

# LOS ANGELES COUNTY COMMISSION ON HIV

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February 27, 2007

To: Commission on HIV  
From: Priorities and Planning (P&P) Committee  
Subject: **YEAR 17 TITLE I/II ALLOCATIONS POST-CARE ACT REAUTHORIZATION**

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**Background.** On June 8, 2006, the Commission on HIV approved the allocations for Ryan White CARE Act funds in Year 17. In doing so, the Commission also agreed with the Finance Committee's recommendation to reconvene, and to reconsider and adjust the allocations as necessary if and when the CARE Act was reauthorized. The Commission has since approved a measure that moved the responsibility for allocation-setting from the Finance Committee to the Priorities and Planning (P&P). In light of the recent CARE Act Reauthorization, the P&P Committee met on February 20, 2007 to incorporate changes required by the new legislation, and is recommending the following to the full Commission.

Allocations are made in three funding scenarios originally determined at a joint priority- and allocation-setting meeting on November 29, 2005. The three funding scenarios are as follows:

**Scenario #1:** an increase of 5% or more

**Scenario #2:** essentially "flat funding" between a decrease of 4.9% or less up to an increase of 4.9%

**Scenario #3:** a decrease of 5% or more

**Ryan White HIV/AIDS Treatment Modernization Act.** The Ryan White HIV/AIDS Treatment Modernization Act, reauthorizing the CARE Act, was passed by Congress and signed by the President in December 2006. Among other changes, the reauthorized CARE Act now mandates that 75% of the service dollars must be allocated to "core medical services". Those core medical services are defined in the legislation. The following services prioritized in the Los Angeles County HIV/AIDS continuum of care are considered "core medical services" (in order of priority ranking):

|                                |    |                     |              |                        |
|--------------------------------|----|---------------------|--------------|------------------------|
| ▪ Medical Outpatient           | 1  | in priority ranking | 50.1%        | of service allocation  |
| ▪ Medical Specialty            | 2  |                     | 1.1%         |                        |
| ▪ Oral Health Care             | 3  |                     | 3.1%         |                        |
| ▪ Mental Health, Psychiatry    | 4  |                     | 2.5%         |                        |
| ▪ Treatment Education          | 5  |                     | 3.8%         |                        |
| ▪ Mental Health, Psychotherapy | 6  |                     | 6.5%         |                        |
| ▪ Substance Abuse, Treatment   | 9  |                     | 0%           |                        |
| ▪ Medical Nutrition Therapy    | 11 |                     | .6%          |                        |
| ▪ Medical Case Management      | 16 |                     | .7%          |                        |
| ▪ Hospice and Nursing Facility | 21 |                     | 0%           |                        |
| <b>TOTAL:</b>                  |    |                     | <b>68.4%</b> | <b>(6.6%) from 75%</b> |

The allocations to the ten service categories above comprise 68.4% of the total available service dollars. As a result, a minimum of 6.6% of the current allocations must be shifted to core medical services.

**Service Allocations.** The P&P Committee modified the allocations approved by the Commission in June for Year 17 in the following manner to comply with new CARE Act requirements:

