Meeting of the

Priority Setting & Resource Allocation Committee

Jennifer Irwin & Eli Camhi, Co-Chairs

Thursday, May 3, 2007 3:00–5:00 PM

GMHC, 119 W. 24th Street, New York, NY

Members Present: Jennifer Irwin (Co-Chair), Eli Camhi (Co-Chair), Lloyd Bishop, Humberto Cruz, JoAnn Hilger, Linda Fraser, Hilda Mateo, Darryl Ng, Jan Carl Park, Tom Petro, Edward Telzak, MD

DOHMH Staff Present: David Klotz, Rafael Molina, Grace Moon, Nina Rothschild, Daniel Weglein, MD

MHRA Staff Present: Rachel Miller

Others Present: Cathy Bowman, Myron Gold, Rick Kahn, Alan Perez

I. Review of Meeting Packet: Ms. Moon reviewed the contents of the meeting packet, including the agenda; the minutes from the PSRA Committee Meeting on 4/18/07; two spreadsheets prepared by MHRA comparing underspending by service category for years 16 and 15 of the grant (as of the 3rd quarter) and for years 15 and 14; a summary of the Part A Minority AIDS Initiative (MAI) Grant Program; a spreadsheet showing a proposed spending plan for the MAI grant; meeting ground rules for the Planning Council's Task Force on Ranking Priorities (TFRP); the ranking criteria demo for the TFRP; and the service category criteria analysis grid revised in Spring 2007 reflecting updated definitions of core services from the HIV/AIDS Treatment Modernization Act.

II. **Follow-Up from April 15th PSRA Committee Meeting:**

1) History of Underspending: At the April meeting, Ms. Avery requested information regarding a history of underspending to see if the history should be considered when developing spending priorities for the EMA. Ms. Miller reviewed a spreadsheet comparing underspending by service category as of the 3rd quarter in years 16 and 15 of the grant. The spreadsheet presented data through the 3rd quarter of both years because MHRA is currently in the process of closing out contracts for year 16, and complete data for the full year are not available. Ms. Miller also reviewed a spreadsheet showing underspending by service category in years 15 and 14 of the grant. She noted that underspending often occurs at the beginning of a contract, before a program is fully up and running.

Mr. Cruz expressed concerns regarding the spreadsheets. For example, the spreadsheet comparing underspending by service category for years 16 and 15 shows that 33.8% of ADAP money was unspent as of the 3rd quarter of year 16, and 51.06% of ADAP money was unspent as of the 3rd quarter of year 15. He stated that the spreadsheets are misleading; while the information may be accurate, it shows the wrong trend and gives an incorrect impression. Ms. Miller responded that the spreadsheets do not provide information about takedowns. She will provide a spreadsheet showing takedowns to give a fuller picture regarding underspending within service categories.

Ms. Miller also noted that the spreadsheets do not shed light on any patterns of underspending, and any discernable patterns would in any case need to be viewed in context. PSRA Committee members agreed that programs need to understand the importance of accurate fiscal reporting in real time and to recognize that resources may become unavailable if money is not spent efficiently. Programs cannot wait until the final three months of a contract year to ramp up services; rather, the unspent money will be taken away and reallocated to other services or programs. Mr. Ng noted that while DOHMH may take down a program for underspending, the money is not necessarily gone from that contract forever; full funding may be restored in the following contract year. Ms. Miller noted that the number of contracts that undergo permanent takedowns becomes smaller as DOHMH/MHRA re-bid the portfolio and award grants to higher-performing organizations. Mr. Camhi commented that underspending also represents under service.

2) Cost of purchasing test kits: The second follow-up item concerned the cost of test kits and controls for CBOs and hospitals. Ms. Hilger stated that test kits cost $17 for CBOs and $19 for hospitals. The higher price for hospitals reflects the fact that hospitals have to do more controls. Mr. Camhi expressed concern about using underspending from Ryan White to pay for test kits, given that Ryan

White is the payer of last resort, and other funding sources might cover the cost. Dr. Telzak noted that Medicaid fee-for-service is likely to reimburse for counseling and testing, but reimbursement by Mediaid managed care is uncertain. Commercial insurance is an unlikely payer at the present time. Mr. Camhi noted that the real cost of testing is more than the amount for which the organization or institution providing the test is reimbursed.

III. Review of Minutes: The minutes from the PSRA Committee meeting on April 18th were approved. Ten members of the Committee voted to accept the minutes and one Committee member abstained.

