

Activity 5.4: Resource Allocation

TIPS FOR TRAINERS



Suggested Use

Activities 5.2–5.5 are designed to give participants practice in carrying out the four components of PSRA—priority setting, development of directives, resource allocation, and reallocation. They are meant to be carried out sequentially and build on one another. Use this activity, Activity 5.4, after the presentation and discussion on *Resource Allocation* to allow participants to apply what they have learned.



Time

About 90 minutes:

- 5 minutes for instructions and formation of groups
- 45 minutes for small group work
- 30–35 minutes for presentation and discussion of the allocations prepared by the small groups
- 5 minutes to sum up sound practices in resource allocation



Materials

- Handout for Participants: Resource Allocation
- Materials Packet for PSRA Activities
- Easel pad paper and markers
- One laptop for each small group, so it can enter its proposed allocations into the Allocations and Expenditures Spreadsheet
- Laptop and projector to show small group’s proposed allocations to the full group
- 1 or more flash drives for copying each small group’s spreadsheet



Knowledge or Skill Development

Knowledge and skills in applying PSRA principles, meeting HRSA/HAB requirements, and implementing sound practices in carrying out the critical legislative responsibility for priority setting and resource allocation.

Materials Packet for PSRA Activities

Activities 5.2–5.5 all use the same set of data and information, developed for “Midsize Metro”, a mythical RWHAP Part A program of moderate size. Using data from a mythical jurisdiction rather than local data from your EMA or TGA can be helpful in training. It allows participants to focus on using the appropriate process and sound practices, without the distraction of additional knowledge, relationships, and emotional connection they might feel when dealing with data from their own EMA/TGA. The information provided is intended to give enough depth for meaningful decision making without being overwhelming.

The Packet includes:

- A **Data Matrix** that summarizes findings from needs assessment activities over the past two years, the most recent epidemiologic and HIV care continuum data, and client characteristics and service utilization for the last full program year, overall and by service category, as well as for selected PLWH populations.
- An **Allocations and Expenditures Spreadsheet** (provided in Excel format, with formulas) that shows final allocations and expenditures for the most recent full program year, per client costs, and current allocations for each funded service category—and also provides space for allocating resources for the upcoming year.
- A **Service Priorities List**, showing allocations for the most recent completed program year and the current year, with space for indicating priorities for the upcoming year.
- An **Other Funding Sources Spreadsheet** that summarizes other sources and amounts of funding for medical and support services in the Midsize Metro service area.

Activity Steps

1. Review the materials in the **Materials Packet** and make any desired changes to tailor them to your jurisdiction, for example, using appropriate agency names in the **Other Funding Sources Spreadsheet**. If making more substantive changes, remember that these materials are interrelated and changes to one may necessitate changes to others as well.
2. This activity is best done in a small group. If the total number of participants is 8 or fewer, all participants can work together. If there are more than 8 participants, divide participants into small groups of 4–6. It is helpful to have at least one experienced PC/PB member in each small group—so instead of counting people off, you may want to assign people to groups beforehand. If desired, you can keep people in the same small groups for all the PSRA Activities, which may save time and enable them to become a team and build on each other’s experience.
3. Pass out the materials and explain the overall approach—participants will use information from a mythical EMA/TGA, “Midsize Metro,” to carry out tasks related to each of the four components of PSRA, in this case, *resource allocation*. Explain that the focus of the activities is on using data to carry out the assigned task and being able to defend your process. There will be no attempt to reach consensus across small groups.

4. Small groups should begin by choosing a **facilitator** to coordinate discussion, a **recorder** to take notes and summarize the group’s work for sharing, and a **reporter** to present the work of the small group to the full group. The same person may serve as recorder and reporter if that is the group’s preference.
5. Review the activity instructions with participants. Their task is to draft allocations for Part A (not including Part A MAI funding) for the upcoming year, using a “flat funding” scenario, which assumes that total program funds will be the same as for the current program year. The group should use **Midsized Metro’s Resource Allocation Principles** and approved **Resource Allocation Process**.
6. Ask groups to enter their proposed allocations onto the **Allocations and Expenditures Spreadsheet**, using a laptop.
7. Tell the groups they have 40–45 minutes for this task. Give them a warning after 35 minutes. If they are not done in 45 minutes, ask them to provide a partially completed spreadsheet.
8. Ask groups to save their spreadsheet using a unique filename, and copy it onto a flash drive for you, the trainer, and tell them you will project it during the group’s presentation to the full group.
9. Now, ask the reporter for one group to present its draft allocations and reasons for any changes. Give the full group a few minutes to ask questions, then move to the next small group. Continue until all groups have reported.
10. Ask the full group to comment on similarities and differences in the proposed allocations, and about what they see as particular strengths or challenges with the process.
11. Ask the group how they think they would have approached allocations for increased and decreased funding scenarios.
12. Briefly discuss what participants feel they learned from the activity and how this experience may affect their approach to resource allocation.
13. Summarize key points and lessons from the activity.



Activity 5.4 Resource Allocation

HANDOUT FOR PARTICIPANTS

Assume you are the PSRA Committee, and you are developing initial resource allocations for recommendation and action by the full PC/PB. You are working on allocations under a “flat funding” scenario, which assumes that Midsize Metro will have the same level of regular Part A funding in the upcoming year as it has in the current year. (The Committee will also be considering increased and decreased funding scenarios, but this activity does not include them).

