Module 5: Priority Setting and Resource Allocation

GETTING READY: NOTES FOR TRAINERS

MODULE SCOPE

Purpose

To prepare Ryan White HIV/AIDS Program (RWHAP) Part A planning council/planning body (PC/PB) members for active and informed participation in priority setting and resource allocation (PSRA). This module provides the information needed by new PC/PB members and other individuals who have not previously participated in an annual PSRA process, including the purposes, importance, components, and processes related to Part A PSRA.

Content Overview

PSRA Importance and Context

- Legislative Language
- HRSA/HAB Expectations for PSRA
- Importance of PSRA

Priority Setting

- HRSA/HAB Expectations for Priority Setting
- Sound Practices in Priority Setting
- Steps in Priority Setting

Directives

- Purposes and Examples
- HRSA/HAB Expectations: Do's and Don'ts
- Developing Directives
- After a Directive is Approved

Resource Allocation

- HRSA/HAB Expectations for Resource Allocation
- Approaching Resource Allocation
- Steps in Resource Allocation

Models for Implementing PSRA

- Factors to Consider
- Committee-based Models
- Full PC/PB-based Models

Reallocation

- Timing of Reallocation
- Preventing "Unobligated" Funds
- HRSA/HAB Expectations for Reallocation
- Managing Reallocation

Learning Objectives

Following training (which may take place over one or more sessions), participants will be able to:

PSRA Importance and Context

1. Explain the 4 components of PSRA as specified in the RWHAP legislation

2. Identify at least 5 HRSA/HAB expectations for the PSRA process

Priority Setting, Resource Allocation and Directives

3. Describe suggested steps in priority setting

4. Describe suggested steps in resource allocation

5. Identify the 3 main types of directives

Implementing PSRA

6. Describe the 2 most common approaches used by EMAs and TGAs for PSRA

7. Describe how PC/PBs can manage conflict of interest (COI) in PSRA

8. Describe the role of the recipient in PSRA

Reallocation

9. Explain the importance of reallocation

10. List 5 steps in managing the reallocation process

USING THE MODULE

Suggested Uses

- To train PC/PB members before they participate in their first PSRA cycle

- To train members of committees responsible for PSRA

- To prepare PC/PB members for each component of PSRA, splitting the module to separately present priority setting, resource allocation, directives, and reallocation, each with its own activity

- To ensure that all PC/PB members understand PSRA, its importance as a core PC/PB task, and HRSA/HAB's expectations for its planning and implementation

- To familiarize new PC/PB support and recipient staff with the PSRA process

Localizing the Module

- Add the name and/or logo of your PC/PB and a map of your EMA or TGA to the slides

- Choose some PowerPoint slides from this module and combine them with information about your EMA/TGA's specific PSRA process as an orientation for the PC/PB before it begins PSRA activities—especially useful if the PC/PB revises its PSRA process

- Add slides showing your EMA/TGA's current service priorities

- Add slides that explain any local additions to service category definitions

- Add slides showing tools your EMA/TGA uses for PSRA—for example, an Excel spreadsheet that is projected during PSRA, service category scorecards with service utilization and other data, or a summary of data from various sources organized by service category

- Revise or replace the examples or data provided in the PowerPoint or suggested activities to use local situations and data

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EQUIPMENT AND MATERIALS CHECKLIST

- ☐ PowerPoint projector and laptop
- ☐ Easel pad, markers, and tape
- ☐ Copies of participant materials for Activities
- ☐ Copies of Quick Reference Handouts

MATERIALS FOR THIS MODULE

- ☐ PowerPoint Slides: Priority Setting and Resource Allocation
- ☐ Activity 5.1: Quick Scenarios to Apply Knowledge
- ☐ Activity 5.2: Updating Service Priorities
- ☐ Activity 5.3: Developing Directives
- ☐ Activity 5.4: Allocating Resources
- ☐ Activity 5.5: Reallocation
- ☐ Packet of Supporting Materials for Activities
- ☐ Quick Reference Handout 5.1: Understanding Part A-fundable Service Categories
- ☐ Quick Reference Handout 5.2: Directives

BACKGROUND INFORMATION FOR TRAINERS

Focus and Importance of Module 5

This module provides knowledge and skill development related to each of the four components of PSRA: priority setting, resource allocation, directives, and reallocation. PSRA is the single most important legislative responsibility of a PC/PB, and greatly influences the system of HIV care in the EMA/TGA. PSRA can be implemented in many ways—with much of the work done by a committee and then reviewed, refined, and approved by the full PC/PB, or with the entire PC/PB participating in each PSRA component. Whatever the local process, PSRA must meet a variety of HRSA/HAB expectations. In addition, because PSRA involves decisions about funding, the EMA or TGA's PSRA process must be fully documented and followed consistently, or a service provider, PLWH, or other interested party may file a grievance.

One of the most important aspects of PSRA is the use of data for decision making. The PC/PB needs to use many types of data and often several different methods of decision making, from rating cards to consensus. This module includes a set of data that are used for hands-on activities to apply knowledge and skills. It is important that sufficient time be allowed for participants to participate in these activities so they understand how to use different kinds of data. It may be useful to substitute actual local data for the data provided in the activities. However, it can be useful to keep the focus on the process rather than on local data—since they will be using local data in their own PSRA process.

Key Concepts and Terms

Most trainers will be familiar with the basic terms associated with PSRA. What follows is some additional information to provide history and context that are important for this module and may need clarification during the training. (Key Concepts and Terms are designed primarily for the trainer, but can also be provided to participants as a handout).

