Assessing the Efficiency of the Administrative Mechanism:
An Introduction[1]

Legislative Requirement:

The Ryan White HIV/AIDS Treatment Extension Act requires each Ryan White HIV/AIDS Program (RWHAP) Part A program's planning council or body (PC/B) to "assess the efficiency of the administrative mechanism in rapidly allocating funds to the areas of greatest need within the eligible area and at the discretion of the planning council, assess the effectiveness, either directly or through contractual arrangements, of the services offered in meeting the identified needs."[Section 2602(b)(4)(E)]

Some PC/Bs become involved in assessing the effectiveness of services, usually in coordination with recipient activities related to CQM, performance measures, and clinical outcomes. This brief document focuses on the assessment of the efficiency of the administrative mechanism.

What is an "assessment of the efficiency of the administrative mechanism"? HRSA/HAB Expectations:

This assessment is a review of how quickly and well the RWHAP Part A recipient (and administrative agency, if one exists) carries out the processes to contract with and pay providers for delivering HIV-related services, so that that the needs of people living with HIV/AIDS (PLWH) throughout the RWHAP Part A service area are met – with emphasis on PLWH and communities with the greatest need for Ryan White services.

The *RWHAP Part A Manual says:*

 "Its purpose is to assure that funds are being contracted for quickly and through an open process, and that providers are being paid in a timely manner….

Generally, assessments are based on time-framed observations of procurement, expenditure, and reimbursement processes. For example, the assessment could identify the percent of funds obligated within a certain time period (e.g., 90 days) from the date of grant award and the percent of providers that are reimbursed within a specified number of days following submission of a monthly invoice. Reimbursement processes can be tracked from date of service delivery through invoicing to payment, with documentation delayed payments and, where feasible, any adverse impact on clients or providers. This information is usually obtained from the grantee in aggregate form. Sometimes the planning council will arrange to obtain information directly from providers…." [p 101]

Each RWHAP Part A Planning Council/Body (PC/B) is expected to conduct such an assessment annually. This is the only PC/B task that involves looking at procurement and contracting, which are recipient responsibilities.

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[1] Prepared in April 2017 for DMHAP under Task Order TA003111 through MSCG/Ryan White TAC

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HRSA/HAB expects each PC/B to conduct an assessment of the efficiency of the administrative mechanism (AEAM) annually, provide a written report with conclusions and recommendations to the recipient, and receive a written response from the recipient. These reports are occasionally requested as an attachment to the annual competitive RWHAP Part A application, or the Notice of Funding Opportunity (NOFO) asks for a summary of findings and recommendations and the recipient's response.

Scope:

Topics covered in the AEAM typically include the following:

- **The procurement process** – including outreach to potential new service providers (officially known as "subrecipients"), dissemination of the Request for Proposal (RFP), number of applications received and funded, the review process including use of an external review panel (ERP) and the composition of that panel, and criteria used in selection of subrecipients as service providers.

- **Contracting** – including the length of time between Notice of Grant Award to the recipient and completion of fully executed subcontracts with providers.

- **Reimbursement of subrecipients** – including the monthly reporting and invoicing process and the length of time between recipient (or administrative agency) receipt of an accurate invoice with required documentation and issuance of a reimbursement check to the provider, as well as obstacles to timely reimbursement.

- **Use of funds** – whether contracting and expenditure of RWHAP Part A funds are consistent with allocations made by the planning council [planning bodies that are not planning councils offer only recommendations, so this requirement does not apply to them], and the proportion of formula and supplemental RWHAP Part A funds that are expended by the end of the program year. The PC/B needs this information for the Letter of Assurance it is expected to prepare each year for inclusion in the RWHAP Part A application.

In addition to these essential topics, the AEAM sometimes also addresses another topic important to the PC/B:

- **Engagement with the PC/B in the planning process** – how and how well the recipient and PC/B work together to carry out shared and coordinated planning tasks, to meet legislative requirements, the extent to which the PC/B receives the data needed for sound decision making, and evidence of success in maintaining and strengthening the system of HIV care, to desired performance and standards and clinical outcomes are reached. If there is an MOU between the PC/B and recipient, the assessment looks at the extent to which both parties met their commitments, with emphasis on the extent to which all agreed-upon data and reports from the recipient were received on schedule by the PC/B and its committees. PC/Bs and recipients often agree to include this information as a useful way to assess their relationship and compliance with mutual commitments.

