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HIV Client Services Funding Allocation Formula	Signed by *(signature for hard copy; name for online)*	
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PURPOSE

The Texas Department of State Health Services (DSHS), HIV/STD Comprehensive Services Branch (the State) allocates funds for medical and psychosocial support services for HIV infected individuals to eligible administrative agencies within HIV service delivery areas (HSDA) throughout Texas using the allocation formula described in this policy. The formula adopted by the State allocates Ryan White Title II and State Services funds using three variables to determine the percentage of funds that each HSDA receives for direct client service delivery. The variables used in the formula are: (1) the number of living cases of HIV and AIDS, (2) the number of clients receiving publicly funded HIV services, and (3) the percent of residents of the HSDA who are eligible for Medicaid. The allocation formula described herein does not apply to other funds received by the State.

BACKGROUND

Texas uses both state and federal funds to provide health and psychosocial support services to individuals who are HIV infected. These funds are allocated to administrative agencies within defined HIV service planning areas using a funding formula. Each administrative agency, in turn, competitively distributes the funds following the priorities and allocations set out in the comprehensive HIV services plan for the area.

Prior to calendar year 2001, the funding formula was based on three variables: (1) the number of cases of AIDS reported in the HSDA in the previous 24 months, (2) the size of the general population of the HSDA, and (3) the poverty rate of the HSDA.

AUTHORITY

Texas Health and Safety Code, Chapter 85, §§85.013, 85.015, 85.031 - 85.038; Ryan White CARE Act, 42 U.S.C. §300ff

FUNDING FORMULA

The formula uses three variables to assign funds to each HSDA: (1) living cases of HIV and AIDS diagnosed in the HSDA, (2) clients receiving services in the HSDA, and (3)

population that is Medicaid eligible in the HSDA (indicator of economic distress). These three variables are assigned different weights in the formula. Living cases are assigned the greatest weight in the formula (50%). HIV services clients are weighted at 30%, and economic distress is weighted at 20%.

Although the same formula elements are used when distributing Ryan White Title II funds and State Services funds, the HIV/AIDS case inclusion criteria differ by source of funds. Therefore, the operations of the formula for State Services awards and Ryan White Title II awards are described separately below.

Funding Formula for Allocating State Services Funds

A. Percentage of all reported living cases of HIV and AIDS that resided within the HSDA at the time of diagnosis

Data source: Texas HIV/AIDS Reporting System (HARS)

Weight in formula: 50%

Data are drawn from routine HIV/AIDS surveillance data reported to the State. Cases that are known to be deceased are excluded. HIV cases are assigned to the HSDA where they resided when their diagnosis of HIV infection was first reported to the State. Individuals reported to the State with an AIDS diagnosis are assigned to the HSDA where they resided at the time of earliest diagnosis with AIDS. Subsequent reports on HIV positive individuals who have progressed to AIDS are assigned only in the HSDA where they resided at the time of their AIDS diagnosis.

The total number of living cases of HIV/AIDS is divided by the total number of people reported to be living with HIV/AIDS in Texas during the previous calendar year to create the proportion that is used in the formula.

B. Percentage of all clients receiving publicly funded HIV services within a HSDA

Data source: Texas HIV Services Uniform Reporting System (URS)

Weight in formula: 30%

The formula also requires a measure of client load for each HSDA. Data for this measure are drawn from Uniform Reporting System (URS) information reported to the State. Clients served through Ryan White Title II and State Services are automatically included in this count. Agencies responsible for administering Ryan White Title I and Title III grants (if they are not also Title II administrators) are encouraged to make client-level data available to the State's Title II administrative agencies for use in the funding formula.

To estimate the proportion of the State's active clients who are receiving services in each HSDA, the State requests a data set each year that contains information about the services delivered in the previous calendar year. Three non-consecutive months are randomly selected from a 12-month period predetermined by the State.

Clients receiving at least one service during the three months are unduplicated for each HSDA. Each HSDA's percentage of the total Texas clients during the selected three months is then entered into the formula.

C. Percentage of HSDA's population that is eligible for Medicaid (indicates economic distress of a community)

Medicaid data source: Texas Health and Human Services Commission

Population data source: U.S. Census

Weight in formula: 20%

To obtain the percentage of an HSDA's population who may be eligible for Medicaid, the total number of persons residing within an HSDA who applied and were eligible for Medicaid is divided by the total population of the HSDA. Medicaid eligibility data are obtained annually from the Texas Health and Human Services Commission with a year lag in availability. Both data sets, Medicaid data and population data, are derived from the same year.