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| <b>SERVICE CATEGORY FUNDS<sup>1</sup></b>  | <b>YR 17<br/>Priority<br/>Ranking</b> | <b>Before<br/>Reauth.<br/>6/8/2006</b>      | <b>Variance</b> | <b>After<br/>Reauth.<br/>2/20/2007</b> |
|--|---------------------------------------|---|-----------------|--|
| Ambulatory/outpatient, General –<br><b>(Medical Outpatient)</b>                              | <b>1*</b>                             | 50.1%                                       | 6.0%            | <b>56.1%</b>                           |
| Ambulatory/outpatient, Specialty –<br><b>(Medical Specialty)</b>                             | <b>2*</b>                             | 1.1%  | 0%              | <b>1.1%</b>                            |
| Oral Health Care   | <b>3*</b>                             | 3.1%  | .6%             | <b>3.7%</b>                            |
| Mental Health, Psychiatric –<br><b>(Mental Health, Psychiatry)</b>                           | <b>4*</b>                             | 2.5%  | 0%              | <b>2.5%</b>                            |
| Treatment Adherence – <b>(Treatment Education)</b>   | <b>5*</b>                             | 3.8%  | 0%              | <b>3.8%</b>                            |
| Mental Health, Counseling –<br><b>(Mental Health, Psychotherapy)</b>                         | <b>6*</b>                             | 6.5%  | 0%              | <b>6.5%</b>                            |
| Housing Assistance – <b>(Residential, Transitional)</b>                                      | 7                                     | 4.7%  | 0%              | 4.7%                                   |
| Substance Abuse, Residential   | 8                                     | 6.5%  | 0%              | 6.5%                                   |
| Substance Abuse, Treatment   | <b>9*</b>                             | 0%  | 0%              | <b>0%</b>                              |
| Case Management, Psychosocial  | 10                                    | 11.3%                                       | (1.5%)          | 9.8%                                   |
| Nutrition Counseling – <b>(Medical Nutrition Therapy)</b>                                    | <b>11*</b>                            | .6%   | 0%              | <b>.6%</b>                             |
| Transportation   | 12                                    | 2.9%  | (1.0%)          | 1.9%                                   |
| Food Bank/Home Delivered Meals/Nutritional<br>Supplements – <b>(Nutrition Support)</b>       | 13                                    | 2.1%  | (1.0%)          | 1.1%                                   |
| <b>Benefits Specialty</b>  | 14                                    | 0%  | 0%              | 0%                                     |
| Legal Services   | 15                                    | 1.2%  | (1.2%)          | 0%                                     |
| Case Management, Medical   | <b>16*</b>                            | .7%   | 0%              | <b>.7%</b>                             |
| Translation/Interpretation – <b>(Language Services)</b>                                      | 17                                    | .7%   | (.7%)           | 0%                                     |
| Psychosocial Support Services, HIV Support –<br><b>(Peer Support)</b>                        | 18                                    | 1.5%  | (.5%)           | 1.0%                                   |
| Child Care   | 19                                    | .6%   | (.6%)           | 0%                                     |
| Permanency Planning  | 20                                    | .1%   | (.1%)           | 0%                                     |
| Residential or In-Home Hospice Care –<br><b>(Hospice and Nursing Facility Services)</b>      | <b>21*</b>                            | 0%  | 0%              | <b>0%</b>                              |
| <b>Subtotal (100% of all Service Category Funds)</b>   |                                       | 100.0%                                      |                 | 100.0%                                 |
| <b>NON-SERVICE CATEGORY FUNDING</b> *categories (ranking bolded) are “core medical services” |                                       |   |                 |  |
| ▪ Administration <sup>2</sup>  |                                       |   | 10.0%           | 10.0%                                  |
| ▪ Administrative Agency  |                                       | 5.0%  | (5.0%)          |  |
| ▪ Planning Council Support   |                                       | 4.0%  | (4.0%)          |  |
| ▪ Program Support <sup>3</sup>   |                                       | 5.0%  | (5.0%)          |  |
| ▪ Quality Management   |                                       | <i>tbd by Administrative Agency</i>         |                 |  |
| ▪ Minority AIDS Initiative (MAI)   |                                       | <i>tbd through a separate grant process</i> |                 |  |
| <b>Subtotal (100% of all Service Dollars)</b>  |                                       | 14.0%                                       | (4.0%)          | 10.0%                                  |
| <b>TOTAL (all Title I/Title II Funds)</b>  |                                       | <b>100.0%</b>                               |                 | <b>100.0%</b>                          |

<sup>1</sup> The Service Categories are identified by their old name, followed by their new name determined by the Standards of Care in bold and parentheses. OAPP should be incorporating the new name into service contracts as those contracts are renewed or re-solicited.

<sup>2</sup> The Administrative Agency (OAPP) and Planning Council Support budget are now combined into a single administrative line item, capped at 10% of the total award.

<sup>3</sup> Program Support as a category of funding to which support can be allocated no longer exists. Those activities funded by CARE Act dollars must now be funded within the administrative or quality management budgets.