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Sometimes PC/Bs want to include monitoring or other aspects of recipient management in the AEAM – but HRSA/HAB does not support this: "The planning council should not be involved in how the administrative agency monitors providers" [*RWHAP Part A Manual,* p 102].

Methods:

PC/Bs use a variety of methods to carry out their AEAMs. The Most often information is collected through a combination of the following:

- **A survey of funded providers** (known as "subrecipients,") to learn about their experiences related to procurement, contracting, and reimbursement; this is often done using an online survey format and a combination of multiple-choice or rating-scale questions and a few open-ended questions. PCS staff or a consultant typically receive, aggregate, and summarize results for PC/B review. Some PC/Bs do a provider survey every year, others every other year.

  Tip: To obtain a reasonably high response rate (more than half the funded providers): keep the survey as short as possible, and use questions that just require a rating or checking a box; and be sure the survey is sent to the person with the information to complete it, and be prepared to nag.

- **Obtaining of summary information from the recipient** about each of the topics; for example, this is likely to include the percent of contracts fully executed within 30, 60, and 90 days after notice of grant award; the average time (and the range of days) required each month for the recipient to issue checks to funded providers following receipt of accurate invoices; and the amount and percent of RWHAP Part A funds allocated by the PC/B to each service category versus the amount and percent actually spent on each service category. Recipients sometimes report information annually, sometimes provide some data quarterly or twice annually.

  Tip: Agree with the recipient on data to be requested, and if possible on a chart format. Reach agreement at the *beginning* of the program year. This will make it easier for the recipient to collect information throughout the year and provide the needed information promptly.

- **Review of expenditure and related data,** usually provided to the PC/B monthly by the recipient, including expenditures by service category, under- and over-expenditures, and progress and concerns related to funding, contracting, and program management.

  Tip: As with the summary data provided annually, reach agreement with the recipient at the beginning of the year on the scope and format of monthly data reports, including a chart of financial data chart and a template for narrative updates. Maintain the same format year after year if it works well, but review content and format at least every two years, and agree on changes as needed.

- **A survey of PC/B members** to obtain their perspectives on PC/B-recipient engagement in the planning process, including such issues as whether promised data and reports were received by committees for use in decision making.

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Tip: Use mostly multiple-choice and rating-scale questions, and focus on the agreed-upon scope of the survey. Give an online option, but also be prepared to provide hard copies of the survey to members during a PC/B or committee meetings, to get a high response rate.

Once all the information has been collected, and data from provider and PC/B members has been aggregated and summarized by question and topic, the responsible committee reviews the data, identifies findings for each question and topic area, and agrees on conclusions and recommendations. Often the committee outlines the content, and then either a subcommittee or the PCS staff (or consultant) prepares the report.

Challenges:

- **Reviewing data without provider names:** The assessment is usually carried out jointly by a PC/B committee and a Planning Council Support (PCS) staff member or consultant. PCS staff involvement is particularly important because of the expectation that, in all their work, PC/Bs receive and discuss data about providers only in the aggregate, overall or by service category, not by agency name. Assessing the efficiency of the administrative mechanism usually involves obtaining information from individual subrecipients. PCS staff (or a consultant) typically receives provider surveys and aggregates that information, so the PC/B committee receives combined data but members do not see information that identifies the subrecipients by name.

- **"Mission creep":** As the *RWHAP Part A Manual* indicates, "This is the only situation in which the planning council considers issues related to procurement and contract management, which are the grantee's sole responsibility." Assessing the administrative mechanism is not meant to be an evaluation of the recipient or of individual subrecipients/service providers. There is sometimes a tendency to broaden the scope of the AEAM to include issues that are not

> **Scope and Methodology: Assessment of the Administrative Mechanism, Orlando EMA**
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> Scope: "This report addresses the following areas: a) the extent to which the recipient's office follows the Planning Council's directives regarding the Ways to Best Meet Needs and their spending priorities; b) the renewal and contracting processes; c) the filing/ reimbursement process; d) survey findings based on responses from Providers and Planning Council members; e) interviews with Recipient, Fiscal and Procurement staff; and file reviews of invoices and contracts."
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> **Methods:** "Various methods were used to collect the information needed to address the assessment of the Administrative Mechanism. These methods included: a literature review, including a review of previous and other EMA's reports; Analysis of completed 2015 -16 Provider survey and Planning Council member surveys; interviews with the Recipient, Fiscal and Procurement departments; and file reviews. The Provider and Planning Council Member surveys were handled confidentially which enabled candid responses without repercussions."

