HIV Health & Human Services
PLANNING COUNCIL OF NEW YORK
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Meeting of the

PRIORITY SETTING & RESOURCE ALLOCATION COMMITTEE

Monday, January 14, 2013
Cicatelli Assoc., 505 Eighth Avenue, 20th Floor
3:05– 5:05 pm

M I N U T E S

Members Present: Marya Gilborn (Co-Chair), Sam Rivera (Co-Chair) Victor Benadava, Felicia Carroll, Sharen Duke, Graham Harriman, Peter Laqueur, Hilda Mateo, Jan Carl Park, Tom Petro, Dena Rakower, Allan Vergara

Members Absent: Nancy Cataldi, Robert Cordero, Joan Edwards, Amanda Lugg, Deb Marcano, Tracy Douglas Neil, Leonardo Vicente III, Dorella Walters

Staff Present: David Klotz, Darryl Wong, Anna Thomas, Amber Casey, Rafael Molina (DOHMH); Rachel Miller, Gucci Kaloo, Bettina Carroll (Public Health Solutions)

Agenda Item #1: Welcome/Introductions/Moment of Silence/Minutes

Mr. Rivera and *Ms. Gilborn* opened the meeting followed by introductions and a moment of silence. The minutes of the December 17, 2012 meeting were approved with one minor change.

Agenda Item #2: FY 2013 Scenario Planning

Mr. Klotz reviewed the steps taken to date. *Mr. Park* gave an update on the national funding picture, with sequestration postponed for two months pending further Congressional negotiations. Given what we know now, an 8% cut in the award is not unrealistic.

Mr. Kaloo reviewed the details of a spreadsheet showing an 8% reduction scenario. All scenarios (0%, 4%, 8%, 12%) show Tri-County's percentage stable at 4.71% of the award, and Quality Management at $3M. HRSA gives the grantee sole discretion over QM funds, which are capped at either 5% of the grant award or $3M, whichever is less (this amount is not included in the 10% grant administration funds). As QM was reduced by over $400,000 in 2011 due to the elimination of the MAI portion of QM funding, the amount is staying stable. The spending plans show QM separate from administration because they are reported separately to HRSA.

The State has agreed to accept an upfront reduction of $2,768,244 (the same amount as previous years), to be restored through reprogramming during the year. The State is accepting a risk that the full amount may not be available. ADAP Director Christine Rivera will present data on the program at the next PSRA meeting, including the State's cost containment plan for ADAP should there be a reduction in funding.

All spending scenarios distributed show reductions based on the preliminary spending plan approved for the application with uncommitted funds re-allocated to enhance Food & Nutrition (FNS), Housing and Supportive Counseling (SCF), and with additional uncommitted funds from Harm Reduction remaining in that category. Thus, the proportionate reductions are based on the enhanced amounts.

Ms. Gilborn reiterated the options as discussed at the previous meeting: applying proportionate reductions, or offsetting larger reductions by not reallocating the uncommitted funds that have been designated to enhance the FNS, Housing and SCF categories. Different methodologies might be appropriate for different levels of funding cuts. *Mr. Kaloo* pointed out that if the former option were used, in an 8% reduction scenario, the amount reduced in Supportive Counseling would be roughly equivalent to the amount that it would have been enhanced, which means essentially no change in funding.

In response to a question, *Mr. Kaloo* and *Ms. Miller* stated that the longer it takes for the EMA to receive the award, the harder it is for contractors to implement the new funding amounts, as any cuts will be retroactive to the beginning of the fiscal year (March 1, 2013).

The following is a summary of the ensuing discussion:

- It is more sensible to use the planned enhancements to offset cuts to existing programs, as these funds are not currently committed or providing services.
- The alternative view is that the enhancements reflect need as identified by PSRA using new data during the previous planning cycle. (The enhancement amounts for FNS and SCF reflect trends in over-performing, with the remaining uncommitted funds allocated to Housing.) Also, eliminating these planned enhancements might encourage "impassioned pleas" from providers and/or clients of those programs.
- These services, particularly FNS, had substantial increases in their priority scores based on data (including how well they connect clients to primary care). This means they would receive a proportionately lower reduction if the formula is used, giving them an advantage in absorbing cuts.
- PSRA can use the scorecards and other data to get a rough estimate the impact of cuts on programs, as Mr. Park presented in his presentation on sequestration to the Council. Estimating the number of clients who would lose services is imprecise due to variables, particularly cost per service.
- PSRA needs to stick to the rankings in the priority setting tool, as they reflect the relative importance of service categories and reflect the extensive data-driven planning conducted last spring and summer.
- In the case of a severe cut to the award, the Council may consider eliminating the lowest ranked category (Home Care), which would mitigate proportionate cuts to the remaining service categories. This category has not been re-bid since 1998 and is not really providing home care as defined by HRSA. Under HRSA monitoring standards, the service model fits into other categories, mostly non-core.
- *Mr. Harriman* gave a brief overview of Home Care, which has 4 contracts that provided services to 511 unique clients in 2011 (although not all clients may be active). Only 8 clients in total were not Medicaid-eligible. Services include pantry bags, home-delivered meals and mental health visits, all services duplicated in other categories. Mr. Harriman will provide a more in depth presentation at the next meeting.
- PSRA may consider eliminating Home Care regardless of the size of the cut to the award, based on an assessment of the need for the service and whether the services provided are duplicated

elsewhere.

- Eliminating Home Care will not have a significant impact on the core/non-core balance. Also, the EMA is unlikely to have its waiver application rejected, as HRSA is encouraging other EMAs to consider applying.
- Home Care providers should be invited to present data on what they provide, where they get referrals from and what would happen to their clients should the programs be eliminated. The providers will likely stress the importance of their programs. Information is needed on whether or not their clients are a unique population getting a service that is not duplicated elsewhere.
- A decision is needed in a timely manner – if a service category is eliminated, an allowance needs to be made for close-out, thus the allocation would be needed for a partial year.
- There is a precedent for eliminating an entire service category, as was done in the 1990s with Buddy Services.
- The grantee is planning for how to respond to a cut in the administration budget and can report on that. While sub-contractors' administrative work is generally reduced with a cut in their contract amount (as the amount of services provided is reduced), some fixed administrative costs can make a program unviable if the contact takes a severe cut. However, the grantee and master contractor would have the same workload with a smaller budget.
- The grantee and master contractor would decide how to implement a cut within a category, trying to minimize the impact on clients. Having performance-based contracts allows for this.
- Data is needed on other low-ranked categories that could be considered for surgical cuts.

Agenda Item #3: Other Business

The Committee will have an additional meeting next month, on February 4th, 3-5pm.

There being no further business, the meeting was adjourned.