

Diversifying Your Funding

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Disclaimer

- **The views represented in this presentation do not necessarily reflect those of the funders of Positive Outcomes, Inc. or George Washington University**

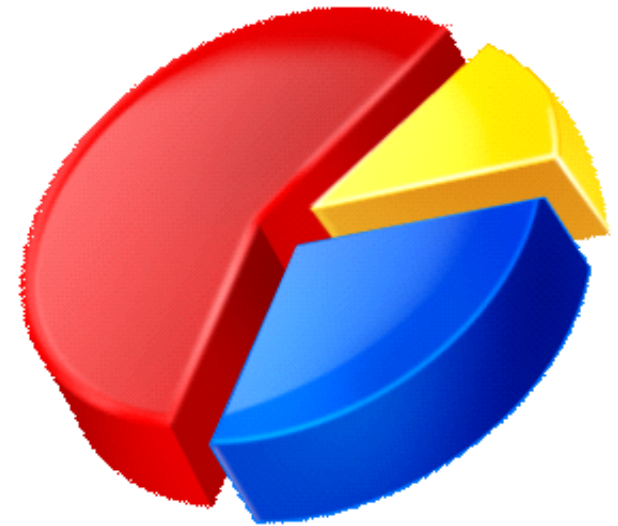


Today we will discuss

- **The rational for diversifying**
- **Assessing your funding diversity**
- **Effective strategies for diversifying**
- **Roles of grantees and providers in achieving diversification**



What is Funding Diversity?





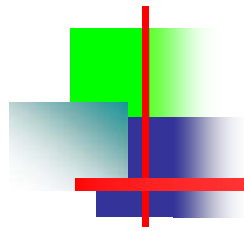
What is funding diversity?

- **Multiple funding streams**
 - Not just multiple “Parts” of the Ryan White HIV/AIDS Program (RWHAP)
- **Multiple products, populations, and service areas**
- **Overlapping funding periods**



What is the goal of diverse funding?

- **Strategically harnessing HIV *and other funds* to meet the needs of HIV+ clients**
- **Ensuring that your clients have accessible, available, affordable, acceptable, and culturally component HIV care that is high quality**
- **Sustaining an efficient and effective HIV system of care**
- **Sustaining your program's mission through fiscal solvency**



Why Diversify?





Why diversify?

- **HIV programs rely heavily on RWHAP funds**
 - Those funds have not kept pace with growth in the number of new and ongoing clients
- **Other funding streams have dried up or becoming harder to get or keep**
 - Competition is fierce
- **Health insurers do not cover costs, are narrowing benefits, or shifting costs to patients**



Why diversify?

- **University, hospital, and public health systems are less likely to support the administrative and other costs of HIV programs due to financial destabilization**
- **HAB and other funders' administrative caps do not cover the cost of doing business**

Why diversify?

- Clients' needs are growing in complexity, with increasing rates of unstable housing, mental illness, and addiction that require different or expanded funds
- Doing more for less may work for Target but not for your program
- Organizational survival



Why diversify?

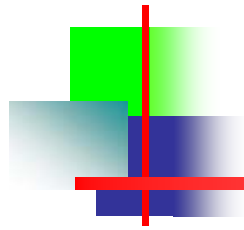
- Your program has marketable skills that may be of interest to other funders
- There are significant gaps in service availability, accessibility, and cultural competency that your program can fill