To obtain a standardized score for each HSDA, each HSDA's percentage is divided by the sum of the percentages for all HSDAs. This calculation makes the sum of all HSDA standardized percentages equal 100%.

The State services formula that includes all living cases for all HSDAs can be depicted as follows (letters represent the values for the variables discussed above):

$$(A \times .5) + (B \times .3) + (C \times .2)$$

Funding Formula Operations for Distributing Ryan White Title II Funds

To decrease the overlap in funding between Title I and II, Ryan White Title II funds are divided into two portions: one representing 70% of the available Ryan White Title II funds, and the second consisting of the remaining 30% of the funds. The 30% portion is distributed exactly as are State Services funds. The remaining 70% are distributed using a living HIV/AIDS cases proportion that is calculated as described below.

D. Percentage of Non-EMA Living HIV/AIDS Cases

Data are drawn from routine HIV/AIDS surveillance data reported to the State as described in the previous section. However, living cases diagnosed in the lead counties of Title I Eligible Metropolitan Areas (EMAs) -- Bexar, Dallas, Harris, Tarrant and Travis counties -- are not included in their respective HSDA's total or the State total.

As a result, the Ryan White Title II HIV services formula that excludes living cases within EMA lead counties for 70% of the funds is calculated as follows (letters represent the values for the variables discussed above):

$$[((A \times .5) + (B \times .3) + (C \times .2)) \times .3] + [((D \times .5) + (B \times .3) + (C \times .2)) \times .7]$$

MINIMUM FUNDING AND HOLD HARMLESS

The State uses two methods to address fluctuations in funding calculations that result in an extreme loss of funds to an HSDA: minimum funding and hold harmless. Both methods are based on policy decisions made outside of the funding formula itself. Both methods are contingent upon the State receiving at least level funding for HIV client services contracts.

Minimum Funding

The amount to be allocated to each HSDA is determined by applying the formula to the amount of federal funds and projected amount of state funds to be received by the State for allocation to local communities supporting the delivery of HIV client services. The resulting amount is compared against the total amount of state and federal funds awarded to the HSDA for the previous year. Provided state or federal funding is available at a level equal to or greater than the most recent project period, the State will ensure each HSDA receives a total allocation that is no less than $210,000 for Ryan White Title II and State services combined. The State retains the right to adjust this figure if future reviews yield new information.

Hold Harmless

Provided state or federal funding is available at a level equal to or greater than the most recent project period, the State will ensure each HSDA receives no less than 95 percent of the previous year's allocation. To implement the hold harmless clause, after applying the formula to the source of funds being allocated, the State will compare the previous (or current) project funding level for each HSDA to the projected new funding level.

When an HSDA is projected to receive less than 95% of its previous project period funding level, the State will adjust downward those formula allocations projecting that an HSDA will receive an amount greater than 100% of their previous project funding. The amount each HSDA contributes under the hold harmless clause is in proportion to the

funds to be received over 100% of the previous year's allocation. Therefore, HSDAs that are projected to lose 5% or less of their previous allocation according to the formula will neither contribute to nor benefit from the method of calculating hold harmless funding. The result is that no HSDA loses more than 5% of its funding compared with the previous fiscal year.

AVAILABILITY OF FUNDS TO THE STATE

Allocations released in Request for Proposals (RFPs) or renewal applications for HIV services contracts are subject to available funding. The State's ability to implement either the "hold harmless" or "minimum funding" method is contingent upon the State receiving, at minimum, level funding for HIV client service delivery.

In the event that funding to the State for HIV client services is reduced, the State may choose to consider other sources of HIV client services funding available within an HSDA and adjust the State's funding formula to include the amount of funds available in an HSDA from other sources prior to determining the State's allocation to an HSDA. This may include holding Title I EMAs harmless at a different level than non-EMA HSDAs. It also may include increasing the percentage of federal funds that are distributed without the influence of the cases within the Title I lead counties. While currently 70% of funds are distributed with the influence of these counties removed, this proportion could increase. The State also reserves the right to implement other methods to reduce the impact that decreases in funding may have on HSDAs.

DATE OF LAST REVIEW: February 25, 2005

REVISIONS

2/16/2005   New policy issuance.