**Allocation Modifications.** Following are the results of the Year 17 allocation modifications that comply with the federal “core medical service” minimum allocation requirements:

| <b>Year 17 Ryan White Program<br/>Total Core Medical Service Allocations</b> |              |
|--|--------------|
| Medical Outpatient   | 56.1%        |
| Medical Specialty  | 1.1%         |
| Oral Health Care   | 3.7%         |
| Mental Health Psychiatry   | 2.5%         |
| Treatment Education  | 3.8%         |
| Mental Health Psychotherapy  | 6.5%         |
| Substance Abuse, Treatment   | 0%           |
| Medical Nutrition Therapy  | .6%          |
| Case Management, Medical   | .7%          |
| Hospice/Nursing Facility Services  | 0%           |
| <b>TOTAL:</b>  | <b>75.0%</b> |

| <b>Year 17 Ryan White Program<br/>Total Supportive Service Allocations</b> |              |
|--|--------------|
| Residential Transitional   | 4.7%         |
| Substance Abuse, Residential   | 6.5%         |
| Case Management, Psychosocial  | 9.8%         |
| Transportation   | 1.9%         |
| Nutrition Support  | 1.1%         |
| Benefits Specialty   | 0%           |
| Legal Services   | 0%           |
| Language Services  | 0%           |
| Peer Support   | 1.0%         |
| Child Care   | 0%           |
| Permanency Planning  | 0%           |
| <b>TOTAL:</b>  | <b>25.0%</b> |

**Justification.** Allocation decisions were made in accordance with priority rankings set by the Commission in early 2006. To the extent it can and the data is available, the Commission bases its allocation decisions on the priority rankings, cost and service effectiveness, and other available streams of funding.

Adjustments to the June allocation decisions were made to comply with CARE Act requirements, largely following the priority rankings of the service categories, and considering the availability of other sources of funding or similar services funded outside of the HIV/AIDS continuum of care. In one case—child care services—there is no service provider identified for Year 17, and less than five clients accessed the service the past year.

**Funding Scenarios.** The P&P Committee recommends the application of this allocation strategy in Year 17 for funding scenarios #1 and #2.

If the Year 17 award falls within funding scenario #3 (a funding reduction of 5% or more), the P&P Committee recommends that reductions be applied across the board up to a 7.49% cut. If the reduction is 7.5% or more, the P&P Committee recommends reducing the administrative and quality management allocations by another 1%. Beyond those savings, the P&P Committee recommends that starting in reverse order, allocations for service priorities will be zeroed out until the Year 17 Title I award reduction is reached.

**Directives.** Under this rubric, the priority- and allocation-setting process generates recommendations for “how best to meet the need” and “other factors to be considered.” Consequent to this allocation process, the P&P Committee has asked the Standards of Care (SOC) Committee to consider the merger of the Medical Outpatient and Medical Specialty standards and service categories.

**Next Steps.** There are several decisions and actions remaining that will be addressed:

- Determine any allocations for activities that were previously classified as “program support”, and under which category the activities should be included.
- Negotiate the administrative agency and planning council support budgets.

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- Determine what funds (formula or supplemental) are used for what services (necessary now due to the new legislation).
- Submit the Minority AIDS Initiative (MAI) application for funding, per HRSA's new process.
- Ensure that Title II funds do not alter or necessitate modification to these decisions.

If you have any questions, or need any further information from the Committee, please do not hesitate to contact us by calling the Commission office. Thank you for your time and consideration.



# LOS ANGELES COUNTY COMMISSION ON HIV


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## YEAR 17 PART A/B ALLOCATION RECOMMENDATIONS

**Priorities and Planning (P&P) Committee**

***March 8, 2007***

# RYAN WHITE CARE ACT REAUTHORIZATION

- 
- Ryan White HIV/AIDS Treatment and Modernization Act impacts Year 17 allocations in the following ways:
    - ⇒ Name changes
    - ⇒ Formula and supplemental funding changes
    - ⇒ Minority AIDS Initiative (MAI) funding
    - ⇒ 75% service allocation to core medical services
    - ⇒ Administrative expenditure changes





# NAME CHANGES

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- “Ryan White CARE Act” now called “Ryan White Program”
- “Titles” now called “Parts”
  - ⇒ “Title I” → “Part A”
  - ⇒ “Title II” → “Part B”
  - ⇒ “Title III” → “Part C”
  - ⇒ “Title IV” → “Part D”
  - ⇒ “Part F” remains unchanged



