



Meeting of the
PRIORITY SETTING & RESOURCE ALLOCATION COMMITTEE

February 7, 2011
The Family Center, 315 W. 36th Street
3 – 5 pm

MINUTES

Members Present: Marya Gilborn (Co-chair), Allan Vergara (Co-chair), Victor Benadava, Nancy Cataldi, Sharen Duke, Linda Fraser, JoAnn Hilger (for Fabienne Laraque, MD, MPH), Judy Juster, Peter Laqueur (for Joan Edwards), Amanda Lugg, Deb Marcano, Jan Carl Park, Tom Petro, Dena Rakower, Leonardo Vicente, Susan Wayne

Members Absent: Sean Cahill, PhD, Felicia Carroll, Terry Hamilton, Steve Hemraj, Matthew Lesieur, Hilda Mateo, Sharon Mannheimer, MD

Staff Present: David Klotz, Graham Harriman (DOHMH); Rachel Miller, Gucci Kaloo, Bettina Carroll (Public Health Solutions)

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

Ms. Gilborn and Mr. Vergara opened the meeting followed by introductions, including new member Leonardo Vicente III. Mr. Vergara introduced the moment of silence. The minutes of the July 8, 2010 meeting were approved with no changes.

Agenda Item #2: FY 2011 Scenario Planning

Ms. Gilborn explained that every year in advance of the award, this committee develops principles and plans for a possible cut in the final award. Mr. Klotz noted that in the unlikely event of an increase, a plan was already approved by this Committee and the Council in July 2010 for the FY 2011 application.

Mr. Park reported that House Republicans are calling for a 4 to 8% reduction in the budget for the Dept. of Health and Human Services, and some members are calling for even deeper cuts. Ms. Hilger reported that the HRSA has informed the EMA that it will receive a partial award on March 1st consisting of half of the FY 2010 base formula award and half of the MAI award. The full FY 2011 award may not be known for several months.

Mr. Kaloo reviewed the carrying costs of current base programs. There were modifications to the approved FY 2010 spending plan previously approved by the Council: moving \$511,596 in ADAP Plus from MAI to base; reclassifying portions of Medical Case Management (MCM) and Harm Reduction, and all of Outreach as Early Intervention Services (EIS). In addition, \$508,208 in Mental Health and \$40,398 in Housing became unobligated due to contract terminations or permanent take-downs, and an additional \$5,365 is needed to fully fund Supportive Counseling programs. If we assume restoration of the State ADAP program by the \$2M upfront reduction at the beginning of the 2011 contract year, we would start the year with a \$1.986M deficit should the EMA receive flat funding.

Ms. Hilger reported that the NYSDOH AIDS Institute has agreed to reduce its allocation by \$3M in the event of a reduction. This means that, should the EMA receive a \$3M cut in the award, there will be approximately \$1M surplus in the carrying cost. In addition, the State will accept a \$1M upfront reduction in the ADAP allocation, with a guarantee that this amount will be restored later in the year through reprogramming.

There was extensive discussion on the unobligated funds in Mental Health. These funds are not committed to any programs, thus if the money was reallocated, then no current services would be cut. The fact that contracts were returned by providers points to problems with the model, which provides clinical services, most of which are reimbursed by other funding streams. The grantee is working to find other services that can be reimbursed by current providers, similar to what the AIDS Institute pays for (e.g., counseling, mental health readiness and access services). Also, it was noted that possible changes to the State Medicaid program may affect reimbursement, but that this will not be known for several months. It was pointed out that these services exist in other categories (Supportive Counseling, Harm Reduction, MCM), but the Council will have to reexamine the service model eventually for future re-bid. The Committee reached consensus to use the actual carrying cost of the Mental Health program in the FY 2011 spending plan.

Mr. Kaloo led the Committee through scenarios of a possible 5% and 8% reduction in the award. The Committee agreed to hold ADAP/ADAP Plus harmless from any further proportionate reductions, given the targeted reduction in their allocation. There was some discussion on how a large cut would be implemented (e.g., through across-the-board cuts to all programs in a category, or through the elimination of entire contracts). This would be implemented by the grantee.

A motion was made, seconded and approved to take the first \$3M in cuts from the ADAP program, followed by a \$1M reduction in ADAP that will be restored later in the year. Further cuts will use the ranking tool's proportionate reduction formula based on the actual carrying cost of FY 2010 programs, with ADAP held harmless from those proportionate cuts.

Mr. Kaloo reviewed the MAI spending plan. The modifications to the FY 2010 plan include the \$511,596 in ADAP Plus moved to base; \$330,142 unobligated in MCM due to a contract termination; and higher amounts in Housing Placement and EIS created by annualizing the allocations after the overlapping partial awards of the two previous fiscal years. Mr. Kaloo then demonstrated the proportionate cuts with a 5% reduction scenario.

Mr. Petro reported that the Tri-county region, for the purposes of scenario planning, is looking at combined base and MAI grants, thus having all programs be subject to the same reduction in allocation. The Tri-county Steering Committee agreed that this can be revisited if there is a large difference between the reductions in the two grant awards. A discussion ensued about the rationale and practicality of doing this in the NYC portion of the EMA, particularly given that they are two separate grants with different reporting requirements. Ms. Duke, saying that a larger cut in MAI programs would unfairly penalize those programs, suggested that the Committee review a spreadsheet that combines the awards for the two grants. There was a consensus that the Committee will conduct an exercise to look at reductions to a combined base/MAI award at the next meeting.

Committee members will be polled for a preference of a standing monthly meeting time.

There being no further business, the meeting was adjourned.