



Meeting of the  
**PRIORITY SETTING & RESOURCE ALLOCATION COMMITTEE**

Monday, December 9, 2013  
AIDS Service Center of NYC, 41 E. 11<sup>th</sup> Street, 5<sup>th</sup> Floor  
3:10 – 5:00 pm

**MINUTES**

**Members Present:** Sharen Duke (Co-Chair), Sam Rivera (Co-Chair), Matthew Baney, Randall Bruce, Felicia Carroll, Joan Edwards, Graham Harriman, Jan Hudis, Peter Laqueur, Amanda Lugg, Jan Carl Park, Tom Petro, Allan Vergara, Leonardo Vicente III

**Members Absent:** Nancy Cataldi, Robert Cordero, Deb Marcano, Tracy Douglas Neil, Daniel Pichinson

**Staff Present:** David Klotz, Rafael Molina, Amber Casey (DOHMH); Rachel Miller, Bettina Carroll (Public Health Solutions)

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

*Ms. Duke* opened the meeting followed by introductions. *Mr. Park* led the moment of silence. The draft minutes of the August 5, 2013 meeting were approved with a change to reflect accurate attendance.

**Agenda Item #2: FY 2013 Carry-over Request**

*Mr. Harriman* presented the FY 2013 carry-over request to HRSA, a formality required by the conditions of award. HRSA requires all EMAs to submit an estimate of the carry-over from the current fiscal year and what it will be used for in the following year. The EMA always gives an estimate of the highest amount allowable (5% of the formula award), saying that it will be used for ADAP. When the actual carry-over amount is known next spring after the FY 2013 close-out, PSRA and the Council will approve a final carry-over plan, which is expected to be much less.

**A motion was made, seconded and approved unanimously to approve the carry-over request as presented.**

**Agenda Item #3: FY 2014 Spending Scenario Planning**

*Mr. Park* gave an overview of the federal funding picture. Congress is currently negotiating a budget deal which may mean the end of sequestration. If no deal is reached, the Ryan White program will be subject to another round of sequestration next year. Also, the EMA stands to lose funds due to the end of the Hold Harmless provision. With both Hold Harmless and sequestration, it is prudent for the PSRA to plan for a range of reductions from 8% to 11%.

*Ms. Duke* reviewed the decisions made by PSRA and the Council last year for the FY 2014 application spending plan: the Year 2013 Final Spending Plan was used as the basis, with minor adjustments to the carrying costs; separate Base and MAI plans were required for the application, so \$911,739 for ADAP+ was shifted from base to MAI to account for the uncoupling of the combined plan (no net change in total allocation to ADAP+); \$3M was reduced from Early Intervention Services (EIS) due to the low number of positives and availability of other testing funds; \$1.6M was redistributed to non-MCM/General Population (new service category); Health Education and Risk Reduction (HERR, a revised service model) was increased to \$1M to fund 4 programs at \$250,000/each; the remaining \$435,969 was allocated evenly between FNS and Housing; fully fund ADAP (restoration of the upfront cut of \$2.76M); and all service categories were increased by 5%, based on their FY 2012 amount as a request to undo the portion of the cut to the award from sequestration. MAI allocations restored to their 2012 levels. These decisions were predicated on an increase in funding, but the recommendations should be part of the discussion of scenario planning for a reduction in the award, e.g., there is justification for reducing EIS by the amount in the FY 2014 plan, which can offset cuts to the rest of the portfolio in a reduction scenario.