# FORMULA/SUPPLEMENTAL FUNDING

- Formula funding now 66% of total
  - ⇒ Used to be 50% of total
  - ⇒ Remainder is supplemental funding
- Only formula funding is protected by “hold harmless”
  - ⇒ EMA cannot lose more than 5% of formula funding from 2006 level through 2009
  - ⇒ Funding for “hold harmless” comes out of “supplemental pool”
  - ⇒ Could reduce the total amount available for supplemental awards



# FORMULA/SUPPLEMENTAL FUNDING *(cont.)*

- LA County formula funding for Year 17 is:

**\$23,182,654**

- ⇒ Formula funding in Year 16 was \$18,531,661
- ⇒ Total Year 16 Title I award (minus MAI) was 32,387,521
- Supplemental funding to be announced by end of April 2007—primary factors important:
  - ⇒ application scores
  - ⇒ application scores of other jurisdictions
  - ⇒ amount withheld for “hold harmless”
  - ⇒ any discretionary action by HRSA




# MINORITY AIDS INITIATIVE (MAI) FUNDING

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- MAI funding now granted through separate, competitive application process
  - ⇒ Required by legislation
  - ⇒ Funding this year not likely until August 2007
  - ⇒ Will coincide with Part A applications in future years
- Year 16 MAI funding for LA County was \$2,057,856



# 75% CORE MEDICAL SERVICE REQUIREMENT

- 
- Ryan White HIV/AIDS Treatment and Modernization Act (Reauthorization) requires:
    - ⇒ 75% of service dollars must be allocated to “core medical services”
    - ⇒ Core medical services defined as:
      - Outpatient Health
      - Medications
      - Pharmaceutical Assist.
      - Health Insurance
      - Home Health Care
      - Med. Nutrition Therapy
      - Home-based Health
      - Mental Health
      - Hospice
      - Sub. Abuse Outpatient
      - Medical Case Mgmt.
      - Treatment Adherence



# CURRENT YEAR 17 ALLOCATIONS TO MEDICAL



| Service Category                        | Priority | % Allocation |
|---|----------|--------------|
| ▪ Medical Outpatient                    | 1        | 50.1%        |
| ▪ Medical Specialty                     | 2        | 1.1%         |
| ▪ Oral Health                           | 3        | 3.1%         |
| ▪ Mental Health, Psychiatry             | 4        | 2.5%         |
| ▪ Treatment Education                   | 5        | 3.8%         |
| ▪ Mental Health, Psychotherapy          | 6        | 6.5%         |
| ▪ Substance Abuse, Treatment            | 9        | 0%           |
| ▪ Medical Nutrition, Therapy            | 11       | .6%          |
| ▪ Medical Case Management               | 16       | .7%          |
| ▪ Hospice and Nursing Facility Services | 21       | <u>0%</u>    |
| <b>TOTAL:</b>                           |          | <b>68.4%</b> |



# ADMINISTRATIVE EXPENDITURE CHANGES

- Administrative Agency and Planning Council budgets now capped together at 10%
  - ⇒ Each used to be 5% in past years
  - ⇒ Administrative agency and planning council must agree on budgetary amounts
- Quality Management still 5%
  - ⇒ Still determined by administrative agency
- “Program Support” (5% formerly) eliminated
  - ⇒ Now, “program support” activities must be funded by Administration or QM



# YEAR 17 ADMINISTRATIVE MODIFICATIONS



| <b>NON-SERVICE CATEGORY FUNDING</b> | <b>Before Reauth.<br/>6/8/2006</b>          | <b>Variance</b> | <b>After Reauth.<br/>2/20/2007</b> |
|-------------------------------------|---|-----------------|------------------------------------|
| ▪ Administration                    |   | 10.0%           | 10.0%                              |
| ▪ Administrative Agency             | 5.0%  | (5.0%)          |                                    |
| ▪ Planning Council Support          | 4.0%  | (4.0%)          |                                    |
| ▪ Program Support                   | 5.0%  | (5.0%)          |                                    |
| ▪ Quality Management                | <i>tbd by Administrative Agency</i>         |                 |                                    |
| ▪ Minority AIDS Initiative (MAI)    | <i>tbd through a separate grant process</i> |                 |                                    |
| <b>SUBTOTAL OF TOTAL AWARD</b>      | 14.0%                                       | (4.0%)          | 10.0%                              |