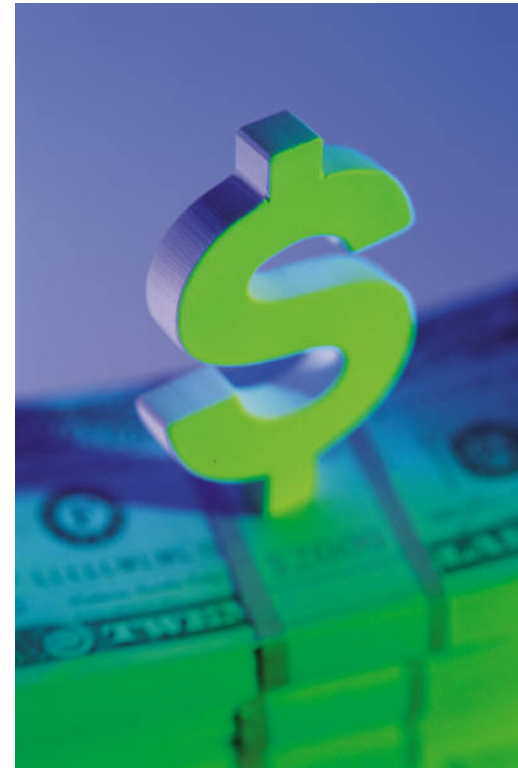
What are the characteristics of fiscally solvent HIV programs?

- Short *and* long-term vision
- Multiple funding streams, products, service areas, and overlapping funding streams
- Know how much it costs to produce their services
- Have capital reserves in place
- Savvy advocates for the *greater* good
- Take advise from experts
- Play well in the sand box with others





Funding Diversity: The Federal View





HAB Payer of Last Resort Policies

- **RWHAP is the payer of last resort (PLR)**
- **Grantees and subgrantees (i.e., contractors) must ensure that clients meet eligibility criteria for RWHAP-funded services**
 - **Including ADAP, AICP, and direct services**
- **Grantees and subgrantees must ensure that alternate payment sources are pursued *before* providing RWHAP-funded services**



HAB Payer of Last Resort Policies

- **Grantees must establish and monitor procedures to ensure that their subgrantees verify and document client eligibility**
- **Direct service grantees and subgrantees must document that their clients are screened for and enrolled in eligible programs and their benefits are coordinated after enrollment**
 - **Medicare, Medicaid, private health insurance**
 - **Other programs (public housing, drug or mental health treatment, or Food Stamps)**
 - **Income assistance, including disability income and Temporary Assistance to Needy Families (TANF)**



HAB Payer of Last Resort Policies

- **Grantees must coordinate with other funders to ensure that RWHAP funds are the PLR**
- **Including coordination with the VA**
- **These and other HAB requirements are subject to audit**



Assessing Your Funding Diversity





Provider Pop Quiz

- Including donations and health insurers, how many funders support your HIV program?
- Is this number more or less than two years ago?
- Do any of these funders pay for services unrelated to HIV?
- How many “Parts” of the RWHAP fund your program?
- For how many RWHAP service categories is your program funded? How many of these categories are “core” services? How many are “non-core” services?



Provider Pop Quiz

- **For how many “products” does your program receive funding?**
- **In how many sites does your program offer your services? Do you co-locate with other programs?**
- **Including health insurers, how many non-RWHAP funders support your program?**
- **Does your program participate in third party health insurance?**



Provider Pop Quiz

- **What proportion of your grants or contracts are for greater than 12 months?**
- **What is the proportionate distribution of your program revenue by funders?**
- **If you lost funding from any of your funders TODAY, what would be the impact?**



Provider Pop Quiz: True or False

- **Our program successfully applied for funds in the last year from at least one new funder**
- **Our program has estimated the cost of providing each type of service we provide**
- **Our program's annual revenue is greater than our expenditures**
- **Our program has enough capital reserve to sustain our costs for six months**
- **For CBOs: We have at least one board member that gives us helpful advise about diversifying our funding**



Provider Pop Quiz: True or False

- **For HIV programs in larger organizations:**
 - **Our “parent organization” has provided our HIV program with expert advise about diversifying our funding**
 - **In the last twelve months, our “parent organization” has reduced administrative funds or other resources for our HIV program**
 - **In the last twelve months, our parent organization has informed us that our HIV program must increase revenue**



