Priority Setting and Resource Allocation Basics



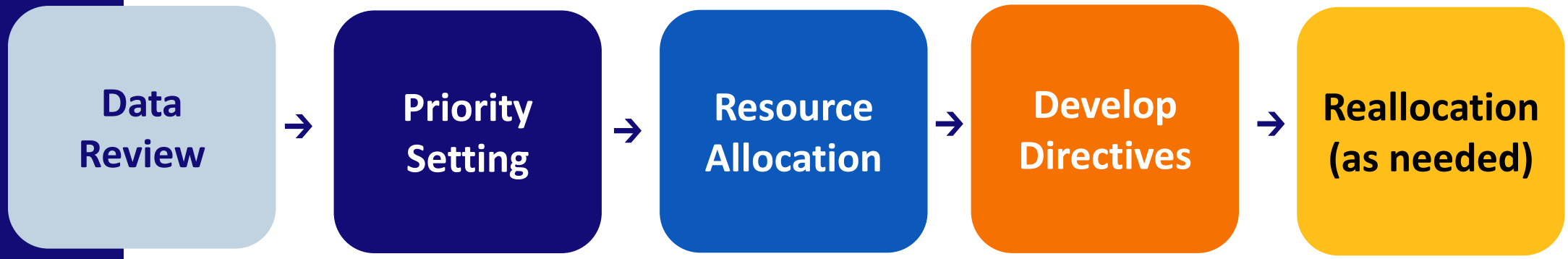
Data Summit
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What is PSRA?

Priority Setting and Resource Allocation (PSRA) is the **single most important legislative responsibility** of a planning council.

It is a data-driven process used to decide how federal grant money is distributed to best meet the needs of people with HIV (PLWH) in an Eligible Metropolitan Area (EMA)



The goal is to make sure funds are used in the best way to support people with HIV within the EMA

Priority Setting

Services prioritized must be from those listed in the Ryan White legislation

Priority Setting - process of ranking which specific core medical and support services are most urgently needed by people with HIV in the local community.

When setting priorities, members **should consider**:

Community Voice

What the community says is needed.

Effectiveness & Cost

How effective and cost-efficient the services are.

Overall Needs

Do the services address the overall needs of people with HIV.

Priorities should not be influenced by availability of funding or who provides the funding for services

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Resource Allocation

Resource Allocation - process of deciding how much RWHAP Part A and Minority AIDS Initiative (MAI) grant funds will be distributed to each prioritized service category.

Various criteria are used to determine funding

Payor of Last Resort	Determining what other funding streams already cover services
Cost & Utilization	Cost-per-client and service utilization rates – investing for the greater good
Consumer Needs	Consider consumer perspectives, lived experience, and community preferences

Recipient provides data & advice, but the **planning council is the decision maker**

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Directives

Directives are the primary mechanism through which a Planning Council helps provide guidance on **how service categories are delivered**.

Directives – the planning council's instructions to the recipient on how best to meet priorities and are based on identified needs

Typically focus on:

- **Service Models**
- **Improving Access**
- **Specific Populations**
- **Reducing Barriers**

Directives ensure that the allocated money is spent in a way that truly addresses community needs. They guide how those services should be structurally shaped to meet client needs.

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Reallocation

Reallocation – the process of moving funds across prioritized service categories following initial allocation

Timing

Can be done at any point throughout the program year

Adjustments

Needed when service categories are underspent or overspent

Approval

Recipient cannot move funds without prior planning council approval

Goal

Addresses changing service needs, utilization trends, & prevents unspent funds

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Legislative Mandates

The PSRA process must strictly adhere to federal rules enforced by the **Health Resources and Services Administration (HRSA)**:

Mandate Rule	Core Requirement
The 75/25 Rule	After administrative caps, at least 75% of grant funds must be allocated to Core Medical Services. No more than 25% can be allocated to Support Services unless a waiver is obtained.
Payor of Last Resort	Ryan White funds cannot be used for any service that can be paid for by another local, state, or federal program (i.e., Medi-Cal, Medicare, or private insurance).
Conflict of Interest (COI)	Members employed by RWP Part-A funded agencies must declare conflicts. They may join general data discussions but cannot vote on allocations affecting their service category(s).

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Activity: PSRA Pop Quiz

1. What is the fundamental difference between "priority setting" and "resource allocation" in the Ryan White PSRA process?

   A. Priority setting allocates actual dollar amounts, while resource allocation determines the chronological order of services.

   B. Priority setting determines which service categories are most important based on community needs, whereas resource allocation assigns specific funding amounts to those categories.

   C. Priority setting is handled exclusively by the grant recipient, while resource allocation is managed solely by consumers.

   D. Priority setting establishes the administrative cap, while resource allocation defines the core medical service percentage.

Activity: PSRA Pop Quiz

2. When conducting priority setting and resource allocation, which combination of data sources is most critical to evaluate local needs?

   A. Federal tax reports and local municipal budgets.

   B. National pharmacy sales records and global HIV research journals.

   C. Epidemiologic data (such as HIV surveillance and demographic trends) combined with comprehensive needs assessment data such as unmet needs and consumer/provider feedback.

   D. Clinic employee turnover rates and facility lease agreements.

Activity: PSRA Pop Quiz

3. If a service category is projected to underspend its allocated funds during a grant year, what is the purpose of a mid-year reallocation?

   A. To return all unspent funds to the federal government immediately without local input.

   B. To permanently alter the administrative cost cap for the fiscal year.

   C. To penalize sub-recipients by reducing their future baseline awards.

   D. To redirect unused or projected unspent funds from categories with low utilization to other categories with high demand or waiting lists, ensuring maximum utilization of grant funds.

Activity: PSRA Pop Quiz

4. A Planning Council member is married to the director of a local clinic that receives Ryan White funds. How must they handle conflicts of interest during the PSRA voting session?
   A. They must resign from the Council completely before any discussions begin.
   B. They can participate in ranking service needs but must recuse themselves from voting on specific allocations that affect the agency where their partner works.
   C. They can vote on all funding amounts as long as they verbally disclose their spouse's employment first.