

# AGENDA

## PUBLIC HEALTH ADVISORY BOARD Incentives and Funding Subcommittee

**March 12, 2018**

**1:00-2:00 pm**

Portland State Office Building, 800 NE Oregon St., Conference Room 918, Portland, OR 97232

Webinar: <https://attendee.gotowebinar.com/register/1017967828287751171>

Conference line: (877) 873-8017

Access code: 767068

Subcommittee Members: Carrie Brogoitti, Bob Dannenhoffer, Jeff Luck, Alejandro Queral, Akiko Saito

Meeting Objectives

- Approve February meeting minutes
- Discuss changes for 2019-21 funding formula

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<b>1:00-1:05 pm</b>	<b>Welcome and introductions</b> <ul style="list-style-type: none"><li>• Review February 12 meeting minutes</li><li>• Subcommittee updates</li></ul>	Alejandro Queral, Meeting Chair
<b>1:05-1:50 pm</b>	<b>2019-21 modernization funding formula</b> <ul style="list-style-type: none"><li>• Discuss indicators, measures and data sources</li><li>• Discuss funding allocation across indicators</li><li>• Discuss how funding principles apply to the funding formula and whether changes are needed</li></ul>	All
<b>1:50-1:55 pm</b>	<b>Subcommittee business</b> <ul style="list-style-type: none"><li>• Confirm that Alejandro will provide subcommittee update at March 15 PHAB meeting</li><li>• The PHAB Joint Subcommittee meeting is scheduled for March 29 from 1:00-3:00</li><li>• The next PHAB Incentives and Funding subcommittee meeting is scheduled for April 9 from 1:00-2:00. Confirm that Akiko can Chair this meeting</li></ul>	All
<b>1:55-2:00 pm</b>	<b>Public comment</b>	
<b>2:00 pm</b>	<b>Adjourn</b>	Alejandro Queral, Meeting Chair

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Public Health Advisory Board (PHAB)  
Incentives and Funding Subcommittee meeting minutes  
February 12, 2018  
12:30-2:00 pm

### Welcome and Introductions

PHAB members present: Alejandro Qeral, Bob Dannenhoffer, Jeff Luck, Carrie Brogoitti, Akiko Saito

Oregon Health Authority (OHA) staff: Cara Biddlecom, Sara Beaudrault, Julia Hakes, Joey Razzano, Danna Drum, Chris Curtis

The January 8 meeting minutes were approved.

There will be a PHAB joint subcommittee meeting on March 29 from 1-3pm.

### Principles for public health funding

Sara reviewed [the draft public health funding principles](#) with subcommittee members.

Subcommittee members gave feedback and updated the language in the introductory framing of the principles and the principles themselves.

- Alejandro recommended that the document include a preamble describing current funding for foundational capabilities and programs, and highlighting the need for innovation. Jeff requested that a definition for “public health system” be included.
- The subcommittee recommended changes to #1 to describe different models for how services are provided to every person in Oregon.
- The subcommittee recommended replacing the word “considering” with “minimizing” in #2 to clarify the intent of the principle.
- The subcommittee felt it was important to reference regional approaches or cross-jurisdictional sharing in #4, and recommended using cross-jurisdictional sharing.
- The subcommittee appreciated the inclusion of #5.
- The subcommittee did not recommend changes to the remaining funding principles.

The subcommittee will present the principles at the February PHAB meeting for discussion and adoption.

Local public health expenditures

Danna Drum presented on [fiscal expenditures for LPHAs in 2017](#).

Jeff said the charts looked great but asked that the dollar amount be rounded to the nearest thousand dollars. Jeff also requested the following changes in chart titles:

Current Chart Name	Recommended Chart Name
<a href="#">Total LPHA Expenditures FY2017</a>	Total LPHA Expenditures by Source
<a href="#">Total LPHA Expenditures FY2017</a>	Total LPHA Expenditures by Program

Jeff asked what All Other Funds represents in [LPHA Prevention & Health Promotion FY2017](#). Danna answered that they are grants, contracts, and any other funds that are not state or federal funds.

Jeff requested notes on which activities are represented in each pie in the chart.