Provider Pop Quiz: True or False

- We look for new funding sources at least monthly**
- Our program has considered laying off employees due to insufficient funds**
- Our program has a line of credit**
- Our program has drawn on our line of credit in the last 12 months**
- I am now really nervous**



Part A and B Grantee Pop Quiz: True or False

- **In the past 12 months, we have assessed:**
 - **The sources and amount of funds supporting HIV care in our jurisdiction**
 - **The funding diversity of our subgrantees**
 - **The extent to which our subgrantees have sought funds from other sources**



Part A and B Grantee Pop Quiz: True or False

- **We look for new funding sources at least monthly**
- **We routinely disseminate information to our providers about funding opportunities besides RWHAP**
- **We assist our providers to expand their capacity to seek successfully other funds**
- **We assist our providers to enroll in public and commercial health insurance**



Part A and B Grantee Pop Quiz: True or False

- **We only look for funds from government sources**
- **In the past two years, we have successfully applied for HIV funds from sources other than HAB**
- **We have a contingency plan if one or more providers close**
- **We are really nervous now**



**What can
we do to
diversify our
funding?**





What can HIV programs do?

- **Assess your program's funding "portfolio," your vulnerabilities, and your strengths**
- **Assess your program's capacity to raise funds through grants, contracts, and other mechanisms**
 - **Can you successfully compete alone or should you partner?**
 - **Should you lead efforts to apply for funds or partner with another agency with more capacity?**
- **Assess your program's capacity to reengineer your services or target populations**



What can HIV programs do?

- **Develop a marketing plan**
- **Develop effective, targeted fund raising skills**
- **Work with your board or parent organization to ensure their buy-in**
- **Avoid competition for the same funds with other agencies in your community**
 - **Joint proposals are much more successful!**



What can HIV programs do?

- **Expand your portfolio**
 - **Identify gaps in service availability and accessibility**
 - **Add new services for your current target population, new targeted populations, and/or service areas**
 - **Increase revenue by contracting with other payers that serve your target populations and service areas**
 - **Increase revenue by contracting with other funders that serve your target populations and service areas**



How can we be more competitive?

- **Can we do better to engage and retain clients in care?**
- **Can we do better by maximizing revenue for existing services?**
 - **Cost of services are known, and being managed to reduce unnecessary expenses**
 - **Your third party insurance billing is maximized to extent that is legal**
 - **Improvements in efficiency have been identified and addressed**



How can we be more competitive?

- **Increase volume by enhancing productivity**
- **Critically evaluate the quality of services provided so that you can demonstrate your value to funders**
- **Evaluate the capacity of your personnel to ensure that they are performing optimally**
 - **Retain high quality personnel to avoid gaps in service and recruitment costs**
- **Discontinue providing services for which revenue does not cover your costs**



What grantees can do?

- **Let other funders in your jurisdiction know that the RWHAP does not cover the need for all HIV-related services**
- **Plan for RWHAP funding allocation, as well as develop a true system of HIV care**
- **Foster development of an efficient, effective integrated HIV care network to ensure fundability by other funders**
- **Encourage collaboration, not competition**



What grantees can do?

- **For funding applications, document the**
 - **HIV epidemic, gaps in services, shortfalls in funds, and other measures of need for other fund sources**
 - **Capacity, volume, cost, and quality of HIV providers**
- **Help to foster a collaborative environment to decrease duplicated effort in seeking funds**
- **Acknowledge and capitalize on the strengths of partner agencies**



What grantees can do?

- **Help to broker “power relationships” between collaborating HIV programs**
- **Alert providers on a timely basis about the availability of funds**
- **Help to coordinate multi-agency fund raising, including grant and contract proposals**
- **Request TA and capacity building**



Help!!!

How do I learn more about diversifying funding, third party income, and forming effective networks?

<http://www.positiveoutcomes.net/>

How can my program get capacity building and TA?

<http://careacttarget.org/links.asp>



Questions And Discussion