# COMMISSION ALLOCATION DECISIONS TO BE MADE

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- Priorities and Planning (P&P) Committee recommendations to the Commission for action:
  - ⇒ Re-allocate 6.6% of service dollars to comply with federal requirements
  - ⇒ Allocate in all three funding scenarios
  - ⇒ Re-allocate for “program support” activities, as necessary (*still to be determined*)



# YEAR 17 ALLOCATION MODIFICATIONS



| SERVICE CATEGORY FUNDS  | YR 17 Priority Ranking | Before Reauth. 6/8/2006   | Variance | After Reauth. 2/20/2007 |
|---|------------------------|---|----------|-------------------------|
| Ambulatory/outpatient, General – <b>(Medical Outpatient)</b>      | <b>1*</b>              | 50.1%   | 6.0%     | <b>56.1%</b>            |
| Ambulatory/outpatient, Specialty – <b>(Medical Specialty)</b>     | <b>2*</b>              | 1.1%  | 0%       | <b>1.1%</b>             |
| Oral Health Care  | <b>3*</b>              | 3.1%  | .6%      | <b>3.7%</b>             |
| Mental Health, Psychiatric – <b>(Mental Health, Psychiatry)</b>   | <b>4*</b>              | 2.5%  | 0%       | <b>2.5%</b>             |
| Treatment Adherence – <b>(Treatment Education)</b>                | <b>5*</b>              | 3.8%  | 0%       | <b>3.8%</b>             |
| Mental Health, Counseling – <b>(Mental Health, Psychotherapy)</b> | <b>6*</b>              | 6.5%  | 0%       | <b>6.5%</b>             |
| Housing Assistance – <b>(Residential, Transitional)</b>           | 7                      | 4.7%  | 0%       | 4.7%                    |
| Substance Abuse, Residential                                      | 8                      | 6.5%  | 0%       | 6.5%                    |
| Substance Abuse, Treatment  | <b>9*</b>              | 0%  | 0%       | <b>0%</b>               |
| Case Management, Psychosocial                                     | 10                     | 11.3%   | (1.5%)   | 9.8%                    |
| Nutrition Counseling – <b>(Medical Nutrition Therapy)</b>         | <b>11*</b>             | .6%   | 0%       | <b>.6%</b>              |
| <b>New Service Category names bolded</b>                          |                        | <i>*categories (ranking bolded) are “core medical services”</i> |          |                         |



# YEAR 17 ALLOCATION MODIFICATIONS *(cont.)*



| SERVICE CATEGORY FUNDS <i>(cont.)</i>   | YR 17<br>Priority<br>Ranking | Before<br>Reauth.<br>6/8/2006 | Variance | After<br>Reauth.<br>2/20/2007 |
|---|------------------------------|-------------------------------|----------|-------------------------------|
| Transportation  | 12                           | 2.9%                          | (1.0%)   | 1.9%                          |
| Food Bank/Home Delivered Meals/Nutritional Supplements – <b>(Nutrition Support)</b>   | 13                           | 2.1%                          | (1.0%)   | 1.1%                          |
| <b>Benefits Specialty</b>   | 14                           | 0%                            | 0%       | 0%                            |
| Legal Services  | 15                           | 1.2%                          | (1.2%)   | 0%                            |
| Case Management, Medical  | <b>16*</b>                   | .7%                           | 0%       | <b>.7%</b>                    |
| Translation/Interpretation – <b>(Language Services)</b>   | 17                           | .7%                           | (.7%)    | 0%                            |
| Psychosocial Support Services, HIV Support – <b>(Peer Support)</b>  | 18                           | 1.5%                          | (.5%)    | 1.0%                          |
| Child Care  | 19                           | .6%                           | (.6%)    | 0%                            |
| Permanency Planning   | 20                           | .1%                           | (.1%)    | 0%                            |
| Residential or In-Home Hospice Care – <b>(Hospice and Nursing Facility Services)</b>  | <b>21*</b>                   | 0%                            | 0%       | <b>0%</b>                     |
| <b>Subtotal (100% of all Service Category Funds)</b>  |                              | 100.0%                        |          | 100.0%                        |
| <b>New Service Category names bolded</b> <span style="float: right;"><i>*categories (ranking bolded) are “core medical services”</i></span> |                              |                               |          |                               |