IV. MAI Application Guidance: The total amount of MAI funding available for FY 2007 is $42,041,430. The maximum award to a jurisdiction will be $10,750,000. The total amount of money available is approximately $800,000 less than last year, and more TGAs are applying than in the past. HRSA will not consider an MAI-only waiver for FY 2007. As a result, the NY EMA cannot apply for the waiver. The MAI funding is for three years and will end on July 31, 2010. Members of the PSRA Committee discussed whether they would commit to the percentages outlined in the current spending plan for three years or revisit the plan in a year. Mr. Petro stated that the Committee may have to revisit the allocations every year because of differences from year to year in the amount of funding provided by Congress.

The MAI money has to be spent very rapidly, and DOHMH cannot RFP these programs. DOHMH will apply for the maximum award of $10,750,000. The plan, as outlined in a spreadsheet, is to allocate $548,250 to Tri-County; $1,020,175 to NYC administrative expenses; $537,500 to quality management, and the remaining amount of $8,644,075 to program costs. The $8,644,075 for programs will be divided among four service categories, with each category receiving the same percentage of MAI funding which was allocated to it in the current year: namely, 13% to maintenance in care, 21% to housing, 38% to treatment adherence, and 29% to early intervention services.

Ms. Hilger stated that the MAI application is similar to the rest of the Ryan White application. The NY EMA has to demonstrate unmet need for racial/ethnic groups. The turnaround time for the application is very brief.

Action/Decision: The PSRA Committee approved the proposed 2007 MAI spending plan.

V. 2008 Application Spending Plan: Ms. Moon led a discussion of the Service Category Criteria Analysis Grid, revised for Spring of 2007, and the accompanying documents. She noted that the scores of five service

categories – 24 Hour Drop In Center, Early Intervention Services, Home Care, Integrated Harm Reduction, and Treatment Adherence – were updated to reflect the Ryan White HIV/AIDS Treatment Modernization Act's (RW HATMA) definition of core medical services. She also noted that two service categories from the previous version of the grid – oral health, and building and sustaining organizational capacity – have been removed.

Mr. Cruz commented that RW reauthorization will move forward and probably change again. He recommended that the PSRA Committee maintain the process it has used to date in the face of this uncertainty. Dr. Telzak stated that the PSRA Committee should examine whether it wants to enhance or eliminate programs on a yearly basis but should not re-rank all the service categories. Mr. Camhi noted that the Committee was constrained in its use of the tool by the criteria included in it. Last year, the Committee looked at cost-effectiveness but never built cost-effectiveness in as a permanent criterion. He mentioned the possibility of adding a criterion and applying it to the portfolio but noted that the effort would probably be greater than the outcome if the Committee engaged in a full re-ranking of the portfolio.

Mr. Camhi asked whether the Committee needs to do more due diligence regarding some of the categories, defining their components more specifically. Mr. Cruz noted that the notes/recommendations in the right-hand column provide room to make changes. Such a change is, for example, already recommended for home care; the note includes a recommendation that the category be reduced by 50% because of diminished need. Ms. Hilger suggested updating the table with new notes.

The following categories remain for the re-bid: Outpatient Medical Care, Case Management, Food and Nutrition, Housing, Transportation, and Home Care. Also, the PSRA Committee will need to rank the new category of Medical Nutrition Therapy. Mr. Petro recommended using a scale of 1-5, rather than 0-3, for the ranking, in addition to using a 100-point scale rather than a scale on which the maximum score is 58.5. Mr. Petro also suggested incorporating clinical outcomes into the rankings.

Action/Decision: At the June meeting, the PSRA Committee will review the updated Notes of the grid; the old ranking and the revised ranking (incorporating scores that are higher because they are for core medical services); and the recalculated proportions of the portfolio that are core and non-core.

VI. Public Comment: Myron Gold stated that he is facing eviction but that thanks to legal services, he has three lawyers working on his case. He also noted that May 2nd was Seniors Day at City Hall and that there is

still a lag in spending for seniors. He asked whether the existence of unspent funds means that we are not funding the right services and reminded members of the PSRA Committee of the rising numbers of HIV-positive people over age 50. He has applied to the City Council for $500,000 to do outreach, develop a Speakers' Bureau, and address HIV in people over 50. He noted that Christine Quinn heard the message.

Rick Kahn, the Director of Legal Services at Bronx AIDS Services, noted that funding for legal services for HIV-infected persons has been decimated City-wide. He reminded Committee members that legal services facilitate clients' access to services and that clients won't access other service programs without housing. He stated that the service category of client advocacy, which is not a HATMA-defined core service, currently receives a 0 but should receive a score of 3, and he encouraged PSRA Committee members to address inaccuracies in the current rankings.

VII. Announcements: Dr. Ruth Finkelstein of the New York Academy of Medicine will present her report on the payer of last resort at the next PSRA meeting.

The meeting was adjourned at 5:00. The next PSRA Committee meeting is scheduled for June 7th from 3:00-5:00.