

Activity 5.5: Reallocation

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 5.5, after the presentation and discussion on *Reallocation* to allow participants to apply what they have learned.



Time

About 60 minutes:

- 5 minutes for instructions and formation of groups
- About 20–25 minutes for small group work
- About 20–25 minutes for presentation and discussion of the reallocation recommendations prepared by each group
- 5 minutes to sum up sound practices and lessons from the activity



Materials

- Handout for Participants: Reallocation
- Easel pad paper and markers



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, *reallocation*. 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. Ask each group to have one participant serve as the recipient representative, answering questions and providing suggestions from that perspective. The rest of the group should function as the PSRA Committee, preparing recommendations for needed reallocation based on a scheduled reallocation review of expenditures to date. The **Handout for Participants** provides information from the recipient on expenditures to date, the reasons for and degree of over- or under-spending by service category, and other factors to consider in developing their recommendations to the Executive Committee and full PC/PB.
6. Ask each group to work with the recipient representative and to agree on recommendations regarding whether any reallocations are needed at this time. If so, they should indicate what they recommend, in terms of:
 - Amount of funding to be moved
 - From what service category(s)
 - To what service category(s)

The recorder should put this information onto easel pad paper, along with notes explaining the rationale behind the recommendations.
7. Tell the groups they have about 20 minutes to do their work. Extend the time by 5 minutes if needed.
8. Now, ask the reporter for one group to briefly present its recommendations and underlying rationale; the recipient representative in that small group should add anything else the PC/PB needs to know. Next, ask reporters from the other small groups to indicate similarities and differences in their reallocation recommendations. Continue until all groups have reported.
9. Ask the group whether they had all the information they needed, and how the PC/PB members and recipient representatives interacted.
10. Ask the group what they learned from the activity and how this experience might affect their approach to reallocation.
11. Summarize key points and lessons from the activity, reminding them of the importance of both regular and rapid reallocation.



Activity 5.5: Reallocation

HANDOUT FOR PARTICIPANTS

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, Developing Directives or Resource Allocation), consider changing roles for this activity.
2. Agree on one member of the group who will play the role of the recipient representative. Assume the rest of you are the PSRA Committee.
3. You have just received the Expenditures Report for Month 7 of the program year, along with a narrative report from the recipient. The report indicates that:
 - Most expenditures are within 5–7 percentage points of the expected 58% of funds expended.
 - The recipient has highlighted service categories that are over- or under-spent by 15% or more in its monthly narrative report, as shown below:

| Service Category | Allocation | Amount Spent | Percent Spent | Amount Under- or Over-spent | % Variance |
|--|------------|--------------|---------------|-----------------------------|------------|
| Local Pharmacy Assistance Program (LPAP) | \$98,300 | \$24,573 | 25% | -\$32,439 | -33% |
| Non-Medical Case Management | \$652,021 | \$267,328 | 41% | -\$110,844 | -17% |
| Food Bank | \$37,243 | \$27,480 | 74% | +\$5,879 | +16% |
| Emergency Financial Assistance—Food | \$33,920 | \$26,410 | 78% | +16,736 | +20% |

The recipient indicates that:

- LPAP is underspent because of contract and regulatory issues that have been solved, and demand for services is very high.
- One of the non-medical case management providers had its main facility destroyed in a tornado three months ago and another has had trouble filling staff vacancies. These problems have now been resolved, but it is unlikely that the three subrecipients in this category will spend much beyond the normal monthly rate from now on.
- Because of the closing of the area’s largest food bank, PLWH now rely more on the Part A Food Bank and Emergency Financial Assistance for food (EFA-Food), and the demand shows no signs of decreasing. The only reason the allocations for these services are not completely expended is that the recipient advised subrecipients to ensure that some funds remain for the rest of the year.
- Dental care has a \$2,000 cap on services for a single individual; however, special approval can be sought for up to an additional \$1,500 per client for more costly work needed for health and nutrition. About 63 PLWH are awaiting this approval. Because the service category is spending at the projected level, the recipient has not yet approved any additional expenditures.

4. Given this situation, work with the recipient to decide what, if any, reallocations should be recommended now, including how much should be moved between service categories.
5. You have 20 minutes.
6. Have your recorder put your recommended reallocations (if any) onto easel pad paper, and have your reporter ready to present your recommendations to the full group, with additional information from the recipient representative as needed.