Instructions

1. Work in your small group, choosing a **facilitator** to coordinate discussion, a **recorder** to take notes and then summarize the work on easel pad paper for sharing, and a **reporter** to present your group’s work to the full group. If you worked in the same small group on the prior activity (Updating Service Priorities or Developing Directives), consider changing roles for this activity.
2. First review the **Allocations and Expenditures Spreadsheet** as a reminder of what services Midsize Metro has been funding, extent to which allocated funds were spent, and costs per client. Then review the **Other Funding Sources Spreadsheet**, also take into consideration your updated **Service Priorities List** and any directives developed during prior PSRA activities.
3. Using the available data and **Midsize Metro Resource Allocation Principles and Resource Allocation Process** information provided below, develop proposed allocations for the upcoming year. Make additional assumptions as necessary and be sure to record them to share with the full group.
4. Enter allocation amounts by service category into the Excel spreadsheet and revise them as needed until they meet requirements and add up to the same Part A funding level as the current year. The spreadsheet lists high-ranked service priorities and those funded in the past few years. There is space to add other fundable service categories from your **Service Priorities List** if the group wants to recommend funding for those service categories.
5. You have 45 minutes.
6. When you have completed your task, save the Excel spreadsheet onto a flash drive and give it to the trainer to project as you make your presentation. If you do not have time to complete the process, save and share whatever you have completed.
7. Have your reporter ready to present to the full group (the PC/PB) your recommendations and the reasons for any changes from the current year’s allocations. Also report any additional assumptions you made.

Midsize Metro's Resource Allocation Principles

Resource allocation decisions made by the PC/PB for the Midsize Metro Part A Program must:

1. Contribute to parity in access to care for all PLWH regardless of where they live in the four counties in the Midsize Metro RWHAP Part A service area.
2. Consider the needs of specific target populations, including disproportionately affected and traditionally underserved groups. Currently these include African American men, transgender PLWH, young MSM of color, and foreign-born PLWH, as well as injection drug users and recently incarcerated PLWH.
3. Help to reduce the current 27% unmet need rate, enabling or assisting PLWH who know their status but are not in care to re-enter and remain engaged in care.
4. Contribute to an improvement in HIV care continuum performance for all RWHAP clients as well as for target populations.
5. Be data-based, with greater weight given to data that have larger samples and are more representative, such as large-scale surveys, epi data, HIV care continuation data, and service utilization and client characteristics data. Decisions will consider individual experiences or anecdotal experience only when no other data are available.
6. Ensure that Part A funds do not duplicate other existing funding sources—Part A must be the payer of last resort.
7. Reflect collaboration with other RWHAP Parts. To avoid duplication and maximize efficiency, Midsize Metro will coordinate with the Part B program, so that where possible certain service categories will be funded only by Part A, others only by Part B.
8. Meet all federal requirements, including ensuring that at least 75% of Part A funds are used for core medical-related services. This is likely to be necessary in the absence of Part D funding in the service area and with only one funded Part C program and no Part F programs.

In addition:

- Conflict of interest (COI) will be managed using Midsize Metro PC/PB's COI policy and procedures. RWHAP Part A subrecipients and providers seeking Part A funds cannot vote on any decisions related to the service categories for which they have or are seeking funds, or on any slate of categories unless they have no conflict on a majority of the service categories included. They may not initiate discussion of the service categories for which they have a conflict of interest, but they may answer a specific appropriate question from another PC/PB member during PSRA if the recipient is unable to answer that question.
- Providers and consumers and other community members will have the opportunity to provide input during public hearings held prior to PSRA, but **no new data** may be introduced during PSRA decision making, since there is no opportunity to fact check or supplement that information.

Midsize Metro’s Resource Allocation Process

Midsize Metro’s resource allocation process will be carried out by the entire PC/PB. However, the PC/PB may ask the PSRA Committee to provide preliminary recommendations for service allocations as a starting point for full PC/PB deliberations. The resource allocation process at the committee level includes the following steps and tasks:

1. Committee members will review a summary matrix of key data and analysis from relevant sources and written financial and utilization data, attend a full data presentation prior to priority setting with an opportunity for public comment, and receive a summary review of data at the beginning of the resource allocation meeting. The data presentation including public comment will be audio or videotaped, and any member that misses the presentation must view/listen to the recording and discuss the presentation with PC/PB staff prior to the resource allocation meeting.
2. The recipient will have staff at the resource allocation meeting, may make suggestions to the Committee, and will answer questions, but will not vote.
3. The Committee will begin by allocating funds using a “flat funding” scenario, assuming the same total amount of program funds as received in the most recent full-year award. It will then refine allocations based assumptions of a funding increase and a funding decrease. The Committee will also make recommendations for use of Minority AIDS Initiative (MAI) funds, using the same three scenarios.
4. In allocating funds, the Committee will consider expected changes in demand for services, other funding sources, costs per client, other relevant data, and the costs of directives that have been approved by the PC/PB, or recommended for approval by the Task Force on Directives and Executive Committee.
5. The committee will develop allocations by service category, with amounts provided as both dollars and percent of program funds.
6. Decisions will be made by consensus where possible, and then confirmed by a formal vote of Committee members who participated in the data presentation. If consensus cannot be reached for a particular service category or group of categories, the Committee Chair may call for a vote on allocations for those service categories. Committee members who did not attend the data presentation or view/listen to the recording may not vote.
7. The meeting will be open to the public, but public comment will occur only at the end of the meeting to avoid the introduction of new data or impassioned pleas.
8. The Committee will document the data underlying any decisions involving changes from the current year’s allocations and provide spreadsheets with this documentation first to the Executive Committee and then to the full PC/PB.
9. The Committee will present its recommended allocations to the Executive Committee, which will review the various scenarios and identify any problems or concerns, referring them back for further work by the Committee if needed.
10. The Committee will present recommendations, with any requested refinements, to the full PC/PB, which will review and discuss them in detail, with particular focus on the “flat funding” scenarios for Part A and Part A MAI funds. The PC/PB will make needed modifications or ask the Committee to make them if major changes are needed. The scenarios will be approved by vote, one scenario at a time.