

Seattle HIV/AIDS Planning Council  
**2011 Care Allocation Review and Revision**

Monday, July 11<sup>th</sup>, 2011  
2:00pm to 6:00pm  
2100 – 24<sup>th</sup> Avenue South

## **AGENDA**

**I. Purpose of this meeting**

- To review the allocations for FY 2011 (March 1, 2011 to February 29, 2012) in light of the actual federal award and changes to other funding and services.

**II. Review of conflicts of interest of participants and community observers, and the rules for participation and decision-making**

**III. What has changed in the year since this Plan was originally created?**

- Report on the actual Ryan White Part A & B awards, and the Parity formula
  - Are we in an increment or decrement situation?
- Report on service changes to Medicaid, Early Intervention Program and others
- Other funding environment and service changes
- Estimates of what will have been spent in each service category at the point that any contract amendments could take place

**IV. Quick review of the Plan**

**V. Should the Plan be changed in light of this information?**

- Determine whether or not to make changes to the Plan
- If it is agreed that the Plan should be amended, make decisions about where to cut and/or add funding
- Review and approve the entire Plan to be forwarded to the Council

**VI. Adjourn**

**Barrier-free location  
Reasonable accommodation for persons with disabilities  
available upon advance request  
Alternate formats available**

# 2011 Care Services Reallocation Plan: King County

## Process and Decisions for addressing \$461,650 Decrement

### Background and Meeting:

In May and June of 2010, a Prioritization and Allocation Committee met for a total of 18 hours over 5 weeks to create the prioritization and allocation plan for FY 2011-12. It then met again several months later to create increment and decrement plans. On July 8, 2011 the Transitional Grant Area (TGA) finally got its 2011 Part A award, which was much smaller than the previous year. The committee reconvened on July 11<sup>th</sup> to make cuts to services to address this problem. The Snohomish/Island Committee will meet prior to the August 8<sup>th</sup> Council meeting.

Participants: Richard Aleshire, Shireesha Dhanireddy, Brian Flett, Thomas Gold, Oscar Grey, Joachim Hawn, Nykia Johnson, Gerrie LaQuey, Darren Layman, Higinio Martinez, Marcos Martinez, Christine Oyaró, Arthur Padilla, Kevin Patz, Tony Radovich, Tonya Raspberry and James Redel formed the committee. Amy Bennett is on maternity leave, and Robin Langdale moved to San Diego, so they did not attend.

### Determining the Amount of Money Spent-to-Date, and the Amount to Cut:

Because the grant year started on March 1, 2011, contracts with agencies have been in place for several months, and services have been provided during that time. The Grantee (Jeff Natter, Public Health) must give 30 days notice to contractors of a change to their contracts. That means that, if Jeff assumes that the Council will approve the work done on July 11<sup>th</sup>, half of the year's worth of dollars will have been spent, so:

*Assumption #1: All cuts will have to come from half of the originally allocated dollars.*

The Pooled Parity agreement between Part A and Part B states that, if one or both of the parties don't have their award by June 1 (1 quarter into the year) then they will use the preliminary Parity calculations for that year, and make adjustments in the following year. As a result, despite having a much lower Part A award, the "10%" that the TGA is giving to the State for ADAP is based on the original parity calculations, rather than the lowered actual award. However, there are some other sources to help cover this burden:

*Assumption #2: The TGA will give ADAP \$599,560.*

*Assumption #3: The ADAP amount will come from: Part B parity, MAI dollars and carryover.*

Result:

- **The committee determined that \$461,650 would be cut from King County services**
- **While the TGA will have spent \$2,644,000 in non-ADAP services in the first half of the year, they will only have \$2,182,350 to spend in the second half of the year, so the impact will be much more stark**

### Process:

The committee started by reviewing new data on services, and changes that have taken place in other funding streams and services since the Plan was originally created.

**The following is a category-by-category description of how decisions to cut were made. The Plan starts with the lowest ranked service, and unfunded services are not included.**

<b>17. Medical nutritional therapy</b>	<b>(Core Service)</b>	<b><u>\$64,500</u></b>
Originally Funded At:	\$129,000	
Amount Cut:	\$64,000	
Percentage Cut:	50%	
Money to Spend in Second Half of Year:	\$0	

This category was eliminated.

**Rationale:**

- Low priority and gap for consumers and providers; it is the #14 priority for consumers, and the #15 priority for providers and the #10 gap for consumers and #14 gap for providers
- It was the lowest ranked service that had been funded.
- There are 5 higher ranked services that have not been funded
- Cutting only a small amount was seen as not being sufficient to address the magnitude of the problem
- In the Committee's original Decrement Plan, the fourth step was to cut funds this service.

<b>14. Referral</b>	<b>(Support Service)</b>	<b>\$ 37,500</b>
Originally Funded At:	\$75,000	
Amount Cut:	\$37,500	
Percentage Cut:	50%	
Money to Spend in Second Half of Year:	\$0	

This category was eliminated.

