

**Houston Area
Ryan White HIV/AIDS Program
Assessment of the Administrative Mechanism**

Part B
Fiscal Year 2012

State Services
Fiscal Year 2011

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Office of Support
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Background

The Ryan White CARE Act requires local Planning Councils to “[a]ssess the efficiency of the administrative mechanism in rapidly allocating funds to the areas of greatest need within the eligible area.”¹ To meet this mandate, a time-specific document review of local procurement, expenditure, and reimbursement processes for Ryan White HIV/AIDS Program funds is conducted annually by local Planning Councils.² The observation process is not intended to evaluate either the local administrative agencies for Ryan White funds or the individual service providers funded by Ryan White.³ Instead, it produces information about procurement, expenditure, and reimbursement processes for the local *system* of Ryan White funding that can be used for overall quality assurance purposes.

In the Houston eligible area, the Ryan White Planning Council has conducted an assessment of the administrative mechanism for Ryan White Part A and Minority AIDS Initiative (MAI) funds each fiscal year beginning in 2006. In 2012, the Planning Council began assessing the administrative mechanism for Part B and Texas State General Funds (State Services) as well. Consequently, the assessment tool used to conduct the assessment was amended to accommodate Part B and State Services processes. The new tool was developed and approved by the Quality Assurance Committee of the Planning Council on March 21, 2013 and approved by the Full Council on April 11, 2013.

Methodology

In June 2013, the approved assessment tool was applied to (1) the administrative mechanism for Part A and MAI funds and to (2) the administrative mechanism for Part B and State Services funds for the contract periods designated in the tool:

- Part A and MAI: March 1, 2012 – February 28, 2013 (FY 2012)
- Part B: April 1, 2012 – March 31, 2013 (FY 2012)
- State Services: September 1, 2011 – August 31, 2012 (FY 2011)

The tool evaluated three areas of each administrative mechanism: (1) the procurement and Request for Proposals (RFP) process, (2) the reimbursement process, and (3) the contract monitoring process. As outlined in the tool, 10 data points and their respective data sources were assessed for each administrative mechanism for the specified time frames. Application of the checklist, including data collection, analysis, and reporting, was performed by the Ryan White Planning Council Office of Support staff. All data and documents reviewed in the process were publicly available. Findings from the assessment process have been reported for each administration mechanism independently and are accompanied by the respective completed assessment tool.

¹Ryan White Program Manual, Section V, Chapter 1, Page 4

²Ibid, Page 7

³Ibid, Page 8

Part B and State Services (SS)

Part B Contract Period: April 1, 2012 – March 31, 2013 (FY 2012)

SS Contract Period: September 1, 2011 – August 31, 2012 (FY 2011)

Summary of Findings

I. Procurement/Request for Proposals Process

- a) The Texas Department of State Health Services (DSHS, which is the grantee for Part B and State Services/SS funds in Texas) made multiple alterations to the Part B and SS contracts during the timeframe of this administrative mechanism assessment. These changes resulted in the Administrative Agent (AA) for Part B and SS receiving amended contracts from DSHS for both Part B and SS (split into in 5-month and 7-month increments); consequently, the AA was required to cancel existing contracts with funded service providers, request budget revisions, and re-issue contracts in new split cycles. In total, the AA issued 22 separate contracts during the assessment period with an average of 37 business days elapsed between receipt of each funding contract from DSHS and contract execution with providers.
- b) Though Part B and SS grant awards were issued to the AA in two separate contracts and timeframes as described in (a) above, the AA was able to procure 100% of each grant award by the 1st quarter of each 5- and 7-month contract period.
- c) The AA procured Part B and SS funds only to Planning Council-approved Service Categories during each 5- and 7-month contract period with the exception of an allocation of Part B funds to the Local Pharmacy Assistance Program. This Service Category was bundled with the Part B allocation for Primary Medical Care-Rural as per the Planning Council-approved service definition for FY 2012, but is not indicated as such on the Planning Council allocations worksheet. In addition, total contracted amounts for Part B and SS for each respective FY exceeded total Planning Council-approved allocations for level funding; this is due to re-allocations of funding from other geographic jurisdictions administered by the AA into the Houston HSDA and the subsequent application of the Planning Council-approved increased funding scenario. Per the AA, DSHS requires the AA to balance jurisdictional allocations so there are zero unspent funds across all HSDAs at the end of the AA's contract period. At this time, DSHS prohibits carry-over funds.
- d) Each Service Category under Part B and SS is contracted annually. Therefore, all Part B and SS Service Categories were competitively bid via a Request for Proposals (RFP) process during the assessment timeframe. The RFP issued by the AA for these services contains information about the grant application process, which takes place via the AA, as well as about funder-required assurances and certifications. A Technical Assistance Workshop for the RFP was held, and potential bidders could submit technical assistance questions regarding the RFP in writing to the AA. These steps indicate that the AA maintains a grant award process that provides potential bidders with information on applying for grants as well as the opportunity to address questions prior to grant submission.
- e) As described in (d) above, the AA issued an RFP in FY 2011 for the FY 2012 contract period for all Part B and SS Service Categories. The RFP issued for these services includes the FY 2012 Planning Council-adopted Service Category definitions for each service. This indicates that the AA maintains a grant award process that adheres bidders to Planning Council-approved definitions for contracted Service Categories.
- f) As described in (a) above, Part B and SS grant awards were issued to the AA in two separate contracts and timeframes. Despite this complexity, the AA contracted 100%