Danna asked subcommittee members to consider how we measure in-kind investments. Bob said that as someone who had to report on his LPHA expenditures, the in-kind investments had the least specific directions. Danna agreed that the directions should be more specific and perhaps we should be looking at types of in-kind funds: county or not county.

Bob said he is surprised in the disparity across spending county to county. He said this demonstrates we are not providing services equitably.

Jeff asked if OHA examined 2016 LPHA expenditures. Danna said they were examined at a very high level and expenditures were consistent.

2019-21 modernization funding formula

Chris Curtis reviewed [the 2019-21 modernization funding formula](#) and [Appendix C: Local public health funding formula model](#) of the [SHIP](#).

Bob asked why County 26 has a higher floor than all the other counties in its county group. Chris answered that County 26 represents a three county regional health district.

Bob asked about the method the PHAB Incentives and Funding used to add indicators not required by statute to the funding formula. Subcommittee members described the rationale for why indicators were added. This subcommittee will review the indicators that were added in 2016 to confirm whether they should continue to be used or if changes are warranted. Sara shared [public health modernization funding formula: review of indicators document](#) with the objectives being: (1) review indicators that were added by PHAB in 2016; decide whether changes are needed for these indicators and; (2) discuss measures and data sources for health status and poverty.

Bob asked if this funding formula will vary by program. Sara answered that this funding formula is for public health modernization funds specifically. However, this funding formula could be a model for other funding streams.

#### Subcommittee business

Jeff will provide a subcommittee update at the February 15 PHAB meeting.

Subcommittee members decided to hold the meeting scheduled for March 12.

The subcommittee decided to appoint a rotating chair. Alejandro will serve as chair in this first rotation.

#### Public Comment

No public testimony.

**PHAB Funding and Incentives Subcommittee**

Subcommittee Members: Carrie Brogoitti, Bob Dannenhoffer, Jeff Luck, Alejandro Queral, Akiko Saito  
February, 2018

**Local public health funding formula model: This model includes a floor payment for each county. Awards for each indicator (burden of disease, health status, racial and ethnic diversity, poverty, income inequality, and limited English proficiency) are tied to each county's ranking on the indicator and the county population. This funding formula assumes an annual allocation to LPHAs of \$10 million. This is an example only.**