**Rationale:**

- Referral was the lowest ranked, funded support service, ranking #10 among consumers and #17 among providers with only 6% of providers prioritizing it.
- There are 4 higher ranked services that have not been funded, including one that was eliminated for 2011.
- The service under-performed in Medical Referrals and Medical Linkages
- In the Committee's original Decrement Plan, the first step was to eliminate this service.

<b>11. Substance abuse services-outpatient</b>	<b>(Core Service)</b>	<b>\$ 237,000</b>
Originally Funded At:	\$263,000	
Amount Cut:	\$26,000	
Percentage Cut:	9.9%	
Money to Spend in Second Half of Year:	\$105,500	

This category was decreased only by the amount in the initial decrement plan.

**Rationale:**

- While this service is not highly ranked among consumers (15<sup>th</sup>) it is by providers (6<sup>th</sup>).
- There have been state cuts to substance abuse treatment programs
- In the original Plan, this service had already received almost a 15% cut
- The committee felt that the original decrement plan of \$26,000 must stay, but no further cut should be added.

<b>9. Food bank/home-delivered meals</b>	<b>(Support Service)</b>	<b>\$ 269,000</b>
Originally Funded At:	\$394,000	
Amount Cut:	\$125,000	
Percentage Cut:	31.7%	
Money to Spend in Second Half of Year:	\$72,000	

**Rationale:**

- #6 consumer priority (46%), but a much lower provider priority (#11, 28%)
- This service becomes one of only two funded support service categories
- In the original plan, this service received a cut
- In the original decrement plan, this service was slated for a \$75,000 cut

- This category was funded at \$215,000 in 2008, and more than doubled to \$462,610 in 2010
- The group discussed this category for quite awhile, due to the basic human need to have food, and the pressure on local food banks. Ultimately they determined to take a greater cut than was in the decrement plan, but not eliminate the category.

<b>8. Mental health (Core Service)</b>		<b>\$ 330,000</b>
Originally Funded At:	\$380,000	
Amount Cut:	\$50,000	
Percentage Cut:	13.2%	
Money to Spend in Second Half of Year:	\$140,000	

**Rationale:**

- #9 consumer priority (26% of consumers prioritized this service)
- #4 provider priority (68% of providers prioritized this service)
- This service received one of the smaller (less than 10%) cuts in the original plan
- Like Substance abuse treatment, this service was seen as reaching some of the most vulnerable PLWH.
- This service category had seen significant increases over the past 5 years.
- Ultimately, funds had to be cut from many categories.

<b>7. Home &amp; community-based health services (Core Service)</b>		<b>\$ 205,000</b>
Originally Funded At:	\$205,000	
Amount Cut:	\$0	
Percentage Cut:	0%	
Money to Spend in Second Half of Year:	Same	

**This category was not cut as part of the plan**

**Rationale:**

- This service was not asked about on the survey, but was seen to be most like: Home health care because dollars pay for a home health aide; and Housing because the service is performed in an AIDS housing facility. Home health care was the 21<sup>st</sup> priority of 22; Housing was the 6<sup>th</sup>.
- In the original Plan, this service had a very small cut, despite being a very high cost-per-client service.
- Advocates argued that, while this service is expensive, it serves some of the most medically fragile consumers.
- Ultimately, the group determined that this service should not have a cut.

<b>6. Housing (Support Service)</b>		<b>\$598,000</b>
Originally Funded At:	\$664,000	
Amount Cut:	\$66,000	
Percentage Cut:	9.9%	
Money to Spend in Second Half of Year:	\$266,000	

**Rationale:**

- This is the highest ranked support service
- In the initial Plan, this service took a modest 10% cut
- The original decrement plan called for a \$66,000 cut to the service
- The committee chose to cut the amount in the original decrement plan, but no more, due to the high provider priority and gap (5<sup>th</sup> and 1<sup>st</sup>, respectively)

<b>5. Oral health care (Core Service)</b>		<b>\$425,000</b>
Originally Funded At:	\$425,000	
Amount Cut:	\$0	
Percentage Cut:	0%	
Money to Spend in Second Half of Year:	Same	

## **This category was not cut as part of the plan**

### **Rationale:**

- #4 consumer priority (69% of consumers) but a much lower provider priority (#12, 26%)
- #1 consumer and #2 provider gap (21% and 47% respectively), but the gap percentages have dropped by about 10% for each
- In the original allocation plan, this service received the second highest cut (24%), a higher cut than several services which ranked lower than it did.
- In increment/decrement planning, it was determined that this service should not get a decrement, and should be the first service to receive a significant increment—which for obvious reasons is not possible.
- Many Medicaid clients used to rely on Medicaid for dental services, but the state Medicaid program has eliminated all but emergency dental services.
- For these reasons, the committee determined that the service should remain at the original level.