of the original Planning Council allocation per Service Category and in total by the end of each 5- and 7-month contract period for both Part B and SS. As a result, there were no unobligated funds for the contract periods.

- g) There were no unspent SS funds at the end of the FY 2011 contract period. There were unspent Part B funds at the end of the FY 2012 contract period in three Core Medical Services. The total amount of unspent Part B funds was \$5,424 or 0.2% of the total Planning Council-approved Part B allocation for the contract period.
- h) The AA is required to and maintains a method of communicating back to the Planning Council the results of the procurement process, including agendaizing procurement reports at Committee and Full Council meetings.

II. Reimbursement Process

- i) The average number of days elapsed between receipt of an accurate Expense Report from contracted agencies and the issuance of payment by the AA was 23 days for the FY 2012 Part B contract period and 22 days for the FY 2011 SS contract period. Overall, 100% of both Part B and SS-contracted agencies were paid within an average of 25 days following receipt of an accurate Expense Report by the AA.

III. Monitoring Process

- j) The AA uses the Standards of Care as part of the contract monitoring process and indicates this in the written policies and procedures for annual Quality Compliance Reviews (QCR) of contracted agencies. The Standards of Care could also be referenced explicitly in the AA's RFP and Quality Management Plan.

Administrative Assessment Checklist -- Part B and SS

Contract Period-Part B: 4/1/12 - 3/31/13 (FY12)
 Contract Period-SS: 9/1/11 - 8/31/12 (FY11)

Section I: Procurement/Request for Proposals Process

Method of Measurement	Summary of Findings	Data Point	Data Source(s)
<p>a) How much time elapsed between receipt of the NGA or funding contract by the AA and contract execution with funded service providers (i.e., 30, 60, 90 days)?</p>	<ul style="list-style-type: none"> • The Administrative Agent (AA) for Part B and SS was required by the funder to re-compete for AA status for the FY12 contract period. As a result, all current Part B and SS contracts with the AA were closed-out at the end of FY11 (March 2012). • Following the AA's re-selection, the Part B contract was issued for the FY12 timeframe of April 2012 – March 2013, and the SS contract was extended through the end of its FY11 (August 2012). The funder then decided to align Part B contracts with the SS contract period. Contracts to the AA were amended into split contracts for 5-month and 7-month periods as follows: <ul style="list-style-type: none"> (i) Part B: #1 (4/1/12-8/31/12) and #2 (9/1/12-3/31/13) (ii) SS: #1 (9/1/11-3/31/12) and #2 (4/1/12-8/31/12) These changes required the AA to cancel existing contracts with funded service providers and re-issue contracts according to each new split funding cycle. Each change made by the funder required the AA to request a budget revision from the provider in order to issue revised contracts. In total, 22 contracts were issued by the AA during the assessment time period. • Time elapsed between the AA's funding contract and contract execution with service providers is as follows: <ul style="list-style-type: none"> (i) Part B: #1 (average of 54 business days elapsed) and #2 (35 business days elapsed) (ii) SS: #1 (34 business days elapsed) and #2 (30 business days elapsed) Across all contracts issued, an average of 37 business days elapsed between the AA receiving the contract from the funder and the AA's contract execution with service providers. <p><i>Conclusion:</i> Multiple alterations made by the funder to the contract periods for Part B and SS required the AA to cancel existing contracts to funded service providers, request budget revisions, and re-issue contracts in split cycles. In total, 22 contracts were issued by the AA during the assessment period. Across all contracts, an average of 37 business days elapsed between receipt of the funding contract by the AA and contract execution with service providers.</p>	<p>Time between receipt of NGA or funding contract by the AA and when contracts are executed with funded service providers</p>	<p>Part B and SS Contract Face Sheets for DSHS Contract Numbers: 2012-039167 2012-040824 2012-040826 2013-042095</p> <p>FY11 and FY12 Contract Tracking Sheets provided by the AA (run 6/26/13)</p>

