



HIV/AIDS Bureau

JUN 27 2013

Dear Mr. Hopkins:

Thank you for your letter concerning the fiscal year (FY) 2013 Part A awards under the Ryan White HIV/AIDS program. As you may know, the HIV/AIDS Bureau recently communicated with all 53 Part A grantees regarding the status of the pending awards. This letter explains the impact of hold harmless provisions on the pending awards.

Hold harmless provisions are intended to help mitigate significant reductions in funding that could impact the continuity of services for people living with HIV/AIDS. First authorized in the 1996 amendments to Title XXVI of the Public Health Service Act, hold harmless provisions were implemented with funds from the supplemental amount available for Part A. For example, in FY 2009, Part A grantees were held harmless at 100 percent of their FY 2007 formula awards. Out of the 24 Part A eligible metropolitan areas (EMAs), 17 were held harmless in FY 2009 and \$24,836,500 was used from the total supplemental funds to meet the formula hold harmless requirement. This represented about 15 percent of the total supplemental funds available for distribution to all eligible Part A grantees.

Language in the 2009 Ryan White HIV/AIDS Treatment Extension Act continued the hold harmless pattern established in 2006 for the first three years of the reauthorization period for Part A EMAs. The hold harmless amounts for Part A EMAs were as follows: 1) FY 2010: an amount equal to 95 percent of the sum of the FY 2009 formula award and the FY 2009 hold harmless amount; 2) FY 2011 and FY 2012: an amount equal to 100 percent of the FY 2010 formula award and the FY 2010 hold harmless amount; and 3) FY 2013: an amount equal to 92.5 percent of the FY 2012 formula award and the FY 2012 hold harmless amount.

In 2010, the legislative language was interpreted such that for FY 2010, hold harmless was calculated as 95 percent of the FY 2009 formula award (including the hold harmless) plus the 2009 hold harmless amount. The statute bases the hold harmless amounts for FY 2011 and FY 2012 on the FY 2010 amount and the grant awards for FY 2010, FY 2011 and FY 2012 have been made. For FY 2013 the formula has been recalculated, ensuring that each community receives the statutorily intended amount of funding (see attached chart). The required 92.5 percent hold harmless for FY 2013 will be applied against the recalculated amount for FY 2010 (since 2011 and 2012 were at 100 percent of the FY 2010 amount).

As you point out in your letter, hold harmless is one of a number of different factors affecting funding levels for FY 2013. Any one or a combination of the following factors may influence the final grant award amount that a specific Part A grantee will receive in FY 2013:

- Sequester reduction
- Changes from code based reporting to name base reporting in FY 2013
- Changes in the epidemiology as reported to and confirmed by the Centers for Disease Control and Prevention
- Changes in supplemental application score
- Inclusion of an additional transitional grant area
- Drop in hold harmless, per statute, from 100 percent to 92.5 percent
- Recalculation of hold harmless methodology

I hope the information provided in this letter addresses your concerns about FY 2013 Part A awards and the hold harmless provision. As requested, we are enclosing a chart with the impact across all Part A grantees. We look forward to working with you and the HIV/AIDS community to continue to provide the best possible care for people living with HIV and working towards an AIDS-free generation.

Sincerely,

A handwritten signature in black ink, appearing to read 'L. Cheever', with a small flourish at the end.

Laura W. Cheever, M.D., ScM
Associate Administrator