



Joint Meeting of the

PRIORITY SETTING & RESOURCE ALLOCATION and EXECUTIVE COMMITTEES

March 13, 2007

2:30 – 4:00 PM

Friends House, 130 E. 25th Street

Members Present: J. C. Park, MPA (Governmental Co-chair), S. Hemraj (Community Co-chair), S. J. Avery, E. Camhi, F. Carroll, O. Clanton, I. Gamble-Cobb, J. Grimaldi, MD, J. Hilger, J. Irwin, P. Laqueur (for H. Cruz), H. Mateo, D. Ng, W. Okoroanyanwu, M.D., J. Omi, T. Petro, J. Sippen, E. Telzak, M.D., T. Troia

Staff Present: OAPCP: D. Klotz, N. Rothschild, D. Wong, C. Silva; DOHMH: A. Karpati, M.D., G. Moon, D. Weglein; MHRA: R. Miller, P. Jensen

Item #1: Welcome/Introductions/Minutes

Mr. Park and Mr. Hemraj opened the meeting.

Dr. Okoroanyanwu introduced the moment of silence.

Mr. Park reviewed the meeting agenda packet.

Ms. Avery: The PSRA minutes are not available, which would reflect the sense of the discussion.

Mr. Park: There are enough people present that we can recall the discussion.

After introductions, the minutes of the February 15, 2007 Executive Committee (EC) meeting were approved with no changes.

Agenda Item #2: FY 2007 Spending Scenario, Part I

Mr. Park: Last month, the EC approved a proportionate cut scenario should there be a reduction in the grant award. This was the result of a robust process begun in the Priority Setting & Resource Allocation Committee (PSRA) with extensive community input. At the last Planning Council meeting, questions were raised about the formula used in the scenario. In addition, in the course of the planning process there have been changes in HRSA policies on implementation of the reauthorized Ryan White HIV/AIDS Treatment Modernization Act, including the possibility of applying for a waiver from the 75% core services requirement, and notice that the grant award will come in three stages.

We have received the base formula award of \$74.8M, a slight increase proportionate to the other EMAs from last year. The challenges will come when we receive the supplemental and Minority AIDS Initiative (MAI) funds, where we expect reductions.

Mr. Petro (in response to a question from Ms. Hilger): Because this year's formula award is 66% of the base award, compared to 50% last year, we can only compare to what our proportion of the national pot is, rather than last year's award.



Mr. Camhi: The total amount available nationally for base formula awards increased by about \$76M. We got a similar proportion as last year (an increase in our proportion of only 0.3%).

Mr. Ng: This is essentially flat funding in the base formula award, and the cuts in the supplemental and MAI awards may be severe.

Mr. Park: We do not know yet what the rest of the award will be, but the base formula is the largest portion of the award, which is potentially good news.

Mr. Camhi: While it is essentially flat funding, we had been projecting a total cut of as much as 20%, and we would have to have a 50% cut in the rest of the award to reach that, which hopefully will not be the case. Other parts of the country are facing large reductions, but do not have a process in place to deal with it, which may mean high under-spending, which may benefit us.

Mr. Park: Our scenario plan was approved by the Council in spite of the questions raised. The plan is an approach to making cuts that was approved, after reviewing many different iterations of the spreadsheets. However, we re-reviewed the tables in light of the questions raised, we found in our analysis that we had applied a formula that seeks an exact 75/25% core/non-core split. This meant that categories with similar rank scores got different percentage cuts. For example, the rank scores for Harm Reduction (HR) and Emergency Rental Assistance (ERA) are both 49.5, based on the PSRA ranking tool. However, HR received a 19% cut and ERA received a 14% cut. These kinds of anomalies need to be addressed. We re-applied the formula using just the rank scores, which resulted in slight variations in percentage cuts, with categories with rank scores receiving the same percentage. The percentage of core/non-core services comes out to 76/24%. We decided to bring this back to the PSRA and EC for consideration.

Mr. Ng (in response to a question from Dr. Grimaldi): The version we passed was done because we were insisting on a premise of exactly 75% core services.

Mr. Camhi: When PSRA made its recommendation to the EC, it was actually the corrected version now being presented. We moved Case Management and a portion of Food & Nutrition Services to core services so that we would not be constrained, but we wanted the EMA's rank score to be the sole driver of the percentage cut. PSRA chose this strategy to keep a 75% minimum core services, since we had been informed at the time that there would be no waiver. The EC/PC-passed version actually contradicts PSRA's original recommendation and the corrected version is more consistent with the priority setting process we have been engaged in. We were not voting on dollar amounts, but on a process for applying a formula depending on the actual amount of the final award.

Ms. Avery: The EMA rank score has a built-in weight for core services, because we decided to give additional weight to those priorities that we thought HRSA would define as core services.

Mr. Camhi: When we did the ranking matrix, we weighed several criteria. We defined core services as HRSA had defined for the last grant application (i.e., any service category that was considered part of a minimum level of service), not the list in the reauthorized Act. This was part of the criteria, along with payer of last resort and consumer priority. It was a sound process. Given the new list of core services, we will reconsider the weighting in the next priority ranking process.

