	Arizona, Connecticut
Premium Assistance Changes	Indiana ¹	Michigan, Montana, Oklahoma, Wisconsin	Arizona, Connecticut, New Jersey
Reduced Formulary	—	Iowa, Michigan, Missouri ² , Pennsylvania, Washington, D.C.	Arizona, Connecticut
Expenditure Caps	—	Colorado, Delaware, Nevada, Oklahoma, Washington, D.C.	Connecticut
6-Month Recertification	—	Oklahoma	—
Lab/Ancillary Discontinued	—	—	—
Other Operational Measures	Oregon ⁵	Michigan, New Hampshire, North Dakota ³	Massachusetts ⁴

¹ Indiana implemented new premium assistance changes between the July and October reporting periods.

² Missouri removed all non-antiretroviral medications from the formulary, effective June 1, 2026 (first reported in July 2026).

³ North Dakota reports other operational measures as continuing; this was not reflected in the July 2026 ADAP Watch.

⁴ Massachusetts resolved its operational measures following staffing changes reported in July.

⁵ Oregon (CAREAssist) is shifting to work exclusively with insurance carriers that allow medications to be accessed through the ADAP-contracted pharmacy network, effective for new enrollments in 2027. This change was prompted by the exit of two major carriers (Providence Health Plans and PacificSource Health Plans) from Oregon's individual market.

Program Notes

Pennsylvania continues to face a significant deficit making it unable to support people living with HIV at the same level that has been historically established in the jurisdiction. However, with cost containment measures, most significantly including eligibility changes, formulary changes, and decreased support of other Ryan White Part B services, the ADAP has been able to stabilize the budget. This stabilization is anticipated to allow the program to end the year with no deficit, although the deficit of services to the individuals impacted will still be significant.

Effective November 1, 2026, **Georgia** reduced its ADAP full-pay medication program income eligibility threshold to 200% FPL. Clients above that threshold will be assessed for the Health Insurance Continuation Program (HICP) and transitioned to HICP coverage unless they qualify for a hardship exemption. As part of 2027 open enrollment, clients are also being reassessed for Medicaid, Medicare,

Georgia Pathways (including both community engagement and medical frailty tracks), and employer-sponsored coverage, consistent with Ryan White's payor of last resort requirements. Georgia Access plans and pricing will be available November 1, 2026; only Silver plans are approved for HICP. The program reports a significant projected deficit for the current grant year.

Watch List: ADAPs Considering New/Additional Cost-Containment Measures

The breadth of the Watch List reflects systemic pressures that extend well beyond individual program budgets. Across respondents, four interconnected themes emerged from program narratives submitted with this RFI:

- Medicaid disruption is the most consistent forward-looking concern.** Programs across both deficit and balanced categories are planning for increased demand as clients lose Medicaid coverage due to work requirements, more frequent eligibility redeterminations, and non-citizen eligibility changes. For several programs, this is already materializing rather than anticipated — with client transitions underway and utilization projections being revised upward for 2027. Colorado, for example, anticipates a significant increase in enrollment demand in the coming year, with an estimated 600–1,000 people living with HIV potentially losing Medicaid coverage due to forthcoming eligibility changes.
- Insurance market instability is compounding premium pressure beyond what the enhanced premium tax credit expiration alone explains.** Programs in multiple states are contending with carrier exits from individual and Medicare Advantage markets, plan consolidation, and regional coverage gaps — particularly in high-burden metropolitan areas. Several programs will not know their full 2027 premium exposure until open enrollment closes.
- 340B rebate revenue is declining, and programs are actively compensating.** Multiple programs cited decreasing rebate income as a core pressure, while simultaneously reporting efforts to restructure purchasing arrangements, renegotiate subrecipient agreements, and optimize rebate capture. In at least one case, aggressive rebate optimization reduced a projected multi-million dollar deficit substantially.
- Emergency and supplemental funding is sustaining balance sheets that may not otherwise be stable.** Several balanced budgets are contingent on HRSA carryover authority, Part B supplemental awards, or Emergency Relief Funds. Programs have noted uncertainty about the continued availability of ERF as demand from other states increases. The programs below considering additional cost-containment measures reflect, in part, preparation for a future in which those funding buffers are no longer available.

The following programs have indicated the measures below are under active consideration but not yet implemented as of October 2026:

Measure	Jurisdictions Under Active Consideration
Reduced Part B Funding	Maine, Nebraska, Texas (3)
Premium Assistance Changes	Alabama, Texas (2)
Reduced Formulary	Alabama, Idaho, Illinois, Indiana, Texas (5)
Expenditure Caps	Alabama, Georgia, Idaho, Michigan, Missouri, Texas (6)
Discontinued Lab Assays/Ancillary	Missouri (1)
6-Month Recertification	Maine, Michigan (2)
Other Operational Measures	Georgia, Hawaii, Indiana, Louisiana, Missouri (5)

References & Resources

1. **Context & Policy Analysis:** [Federal Policy Changes and Their Impact on ADAPs \(Oct 2025\)](#)
2. **Operational Guidance:** [ADAP Cost Containment Considerations \(Nov 2025\)](#)
3. **Previous:** [ADAP Watch – February 2026](#), [ADAP Watch – April 2026](#), [ADAP Watch – July 2026](#)