County Group	Population <sup>6</sup>	Floor	Burden of Disease <sup>2</sup>	Health Status <sup>3</sup>	Race/Ethnicity <sup>1</sup>	Poverty <sup>1</sup>	Education <sup>1</sup>	Limited English Proficiency <sup>1</sup>	Matching Funds <sup>4</sup>	Incentives <sup>5</sup>	Total Award	Award Percentage	% of Total Population	Award Per Capita	Avg Award Per Capita
County 33	1,480	\$ 30,000	\$ 575	\$ 1,068	\$ 144	\$ 374	\$ 243	\$ 10	\$ -	\$ -	\$ 32,415	0.3%	0.0%	\$ 21.90	
County 31	7,195	\$ 30,000	\$ 3,385	\$ 2,080	\$ 775	\$ 1,315	\$ 958	\$ 380	\$ -	\$ -	\$ 38,893	0.4%	0.2%	\$ 5.41	
County 12	7,360	\$ 30,000	\$ 4,789	\$ 4,602	\$ 1,611	\$ 1,511	\$ 1,499	\$ 825	\$ -	\$ -	\$ 44,838	0.4%	0.2%	\$ 6.09	
County 11	7,415	\$ 30,000	\$ 2,949	\$ 3,207	\$ 1,014	\$ 1,383	\$ 1,510	\$ 391	\$ -	\$ -	\$ 40,455	0.4%	0.2%	\$ 5.46	
County 18	8,120	\$ 30,000	\$ 4,189	\$ 2,539	\$ 1,999	\$ 1,789	\$ 2,560	\$ 1,339	\$ -	\$ -	\$ 44,415	0.4%	0.2%	\$ 5.47	
County 24	11,890	\$ 30,000	\$ 4,721	\$ 6,959	\$ 7,889	\$ 2,263	\$ 5,798	\$ 12,547	\$ -	\$ -	\$ 70,178	0.7%	0.3%	\$ 5.90	
County 1	16,750	\$ 30,000	\$ 8,295	\$ 5,237	\$ 2,463	\$ 3,167	\$ 3,149	\$ 1,105	\$ -	\$ -	\$ 53,415	0.5%	0.4%	\$ 3.19	\$ 5.39
County 7	22,105	\$ 45,000	\$ 10,714	\$ 12,367	\$ 4,309	\$ 4,899	\$ 5,368	\$ 1,021	\$ -	\$ -	\$ 83,677	0.8%	0.5%	\$ 3.79	
County 8	22,805	\$ 45,000	\$ 15,199	\$ 12,705	\$ 4,953	\$ 4,340	\$ 4,600	\$ 1,805	\$ -	\$ -	\$ 88,602	0.9%	0.6%	\$ 3.89	
County 15	23,190	\$ 45,000	\$ 12,965	\$ 10,302	\$ 15,822	\$ 5,895	\$ 7,493	\$ 7,036	\$ -	\$ -	\$ 104,514	1.0%	0.6%	\$ 4.51	
County 13	25,145	\$ 45,000	\$ 7,835	\$ 11,703	\$ 15,264	\$ 4,187	\$ 9,701	\$ 24,047	\$ -	\$ -	\$ 117,738	1.2%	0.6%	\$ 4.68	
County 28	26,175	\$ 45,000	\$ 12,924	\$ 11,936	\$ 6,669	\$ 5,047	\$ 5,229	\$ 4,143	\$ -	\$ -	\$ 90,948	0.9%	0.6%	\$ 3.47	
County 30	26,900	\$ 45,000	\$ 11,983	\$ 9,105	\$ 4,738	\$ 6,265	\$ 3,898	\$ 2,484	\$ -	\$ -	\$ 83,474	0.8%	0.6%	\$ 3.10	
County 26	30,895	\$ 105,000	\$ 15,515	\$ 11,402	\$ 11,936	\$ 5,598	\$ 8,138	\$ 11,312	\$ -	\$ -	\$ 168,900	1.7%	0.7%	\$ 5.47	
County 22	31,845	\$ 45,000	\$ 14,137	\$ 21,483	\$ 20,693	\$ 9,889	\$ 12,411	\$ 19,323	\$ -	\$ -	\$ 142,935	1.4%	0.8%	\$ 4.49	
County 4	38,820	\$ 45,000	\$ 20,086	\$ 14,144	\$ 9,161	\$ 6,805	\$ 6,158	\$ 7,425	\$ -	\$ -	\$ 108,779	1.1%	0.9%	\$ 2.80	
County 20	47,960	\$ 45,000	\$ 28,852	\$ 23,223	\$ 14,024	\$ 11,170	\$ 10,050	\$ 9,806	\$ -	\$ -	\$ 142,125	1.4%	1.2%	\$ 2.96	
