

Assessment of Administrative Mechanism September 2018

In July 2014, the DHRPC staff developed an Assessment of Administrative Mechanism (AAM) procedure to assess: 1) percentage of service dollars obligated within 120 days of receipt of the first notice of grant award by the grantee; 2) percentage of contract reimbursement invoices paid within 30 days of their receipt by DOHR contract administration staff; 3) whether the percentage of service dollars allocated by service category were at least equal to, or greater than, those contained in the annual priorities and allocations certification; 4) the extent that the applicable directives were implemented.

DHRPC staff completed the AAM in September 2018. The total number of service awards in FY17 was 63, with 17 providers. All contracts were reviewed for obligation of funds within 120 days and for speed of contract invoice reimbursement. The findings were:

- 1) Of the 63 awards reviewed, 39 (61.9%) had service dollars obligated within 120 days. On average, it took 165 days for the service dollars to be obligated, with a range of 86-352 days.
- 2) The total number of awards reviewed to assess invoice processing was 53. These contractors submitted 362 invoices and 272 (75.1%) were paid within 30 days. On average, invoices were paid within 41 days, with a range of 0-198 days. DHR allowed service providers to generate invoices prior to the execution of the NGA, which may explain the delay in payments at the beginning of the fiscal year.
- 3) Of the 12 funded Part A service categories with allocated funds, the percentage of service dollars expended was less than those initially allocated in 4 service categories (early intervention services, mental health services, outpatient substance use services, and psychosocial services). The difference was due to service utilization being lower than expected and the use of other sources of funding. Of the five funded MAI service categories, 3 service categories (medical case management, early intervention services, and outpatient substance use services) expended less than initially allocated due to service utilization being lower than expected and the use of other sources of funding.
- 4) The directives that were implemented in FY17 are the Oral Health Fund directive and the EFA and housing services directive. Oral Health Care was listed as the top unmet need in multiple successive needs assessments. Out-of-pocket costs were described as a major barrier to service for clients. To address this need, an Oral Health Fund was established in FY17 via directive. This directive establishes a fund to pay for dental services and client cost sharing. At Resource Allocations, the DHRPC votes on the percentage of Oral Health Care funding that will go into the Oral Health Fund. DHR sets limits per individual through the standards of care process. In FY17, \$59,333 was allocated to the Oral Health fund and all funds were expended. Eighty-five clients used the fund with an average cost of \$698. Additionally, Denver HIV Resources implemented the EFA and HSG directive from the Planning Council in FY2017 by providing a quarterly report to the Leadership Committee and then to the Planning Council. DHR requested a report quarterly from the Single Payer Administrator for the Denver TGA and compiled the data into aggregate categories on

which was reported. The Planning Council was made aware of the full expenditure of funds and the collaboration with the Colorado Department of Public Health & Environment (CDPHE) who contributed additional funds to provide EFA and HSG services within the TGA for the remainder of FY2017. In FY2018, the Part A program did not fund EFA nor HSG, therefore the directive was not implemented in FY2018.

The AAM findings will be presented to the Leadership Committee of the DHRPC on September 28, 2018.

Future Recommendation: For FY17, contracts were processed with the City and County internally for the first time, rather than hiring an external contractor. It is recommended that DHR hire a contract administrator position to accommodate this influx of responsibility.