Mr. Petro: We really can't consider the extra weight given to core services because there are too many variations. For example, we split Food & Nutrition into two different services, one of which is core, one non-core, and the core portion did not get additional weighing. Also, Early Intervention Services is now a core service but was not weighted as such in the original ranking process.

Dr. Grimaldi: Since we are not going to re-score the whole list, it makes sense to go with the corrected version.

Ms. Omi: The proper weighting has to be addressed in next ranking process, but given the time constraints of re-ranking the whole portfolio we must move forward with this plan.

Mr. Camhi: The process we went through to score the entire portfolio took 18 months. Given the information at hand at the time it was widely considered a sound process. For the next application we can re-consider the rank scores given the new information we



have gotten. The supplemental award is coming by early May, retroactive to March 1st, and so we have to use the current criteria. We have also commissioned a payer of last resort study, which will give us more information for the next ranking process.

Ms. Omi: Also, HRSA has scored our application for this year based on the ranking we submitted in the application, and so we should use that.

Dr. Telzak: Ms. Avery's point is good, but it is not just a matter of a few points. Part of the strength of the application is that we gave weight to core services, and to not do that in the future will hurt our application.

Ms. Avery: There is also fact that within Ambulatory Outpatient Care there are many non-core services, which needs to be addressed.

Mr. Park: We will definitely have to address the ranking for the FY 2008 application, but there are timeliness questions for this year. We normally would have to have a final spending plan in place in March when we get the full award, but the staged award means that we have some extra time. The issues raised by Ms. Avery will have to be addressed for future applications, in light of HRSA's interpretation of the Ryan White Act. But we have to move on the revision of the plan for this year.

Ms. Avery: I'm not clear if this revised scenario presumes that the core services are divided as before.

Mr. Park: The formula is applied regardless of core/non-core, but is presented in same format as first version.

Ms. Avery: This represents a swing of \$1.6M from non-core to core services. I do not know if this was the intent.

Mr. Park: This is a worst-case scenario, and so the \$1.6M would be only if we got a huge 20% cut in the award, and it would be spread across all the categories.

Ms. Hilger: The 76/24% core/non-core split is where we started, after moving Case Management and part of Food & Nutrition. The revised version does not change that. It keeps the same proportion.

Mr. Camhi: We are talking about applying the proportionate cut solely on the EMA's rank score, whether services are core or not. That is the principal of the formula.

Mr. Ng: The corrected version is a mathematical formula that will be applied according to our principals. I move to accept the revised formula. [Seconded]

Agenda Item #3: Public Comment

R. Kahn: On behalf of legal services providers, we are distressed that programs that would be cut are being cut further, which would threaten the viability of the legal services that we provide. Under the worst case scenario, there would be as many as eleven fewer HIV attorneys with about 1200 clients losing services, along with the legal services infrastructure being damaged. This would adversely affect access to critical care and services. We ask that the cut to legal services not be any more dramatic than those already proposed in the original scenario.

C. Knox: PSRA started at a 69/31% core/non-core split. The new scenario means a 50% reduction in non-core service. Also, the fact that there will be a waiver process should be considered.

Agenda Item #2: FY 2007 Spending Scenario, Part II

Mr. Petro: Even if we had a waiver, we would have to use the formula applied by rank score, as PSRA has found it impossible to do surgical cuts. This is the only rational way to do this.



Ms. Omi: At last week's IOC meeting, we wanted to convey to the grantee that we expect the grantee to mitigate the damage as much as possible when implementing the cuts. We have to make difficult decisions and every service is important, but the formula is as objective a way of doing this as possible.

Ms. Avery: In moving forward, it is important to acknowledge that this process is imperfect. I am distressed to see large cuts in important services, and we need to develop a process that reflects limited resources and emerging needs.

Mr. Hemraj: Given the information we have, this is the best option for this year, but we should revisit the scoring of the entire portfolio for the next application so that we can apply the lessons learned in this process.

A vote was taken and the motion carried 17-3-0 (Y-N-A).

Mr. Park: This process is both a science and an art, and we hope to address the concerns raised at this meeting in the future.

Agenda Item #4: Update on the FY 2007 Grant Award

Ms. Hilger: We received the formula award and notified all contractors that they have six months of funding. After the supplemental award is received we will apply this formula, and we have informed contractors that there is a possibility that programs may be reduced or terminated. We are still waiting for written clarification from HRSA on the waiver and other policies, but as soon as we hear we will let you know.

Agenda Item #5: New Business

Mr. Camhi: The Council's committees will need to begin the FY 2007 reprogramming process in the very near future.

Mr. Park: There are changes in the Council staff in advance of the arrival of the new Assistant Commissioner for the Bureau of HIV Prevention and Control. Ms. Moon is coming back to the Council to offer committee management support to the PSRA, IOC and Needs Assessment committees. Ms. Silva moving to the Bureau's Outcomes & Evaluation Unit where she will work with Dr. Daniel Weglein. I want to thank for her work with the PSRA through this complex planning process.

Mr. Park (in response to a question from Ms. Avery): We will assemble the Rules & Membership Committee to address the terms of service of committee members.

There being no further business, the meeting was adjourned.