County 5	51,345	\$ 45,000	\$ 22,630	\$ 23,294	\$ 9,307	\$ 8,615	\$ 9,653	\$ 4,741	\$ -	\$ -	\$ 123,239	1.2%	1.2%	\$ 2.40	
County 6	63,310	\$ 45,000	\$ 37,153	\$ 32,740	\$ 15,589	\$ 14,348	\$ 13,762	\$ 6,263	\$ -	\$ -	\$ 164,856	1.6%	1.5%	\$ 2.60	
County 17	67,690	\$ 45,000	\$ 38,334	\$ 34,209	\$ 23,960	\$ 15,765	\$ 16,438	\$ 13,393	\$ -	\$ -	\$ 187,099	1.9%	1.6%	\$ 2.76	\$ 3.36
County 29	80,500	\$ 60,000	\$ 33,327	\$ 41,629	\$ 44,875	\$ 18,143	\$ 27,431	\$ 55,217	\$ -	\$ -	\$ 280,624	2.8%	1.9%	\$ 3.49	
County 27	81,000	\$ 60,000	\$ 29,195	\$ 27,608	\$ 28,671	\$ 15,721	\$ 14,277	\$ 23,506	\$ -	\$ -	\$ 198,978	2.0%	2.0%	\$ 2.46	
County 16	85,650	\$ 60,000	\$ 50,843	\$ 38,454	\$ 18,015	\$ 20,913	\$ 18,786	\$ 6,779	\$ -	\$ -	\$ 213,789	2.1%	2.1%	\$ 2.50	
County 2	92,575	\$ 60,000	\$ 24,709	\$ 30,900	\$ 28,811	\$ 24,922	\$ 9,065	\$ 23,812	\$ -	\$ -	\$ 202,220	2.0%	2.2%	\$ 2.18	
County 34	106,300	\$ 60,000	\$ 38,390	\$ 47,725	\$ 39,990	\$ 20,897	\$ 24,981	\$ 37,859	\$ -	\$ -	\$ 269,843	2.7%	2.6%	\$ 2.54	
County 10	111,180	\$ 60,000	\$ 66,423	\$ 61,154	\$ 21,293	\$ 25,894	\$ 23,733	\$ 8,799	\$ -	\$ -	\$ 267,296	2.7%	2.7%	\$ 2.40	
County 21	124,010	\$ 60,000	\$ 54,918	\$ 55,093	\$ 29,476	\$ 26,863	\$ 25,014	\$ 17,176	\$ -	\$ -	\$ 268,541	2.7%	3.0%	\$ 2.17	\$ 2.36
County 9	182,930	\$ 75,000	\$ 61,838	\$ 49,020	\$ 37,850	\$ 31,838	\$ 25,077	\$ 24,130	\$ -	\$ -	\$ 304,753	3.0%	4.4%	\$ 1.67	
County 14	216,900	\$ 75,000	\$ 99,315	\$ 93,812	\$ 66,020	\$ 48,886	\$ 47,150	\$ 50,070	\$ -	\$ -	\$ 480,252	4.8%	5.2%	\$ 2.21	
County 23	339,200	\$ 75,000	\$ 130,225	\$ 156,276	\$ 191,990	\$ 73,053	\$ 98,978	\$ 237,142	\$ -	\$ -	\$ 962,663	9.6%	8.2%	\$ 2.84	
County 19	370,600	\$ 75,000	\$ 153,971	\$ 140,253	\$ 107,099	\$ 91,416	\$ 64,594	\$ 68,440	\$ -	\$ -	\$ 700,773	7.0%	8.9%	\$ 1.89	\$ 2.21
County 3	413,000	\$ 90,000	\$ 142,025	\$ 142,708	\$ 118,646	\$ 47,576	\$ 54,190	\$ 119,853	\$ -	\$ -	\$ 714,998	7.1%	10.0%	\$ 1.73	
County 32	595,860	\$ 90,000	\$ 158,997	\$ 186,284	\$ 329,110	\$ 82,817	\$ 107,357	\$ 373,349	\$ -	\$ -	\$ 1,327,913	13.3%	14.4%	\$ 2.23	
County 25	803,000	\$ 90,000	\$ 309,593	\$ 305,781	\$ 396,833	\$ 171,935	\$ 146,250	\$ 455,471	\$ -	\$ -	\$ 1,875,862	18.8%	19.4%	\$ 2.34	\$ 2.16
<b>Total</b>	<b>4,141,100</b>	<b>\$ 1,845,000</b>	<b>\$ 1,631,000</b>	<b>\$ 1,631,000</b>	<b>\$ 1,631,000</b>	<b>\$ 815,500</b>	<b>\$ 815,500</b>	<b>\$ 1,631,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,000,000</b>	<b>100.0%</b>	<b>100.0%</b>	<b>\$ 2.41</b>	<b>\$ 2.41</b>