Section I: Procurement/Request for Proposals Process			
Method of Measurement	Summary of Findings	Data Point	Data Source(s)
b) What percentage of the grant award was procured by the: <ul style="list-style-type: none"> <input type="checkbox"/> 1st quarter? <input type="checkbox"/> 2nd quarter? <input type="checkbox"/> 3rd quarter? 	<ul style="list-style-type: none"> • Part B and SS grant awards to the AA were split into two separate contracts and timeframes (5-months and 7-months) as described in (a) above. Procurement reports from the AA indicate that 100% of allocated funds in each Service Category were procured by the start of each contract period, which is less than 90 days. <p><i>Conclusion:</i> 100% of the Part B and SS grant award was procured by the 1st quarter of each contract period.</p>	Time between receipt of NGA or funding contract by the AA and when funds are procured to contracted service providers	FY12 Part B and FY11 SS Procurement Reports (for each contract period) provided by the AA to the PC

Section I: Procurement/Request for Proposals Process			
Method of Measurement	Summary of Findings	Data Point	Data Source(s)
c) Did the awarding of funds in specific categories match the allocations established by the Planning Council?	<ul style="list-style-type: none"> The Planning Council makes allocations per Service Category for each upcoming contract period based on the assumption of level funding. It then designs scenarios to be applied in the event of an increase or decrease in funding per the actual award. The AA can also re-allocate funds within Service Categories (up to 10%) throughout the contract period for standard business practice reasons, such as billing reconciliations. In addition, the AA for Part B and SS is prohibited by the funder to carry-forward unspent funds. Therefore, the AA also re-allocates Part B and SS funding across geographic jurisdictions as needed to ensure zero unspent funds at the end of the contract period. Procurement reports show that, for SS dollars, the AA contracted only for Service Categories approved for funding by the Planning Council; in Part B, all Service Categories procured by the AA were a match to Planning Council-approved services except Local Pharmacy Assistance. This service was bundled with the Part B allocation for Primary Medical Care-Rural as per the Planning Council-approved service definition for FY12, but is not indicated as such on the Planning Council allocations worksheets. According to procurement reports, there were differences in final total contracted amounts and total Planning Council-approved allocations for level funding as follows: <ul style="list-style-type: none"> (i) Part B: +\$130,618 (<i>greater</i> than the total allocation for level funding for Part B for FY12) (ii) SS: +\$83,262 (<i>greater</i> than the total allocation for level funding for SS for FY11) <p>These differences are the result of re-allocations of funding from other jurisdictions administered by the AA (as described above) and the subsequent application of the Planning Council-approved increased funding scenario.</p> <p><i>Conclusion:</i> The AA procured funds only to Planning Council-approved Service Categories in each contract period with the exception of an allocation of Part B funds to Local Pharmacy Assistance in FY12. In addition, total contracted amounts for Part B and SS exceeded total Planning Council-approved allocations for level funding for each respective FY due to re-allocations of funding from other jurisdictions administered by the AA to prevent carry-over.</p> 	Comparison of the list of service categories awarded funds by the AA to the list of allocations made by the PC	FY12 Part B and FY11 SS Procurement Reports (for each contract period) provided by the AA to the PC PC Final FY11 Allocations Worksheet (6/24/10) PC Final FY12 Allocations Worksheet (8/26/11)