*Mr. Klotz* reviewed a spreadsheet showing the final FY 2013 allocations with an 8% reduction to the grant award. After the Tri-county, administration and quality management portions of the grant are taken out, an 8% reduction would result in a cut of \$7.2M to NYC programs. The spreadsheet shows an allocation for ADAP/ADAP+ for the current year (FY 2013) of \$18.35M. This includes the \$2.76M reduced at the beginning of the year, which will be restored (mostly with FY 2012 carry-over). Given the severe reduction in the current year's award, it is unlikely that there will be enough reprogramming money available to restore an upfront reduction to ADAP in FY 2014. After a discussion between the grantee and NYSDOH ADAP Director Christine Rivera on anticipated ADAP needs for 2014, it was reported that the AIDS Institute prefers to take a targeted cut of \$2.76M, with no further proportionate reduction to ADAP/ADAP+. This would result in a reduction of 15% to ADAP/ADAP+, a much larger cut than if these categories were subjected to only a proportionate reduction. *Mr. Laqueur* and *Ms. Edwards* confirmed that the ADAP programs can manage with this size cut and prefer to be able to budget with a firm number at the beginning of the year, rather than risk a cut that might not be able to be restored.

There was a discussion concerning the ADAP/ADAP+ allocation and projected need, particularly in the light of implementation of the Affordable Care Act. Points raised included:

- *Ms. Rivera* has previously reported that they do not expect a significant change in the number of enrollees, even with Medicaid expansion.
- So far, ADAP has only received one invoice from the state health insurance exchange.
- Some insurance exchange navigators do not even know about ADAP.
- ADAP will not approve an insurance plan that does not meet a level of comprehensive coverage.

There ensued a wide-ranging discussion about the methodology for scenario planning. The following is a summary of the discussion:

- The methodology of the ranking tool has served the Council well over the years by increasing objectivity and taking out much of the "horse trading" in allocation decisions.
- A targeted cut to EIS will concentrate resources in more effective programs. While there have been improvements in performance, the amount recommended to be cut to EIS in the FY 2014 application plan is still appropriate.
- With \$3M reduced from EIS, in an 8% cut scenario, the cut to all other programs will be significantly mitigated.

- There should be a broader discussion of other targeted reductions. Given the funding crisis the EMA faces, PSRA should consider elimination of an entire service category that is no longer meeting the needs or will not be viable if reduced further.
- Additional data on service categories, such as the percent of deliverables achieved (which is available on the scorecards) will help in making decisions about targeted cuts.
- The scorecards need additional narrative data to flesh out the story that the numbers tell.
- PSRA needs to make a value judgment concerning the highly ranked new service category created for the FY 2014 plan (Non-medical Case Management/General Population). The advantage of not funding nMCM is that these programs do not exist at all yet and not funding that category will help preserve existing programs.
- Programs are already right-sized through permanent take-downs based on long-term performance data. With the reduction in FY 2013, programs are generally all achieving their targets or over-performing.
- Should EIS be subject to a large targeted reduction PSRA needs to decide if the category should be subject to a proportionate reduction on top of it.
- The grantee has sole purview over how cuts are implemented on a contract level within each category. While the best strategy may be to eliminate the lowest performing contract (rather than cutting all programs in a category), there is sometimes political pressure to do across-the-board cuts. The grantee would welcome the Council's imprimatur in making contract-level decisions that are in the best interests of clients overall.
- Other strategies for program-level reductions, such as one SAMSHA used recently (cutting the lowest performing contract in each jurisdiction) would not be effective with the EMA's Part A programs, partially because in some categories, all contracts are exceeding targets.

There was a consensus in the Committee to draft a statement supporting the grantee in eliminating low performing contracts when making contract-level cuts going forward. Mr. Klotz, Ms. Duke and Mr. Rivera will draft a statement for review at the next PSRA meeting.

Next steps in the scenario planning process include:

- Invite Christine Rivera to call in to give an update on projected ADAP needs.
- Decide on a targeted reduction to ADAP.
- Decide on a \$3M targeted reduction to EIS and whether or not to hold EIS harmless from further proportionate reductions.
- Examine updated data on Home and Community-based Services, along with the service category scorecards (with additional narrative data).
- Consider additional targeted reductions, including possible elimination of an entire service category.

*Mr. Harriman* reported that the Tri-county portion of the grant will be taken solely out of the Base award, with no MAI funding. This will considerably ease the administrative burden through fewer reports without affecting category allocations.

There being no further business, the meeting was adjourned.