<b>3. Medical case management (Core Service)</b>	<b>\$1,478,175</b>
Originally Funded At:	\$1,543,000
Amount Cut:	\$64,825 or \$27,825*
Percentage Cut:	4.2% or 1.8%*
Money to Spend in Second Half of Year:	\$743,675*

### **Rationale:**

- In the original Plan, this service received the smallest cut of any service at 0.75%.
- While this Plan indicates that \$64,825 is being cut, this is actually a misnomer, because the TGA received an additional \$37,000 in City of Seattle funding for this service after the Grantee had set contracts, so the category was essentially under-allocated by \$37,000. Therefore the “real life” cut is actually \$27,825.
- The committee determined that small cuts should come from medical case management and outpatient/ambulatory medical care.
- This very small cut was an attempt to “share the pain” in a bad situation, but it is the smallest cut by percentage to any service, and this committee was well aware of the key role case management plays in the system

<b>2. Outpatient/ambulatory medical care (Core Service)</b>	<b>\$1,182,175</b>
Originally Funded At:	\$1,210,000
Amount Cut:	\$27,825
Percentage Cut:	2.3%
Money to Spend in Second Half of Year:	\$577,175

### **Rationale:**

- While this service is one of the highest ranked for both providers and consumers, it is also a very low gap, and most consumers indicate that they receive this service through EIP health insurance, Medicare or Medicaid.
- The committee determined that this #2 ranked service should get a small “share of the pain” and the cut was split between this service and case management.
- There is some concern that, due to clarification by HRSA that Ryan White dollars cannot be used to cover uncompensated care in instances where Medicaid pays for the rest of the service, there is some question about whether vendors will be able to fully expend their awards. The Grantee is working with agencies to ensure that components of services not covered by Medicaid are fully billed.

<b>1. AIDS Drug Assistance Program – ADAP (Core Service)</b>	<b>\$599,560</b>
Originally Funded At:	\$539,881
Amount Cut:	\$0 – money added

The State Early Intervention Program (EIP) asked the Council to allocate 10% of its service dollars to EIP (the dollars are listed under ADAP and are spent there, but the program provides both ADAP and Insurance). In the original plan, the committee put \$539,881 to the program, with the expectation that carryover dollars would fill in the difference. Funding for EIP will come from the following sources:

- 2009 Minority AIDS Initiative Carryover
- 2010 Carryover
- All 2011 Part B dollars awarded to the TGA as part of Pooled Parity
- All 2011 Minority AIDS Initiative dollars

**Rationale:**

- Consumers emphasize the need to get services such as medical care and medications via the Early Intervention Program in needs assessments, and emphasize the primary importance of this program though qualitative data as well.
- While the State receives funding for EIP through a variety of different sources (State dollars, Ryan White Part B ADAP earmark, and pharmaceutical company rebates), those fund sources have remained level while the number of clients to be served has increased. The State has not asked for service dollars from other Ryan White sources until the last few years, and 10% is the maximum amount they have requested.
- The committee determined that the amount for EIP should not be lessened, due to the need to maintain parity with the rest of the state.
- The committee determined not to increase the amount for EIP for a variety of reasons including the above mentioned parity, lack of clarity about whether a Medicaid 1115 waiver might be applied for, and therefore would eliminate the program's problems. Finally, the committee, faced with already extreme cuts to other services, felt that more cuts were not sustainable.

**Late Breaking News:**

HRSA has announced that there was an error in the grant award calculations; some TGAs and EMAs erroneously were awarded too much, meaning that the supplemental pool was smaller, and all other grantees got under-funded. This is being corrected and hopefully we will know our final award before the meeting on the 8<sup>th</sup>. While the Grantee did not receive separate notification that the Seattle TGA was one of those initially over-funded, it is unclear whether that may have been the case. It is likely that our grant award will be slightly higher, meaning that the Council could make somewhat less cuts than noted above.

At the Council meeting you will need to determine the order in which the cuts in your plan, above, should take place. For those of you who are newer on the Council, this has happened in a variety of ways:

- You could choose to take the cuts in reverse priority order. This would mean that, if the cut was less than what was planned for, the lowest priority services would be cut, but higher priority services would not.
- You could choose to eliminate those services that the Prioritization Committee chose to eliminate, and then take smaller cuts from some other services.
- You could try to save programs from elimination, by taking cuts from the higher ranking services, but not from the services that were slated to be eliminated.
- If there was enough money, you could go back to the original Decrement Plan created by the Committee last year

Please note that you SHOULD NOT attempt to re-work the committee's Plan. Remember, the Prioritization Committee spent many hours making the original plan, and 4 additional hours making this one. The Council bylaws require you to respect the committee's work. Generally, this decision would need to go back to the committee, but there simply is not time!