# FINAL YR 17 ALLOCATIONS TO CORE MEDICAL



## Year 17 Ryan White Program Total Core Medical Service Allocations

|                                   |              |
|-----------------------------------|--------------|
| Medical Outpatient                | 56.1%        |
| Medical Specialty                 | 1.1%         |
| Oral Health Care                  | 3.7%         |
| Mental Health Psychiatry          | 2.5%         |
| Treatment Education               | 3.8%         |
| Mental Health Psychotherapy       | 6.5%         |
| Substance Abuse, Treatment        | 0%           |
| Medical Nutrition Therapy         | .6%          |
| Case Management, Medical          | .7%          |
| Hospice/Nursing Facility Services | 0%           |
| <b>TOTAL:</b>                     | <b>75.0%</b> |



# FINAL YR 17 ALLOCATIONS TO SUPPORTIVE SERVICES



## Year 17 Ryan White Program Total Supportive Service Allocations

|                               |              |
|-------------------------------|--------------|
| Residential Transitional      | 4.7%         |
| Substance Abuse, Residential  | 6.5%         |
| Case Management, Psychosocial | 9.8%         |
| Transportation                | 1.9%         |
| Nutrition Support             | 1.1%         |
| Benefits Specialty            | 0%           |
| Legal Services                | 0%           |
| Language Services             | 0%           |
| Peer Support                  | 1.0%         |
| Child Care                    | 0%           |
| Permanency Planning           | 0%           |
| <b>TOTAL:</b>                 | <b>25.0%</b> |



# JUSTIFICATION OF MODIFICATIONS

- Followed priority rankings
- Considered if other resources could fund the services
  - ⇒ For example, no other sources of funding identified for Peer Support, so some allocation remaining in spite of low ranking
- Considered any patterns of “under-spending” or “under-utilization”
- Child care: no provider identified for Year 17
  - ⇒ Only five clients used the service last year





# “PROVISOs”

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- “Zero’ing the allocation out” does not mean the same thing as “de-funding” the service
  - ⇒ DPH/OAPP may or may not continue funding the service with NCC or other resources
  - ⇒ Priorities and rankings were not altered





# FUNDING SCENARIOS

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- **Scenario #1:** increase of 5% or more
- **Scenario #2:** “flat funding” scenario—  
increase up to 4.9% or reduction down to  
4.9%
- **Scenario #3:** decrease of 5% or more



# FUNDING SCENARIOS

## #1 and #2 ALLOCATIONS

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- Application of the allocation strategy as outlined



# FUNDING SCENARIO #3

## ALLOCATIONS

- Application of the allocation strategy as outlined up to a funding cut of 7.49%
- If funding cut more than 7.5%:
  - ⇒ Recommended additional 1% cut to the each of the administrative agency and planning council budgets, contingent upon agreement by the other
  - ⇒ Starting in reverse order, “zero’ing out” allocations for service categories by ranking until reduction level is reached





# DIRECTIVES

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- “How Best to Meet the Need” and “Other Factors to be Considered”
- **Recommendations to Standards of Care (SOC) Committee:**
  - ⇒ Consider merging the Medical Outpatient and Medical Specialty service categories into a single standard
  - ⇒ Support for continued analysis and transition of case management services into a medical care coordination framework





# NEXT STEPS

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- Reassess, re-allocate for “program support” activities
- Negotiate the administrative agency/planning council support budgets
- Determine what funds (Formula/Supplemental) are used for what services
- Submit application for MAI funding
- Ensure the Part B requirements do not necessitate additional modifications





# REFERENCE

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These slides are available on  
the Commission website at  
**[www.hivcommission-la.info](http://www.hivcommission-la.info)**.