Section I: Procurement/Request for Proposals Process			
Method of Measurement	Summary of Findings	Data Point	Data Source(s)
<p>d) Does the AA have a grant award process which:</p> <p><input type="checkbox"/> Provides bidders with information on applying for grants?</p> <p><input type="checkbox"/> Offers a bidder's conference?</p>	<ul style="list-style-type: none"> Each Service Category under Part B and SS is contracted every year. Therefore, all Part B and SS Service Categories were competitively bid via a Request for Proposals (RFP) process during the assessment timeframes. An RFP was issued in FY11 (on 11/4/11) for FY12 Part B and SS service contracts. It contains information on the process for applying for grants through the AA (see "Grant Application Instructions," page 16) as well as funder-required assurances and certifications (see pages 36-46). In addition, a Technical Assistance Workshop for potential bidders was held by the AA on 11/14/11. Moreover, potential bidders could submit technical assistance questions regarding the RFP to the AA; all responses are posted on the AA's website <p><i>Conclusion:</i> A review of the RFP issued during the assessment period indicates that the AA has a grant award process that provides potential bidders with information on how to apply for grants, including funder-required assurances and certifications, as well as the opportunity to address questions about the grant award process both in-writing and in-person.</p>	Confirmation of communication by the AAs to potential bidders specific to the grant award process	<p>Part B and SS RFP issued in FY11 for FY12 contracts (11/4/11)</p> <p>Technical Assistance Workshop held for RFP issued in FY11 for FY12 contracts (11/14/11)</p>
<p>e) Does the REQUEST FOR PROPOSALS incorporate service category definitions that are consistent with those defined by the Planning Council?</p>	<ul style="list-style-type: none"> The RFP issued in FY11 (on 11/4/11) for FY12 Part B and SS service contracts includes the FY12 Planning Council-adopted Service Category definitions for each service (see "Appendix A and Appendix B," pages 57-64). <p><i>Conclusion:</i> The RFP issued in FY11 for FY12 service contracts includes Service Category definitions that are consistent with those defined by the Planning Council.</p>	Confirmation of communication by the AAs to potential bidders specific to PC products	Part B and SS RFP issued in FY11 for FY12 contracts (11/4/11)
<p>f) At the end of the award process, were there still unobligated funds?</p>	<ul style="list-style-type: none"> Part B and SS grant awards to the AA were split into two separate contracts and timeframes as described in (a) above. The FY12 and FY11 procurement reports for Part B and SS, respectively, for each 5- and 7-month period indicate that 100% of the original PC allocation was contracted by the end of each award process. <p><i>Conclusion:</i> There were no unobligated funds for the contract periods.</p>	Comparison of final amounts procured and total amounts allocated in each service category	FY12 Part B and FY11 SS Procurement Reports (for each contract period) provided by the AA to the PC