Directives: The legislation describes the PSRA responsibility as including "establishing priorities for the allocation of funds within the eligible area, including how best to meet each priority and additional factors that a grantee should consider in allocating funds" under a RWHAP Part A grant. Some EMAs and TGAs refer to directives as "ways to best meet priorities." The expectations around directives are not always clearly understood, and the PC/PB needs to be careful that directives are feasible for implementation, do not inappropriately limit the number of service providers that can compete for funding, and do not have unintended consequences.

For example, it makes logical sense to ask service providers to have some evening or weekend hours since many PLWH are employed and may find it hard to take time off from work to keep

their appointments. Keeping a facility open longer hours also involves costs, and those costs should be discussed with the recipient prior to resource allocation, so that necessary funding is included to support the directive. If this is not done, the directive may reduce the number of people who can receive the service as funds are shifted to facility or other costs associated with longer hours.

Wording of directives is important. For example, a directive requiring that certain services such as outpatient ambulatory health services (OAHS) or medical case management "be provided by a subrecipient located in each county in the EMA/TGA" may be very difficult to implement, since it may not be cost-efficient for a service provider to open a facility in a county with low HIV prevalence. On the other hand, if the directive

said these services should be "made available within each county in the EMA/TGA," potential subrecipients have the flexibility to use a mobile clinic or send staff to an existing facility several days a week.

HRSA/HAB service category definitions:
RWHAP Part A programs can fund only core medical-related service categories listed in the legislation and support services approved by the Secretary of Health and Human Services (HHS) based on the legislation. As the Part A Manual indicates, "An EMA or TGA may choose a more limited definition than specified in the HAB/DMHAP service category definitions, but may not use a more expansive definition or fund service categories not on the approved list." (p 201). The most recent definitions and descriptions of service categories are found in HRSA/HAB Policy Clarification Notice 16-02, referenced as a resource for this module. As part of PSRA, PC/PB members will need to be familiar with those service definitions along with any EMA/TGA-specific narrowing of those definitions or further descriptions of how services are to be provided. For example, the PC/PB may limit Emergency Financial Assistance (EFA) to certain types of assistance such as Food or and Housing, not permitting funds to be used Utility Assistance, or Emergency Medication Assistance. (Typically, separate allocations are made for each type of EFA, since expenditures must be separately reported.) The PC/PB may establish a cap on per-client costs for Oral Health Care or require that at least a certain percent of Mental Health Care funds be used for services provided by psychiatric services. As facilitator, you will probably want to have PCN 16-02 handy during the training.

Unobligated Funds and Rapid Reallocation: One of the more complicated but also very important factors in reallocation is the importance of avoiding "unobligated balances"—funds that remain unspent at the end of the program year. The legislation provides penalties to a RWHAP Part A or Part B program that leaves more than 5% of its formula award unobligated, as shown in

its final financial report. That report is submitted 150 days after the end of the program year. Because this is well into the current year, the penalties occur the following year. The program may request that remaining funds be provided as carryover funds for the following year but is not permitted to apply for competitive funds the next year and has its formula award reduced by the amount of unspent funds beyond the approved carryover. The process is described in PCN 12-02, "Part A and Part B Unobligated Balances and Carryover."[1]

The details of the process are the recipient's responsibility, but the PC/PB needs to understand the very serious financial consequences of failing to work with the recipient to reallocate funds from underspent service categories to other service categories where the funds are needed and can be obligated by the end of the program year.

Many EMAs/TGAs have developed "rapid reallocation" policies and procedures to ensure that funds can be reallocated quickly towards the end of the year. Usually, these policies allow the recipient to move funds across service categories without prior PC/PB approval, sometimes with limitations, such as a requirement that there be prior discussion about where such funds will be moved if necessary, and sometimes with a limit on the percent of funds in a service category that can be moved without prior PC/PB approval. The processes are designed to allow a recipient to move quickly in the last few months of the program year, when going through the normal reviews and discussion by the responsible committee, Executive Committee, and PC/PB would take too long and perhaps make it impossible for funds to be moved and spent by the end of the year.

For More Information

Additional Resources

- Planning Council Primer [2018 update]
- Compendium of Materials for Planning Council Support (PCS) Staff, especially:
    — *5-4. Model PSRA Process*
    — *7-4c. Using Data with the Planning Council: Training Poster (Portland TGA - Multnomah County Health Department, HIV Care Services)*
- Planning CHATT Webinar, Priority Setting and Resource Allocation, July 17, 2018, Webinar Slides and Transcript
- "Ryan White HIV/AIDS Program Services: Eligible Individuals & Allocable Uses of Funds," HRSA/HAB Policy Clarification Notice (PCN) #16-02, Revised 10/22/18.
- Policy Clarification Notice 16-02: Eligible Individuals and Allowable Uses of Funds: "Frequently Asked Questions," undated.

Related Training Guide Resources

- Module 2: Roles and Responsibilities of RWHAP Part A Planning Councils/Bodies (PC/PBs) and Recipients, provides a basic description of PSRA along with the other roles and responsibilities of the PC/PB and the recipient, including shared tasks, including Handout #1, "Quick Guide to RWHAP Part A-fundable Service Categories"
- Module 3: Overview of the RWHAP Part A Annual Planning Cycle, shows how PSRA fits into the annual planning cycle and influences the recipient's procurement process
- Modules 4, 6, and 7 provide skill-focused training related to other key legislative responsibilities, all of which involve use of needs assessment data:
    — *Module 4: Needs Assessment*
    — *Module 6: Integrated/Comprehensive Planning*
    — *Module 7: Other PC/PB Roles for Maintaining and Improving a System of Care*
- Module 10: Data -based Decision Making: Understanding, Assessing, and Using Data, provides training on how to review and use the various types of data needed for PSRA.

For links to all the resources listed above, go to www.TargetHIV.org/planning-chatt/module5

References

1   Available at https://hab.hrsa.gov/sites/default/files/hab/Global/habpartauobpolicypdf.pdf.