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appropriate for PC/Bs to address. PCS staff should be familiar with HRSA/HAB guidance through the *RWHAP Part A Manual,* and help avoid this situation.

Examples of Methods and Tools:

Some Planning Councils post their assessment reports. The box on this page summarizes the

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Methodology for the Assessment of the Efficiency of the Administrative Mechanism, West Central Florida Ryan White Care Council, FY 2012-2013

"The Assessment of the Administrative Mechanism examines the allocations determined by the Care Council, contracting of those services, and reimbursement for those services. Data was collected through the following means:

- Provider Survey
- Care Council Survey
- Review of Care Council Approvals of Allocations and Re-allocations
- Review of Provider Contracts and Contract Amendments
- Review of Provider Invoices and Reimbursement Records
- Review of Committee Meeting Minutes
- Interviews with Grantee staff, provider staff, and Care Council members

Both the Provider Survey and the Care Council Survey questions were reviewed by the Resource Prioritization and Allocation Recommendations Committee (RPARC). The Health Council of East Central Florida announced the surveys via email, which provided a link to the web-based survey tool."

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methodology used for the Orlando EMA HIV Services Planning Council's FY 2015 assessment of the administrative mechanism; the report is available online.[2] The box that follows describes the methods and sources used by the Tampa/St. Petersburg EMA for its FY 2012 assessment; that assessment report, including tools, is also available online.[3] Both assessments follow *RWHAP Part A Manual* guidance on the scope of the assessment.

Planning Councils often use rating scales as response categories for surveys of funded RWHAP Part A providers and Planning Council members. For example, the Memphis Area Ryan White Planning Council uses the following rating scale for all survey questions[4]:

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[2] Center for Change, Inc., "Assessment of the Administrative Mechanism, Fiscal Year 2015/2016," Orlando EMA HIV Service Planning Council, available at:
https://www.orangecountyfl.net/Portals/0/Resource%20Library/families%20-%20health%20-%20social%20svcs/Ryan%20White/Assessment%20of%20the%20Administrative%20Mechanism.pdf.

[3] Health Council of East Central, under contract by The Health Councils, Inc., "West Central Florida Ryan White Care Council Assessment of the Administrative Mechanism RWHAP Part A, 2012-2013." Available at:
http://thecarecouncil.org/wp-content/themes/RyanWhite/files/AAM%20Part%20A%202012%202013%20Report%20Final.pdf.

[4] See Memphis TGA Assessment of the Administrative Mechanism, September 2015. Available at
http://hivmemphis.org/wp-content/uploads/2015/02/2015-Assessment-of-the-Administrative-Mechanism-dpy.pdf.

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- Fully/always
- Partly/usually
- Slightly/rarely
- Not at all/never
- N/A - Don't Know

Orlando uses the following scale:
- Strongly agree
- Agree
- No opinion
- Disagree
- Strongly disagree
- Not applicable

Questions should be clear and direct. For example, here are several questions for providers regarding the procurement process and reimbursements:
- The recipient provides feedback to each bidder
- The recipient processes invoices within two weeks of submission
- The recipient issues payments within 45 days following submission of complete, accurate invoices
- The Grantee Office staff informed my agency of reallocation processes and the requirements of our spending plan in order to make necessary adjustments during the year

These questions are part of the Planning Council survey and address how the recipient works with the Planning Council and whether it follows allocations and directives established by the Council:
- The Planning Council receives regular monthly reports on service utilization and expenditures by service category
- The Planning Council receives a year-end summary of expenditures, utilization, unit costs, and client demographics by service category
- The recipient has a staff member at each committee meeting except when asked not to attend
- The recipient's contracting follows Planning Council service category priorities, allocations, and reallocations
- The recipient implements directives from the Planning Council on how best to meet priorities

PC/Bs are usually willing to share tools and reports. PCS staff should contact colleagues for advice and assistance when needed -- and post their own methods, tools, and reports on PC websites where feasible.

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