Section I: Procurement/Request for Proposals Process			
Method of Measurement	Summary of Findings	Data Point	Data Source(s)
g) At the end of the year, were there unspent funds? If so, in which service categories?	<ul style="list-style-type: none"> A comparison of expenditures to Planning Council-approved allocations shows no under spending in SS for the contract period. Part B funds were under spent as follows: <ul style="list-style-type: none"> (i) Total Part B: \$5,424 (ii) Service Categories: <ul style="list-style-type: none"> Primary Medical Care Medical Case Management Home and Community Based Health Services <p>Total unspent Part B service funds represent 0.2% of the total Planning Council-approved allocation for FY12.</p> <p><i>Conclusion:</i> There were no unspent service funds in SS for the contract period. There were unspent service funds in Part B in the Service Categories listed above. Unspent funds represented 0.2% of the of the total FY12 allocation for Part B.</p>	Review of final spending amounts for each service category	FY12 Part B and FY11 SS Procurement Reports (for each contract period) provided by the AA to the PC
h) Does the ADMINISTRATIVE AGENT have a method of communicating back to the Planning Council the results of the procurement process?	<ul style="list-style-type: none"> The current Letter of Agreement (LOA) (fully executed 7/12/07) between the Grantee, Planning Council, AA, and Office of Support requires the AA to “give periodic reports to the Planning Council as needed, requested, or determined[.]” (page 4). In addition, Part B and SS procurement reports from the AA for the designated assessment timeframes were agendized for Planning Council meetings occurring on 12/8/11, 3/8/12, 4/12/12, 9/13/12, 10/11/12, 11/8/12, 12/13/12, 3/14/13, and 6/13/13. Results of the procurement process were also provided at designated Committee meetings and during the AA report. <p><i>Conclusion:</i> The AA is required to and maintains a method of communicating back to the Planning Council the results of the procurement process, including agendized procurement reports to Committees and Full Council.</p>	Confirmation of communication by the AAs to the PC specific to procurement results	LOA (7/12/07) PC Agendas (12/8/11, 3/8/12, 4/12/12, 9/13/12, 10/11/12, 11/8/12, 12/13/12, 3/14/13, 6/13/13)

Section II: Reimbursement Process			
Method of Measurement	Summary of Findings	Data Point	Data Source(s)
<p>i) What is the average number of days that elapsed between receipt of an accurate contractor reimbursement request or invoice and the issuance of payment by the AA?</p> <p>What percent of contractors were paid by the AA after submission of an accurate contractor reimbursement request or invoice:</p> <p><input type="checkbox"/> Within 20 days?</p> <p><input type="checkbox"/> Within 35 days?</p> <p><input type="checkbox"/> Within 50 days?</p>	<ul style="list-style-type: none"> The Annual Contractor Payment Report for the respective contract periods showed the following average days elapsing between receipt of an accurate Expense Report from contracted agencies and the issuance of payment by the AA: <ul style="list-style-type: none"> (i) Part B: 23 days (ii) SS: 22 days No contracted agencies for either Part B or SS were paid within an average of 20 days following the receipt of an accurate Expense Report; however, 100% of contracted agencies for both Part B and SS were paid within an average of 25 days following the receipt of an accurate Expense Report. <p><i>Conclusion:</i> The average number of days elapsing between receipt of an accurate Expense Report and the issuance of payment by the AA was 23 for Part B and 22 days for SS. In addition, 100% of contracted agencies were paid within an average of 25 days following receipt of an accurate Expense Report.</p>	Time elapsed between receipt of an accurate contractor reimbursement request or invoice and the issuance of payment by the AA	FY12 Part B and FY11 SS Contractor Payment Report
Section III: Contract Monitoring Process			
Method of Measurement	Summary of Findings	Data Point	Data Source(s)
<p>j) Does the ADMINISTRATIVE AGENT use the Standards of Care as part of the contract monitoring process?</p>	<ul style="list-style-type: none"> As described in (d) above, each Service Category under Part B and SS is contracted every year. Therefore, an RFP was issued in FY11 (on 11/4/11) for FY12 Part B and SS service contracts. Page 13 of this RFP states that applicants must adhere to quality management reporting “in accordance with the established outcome measures for the Houston HSDA.” However, there was no explicit reference to the Standards of Care. The AA’s Quality Compliance Review (QCR) Policies and Procedures state that the programmatic review component of the annual QCR of contracted agencies will include “a review of...any service specific standards of care” (QCR-03 and QC-R04). There is no explicit reference to the Standards of Care in the AA’s Quality Management Plan (2011 and 2012). <p><i>Conclusion:</i> The AA uses the Standards of Care as part of the contract monitoring process and indicates this in their quality compliance review policies. The Standards of Care could also be referenced explicitly in the AA’s RFP and Quality Management Plan.</p>	Confirmation of use of adopted SOC in contract monitoring activities	<p>Part B and SS RFP issued in FY11 for FY12 contracts (11/4/11)</p> <p>TRG Quality Compliance Review (QCR) Policies and Procedures</p> <p>TRG 2011 and 2012 Quality Management Plans</p>