<sup>1</sup> Source: American Community Survey population 5-year estimate, 2012-2016.

<sup>2</sup> Source: Premature death: Leading causes of years of potential life lost before age 75. Oregon death certificate data, 2012-2016.

<sup>3</sup> Source: Quality of life: Good or excellent health, 2012-2015.

<sup>4</sup> Matching funds will not be awarded until 2019 or thereafter.

<sup>5</sup> Funds will not be awarded for achievement of accountability metrics until 2019 or thereafter.

<sup>6</sup> Source: Portland State University Certified Population estimate July 1, 2017

County Size Bands				
Extra Small	Small	Medium	Large	Extra Large

PHAB Incentives and Funding subcommittee

March 12, 2018

Public health modernization funding formula: review of indicators

**Objectives:**

1. Review indicators that were added by PHAB in 2016; decide whether changes are needed for these indicators.
2. Discuss measures and data sources for health status and poverty.
3. Make recommendation for how funds are allocated across funding formula indicators

**Section 1: Funding formula indicators, measures and data sources**

Indicator	Measure	Required indicator?	Data Source	Subcommittee discussion in 2016
County population		Yes	Portland State University Certified Population estimate	<a href="#">November 2016</a> : Subcommittee members agreed to use PSU estimates rather than U.S. Census Bureau data.
Burden of disease	Premature death: Leading causes of years of potential life lost before age 75.	Yes	Oregon death certificate data	<a href="#">July 2016</a> : Subcommittee members agreed to use premature death as indicator for burden of disease. The group also discussed disability due to disease as an option.
Health status	Quality of life: Good or excellent health.	Yes	Behavioral Risk Factor Surveillance System  In 2016 the PHAB Incentives and Funding subcommittee agreed to continue to explore alternative measures of health status.	<a href="#">July 2016</a> : Subcommittee members agreed to use quality of life as an indicator for health status. Other suggestions included tobacco use and obesity.  <a href="#">November 2016</a> : Subcommittee members questioned whether BRFSS has an acceptable reach into communities of

Indicator	Measure	Required indicator?	Data Source	Subcommittee discussion in 2016
				color. Alternative data sources were not proposed.
Racial and ethnic diversity	Percent of population not categorized as “White alone”.	No	U.S. Census Bureau, American Community Survey population five-year estimate	<a href="#">May 2016</a> : Subcommittee members recommended adding racial/ethnic diversity and poverty indicators to increase focus on health equity.
Poverty	Percent of population living below 100% of the federal poverty level in the past 12 months.	No	U.S. Census Bureau, American Community Survey population five-year estimate  In 2016 the PHAB Incentives and Funding subcommittee agreed to continue to explore alternative measures of poverty.	<a href="#">July 2016</a> : Subcommittee members discussed indicators for economic well-being including new jobs, education, cost of housing, unemployment, and income inequality.  <a href="#">November 2016</a> : Subcommittee members recommended exploring U.S. Census Bureau Supplemental Poverty Measure as a potential data source. Upon review, this data source is not reportable at the county level.  <a href="#">December 2016</a> : Subcommittee members looked at income inequality and educational attainment as potential additional indicators, in addition to “Percent of population living below federal poverty level”. Subcommittee members recommended adding educational attainment, but not income inequality.

Indicator	Measure	Required indicator?	Data Source	Subcommittee discussion in 2016
Education	Percent of population age 25 years and over with less than a high school graduate education level.	No	U.S. Census Bureau, American Community Survey population five-year estimate	<a href="#">December 2016</a> : Subcommittee members recommended including educational attainment indicator.
Limited English proficiency	Percent of population age 5 years and over that speaks English less than “very well”.	No	U.S. Census Bureau, American Community Survey population five-year estimate	<a href="#">June 2016</a> : Subcommittee members noted that language access is a civil right, and LPHAs with a higher percent of community members with limited English proficiency experience a higher burden related to service provision.
<b>Other indicators that were discussed but not added to the funding formula</b>				
Geographic complexity (e.g. distance to health services)				
Community complexity (e.g. air and lead toxics; or jurisdictions with multiple cities, school districts, and health care systems)				

## Section 2: Funding allocation across funding formula indicators

The funding formula that was developed for the 2017-19 biennium split funding equally across indicators. Are changes needed for the 2019-21 funding formula?

2017-19 funding formula methodology	
Indicator	Allocation
Burden of disease	20%
Health status	20%
Racial and ethnic diversity	20%
Poverty	10%
Education	10%
Limited English proficiency	20%
<b>Total indicator pool</b>	<b>100%</b>

**Public Health Advisory Board**  
**Funding principles for state and local public health authorities**  
**February 15, 2018**

The Public Health Advisory Board recognizes that funding for foundational capabilities and programs is limited, but innovations can maximize the benefit of available resources. These funding principles are designed to apply to the public health system, which means state and local public health authorities in Oregon. These funding principles can be applied to increases or decreases in public health funding.

**Public health system approach to foundational programs**

1. Ensure that public health services are available to every person in Oregon, whether they are provided by an individual local public health authority, through cross-jurisdictional sharing arrangements, and/or by the Oregon Health Authority.
2. Align funding with burden of disease, risk, and state and community health assessment and plan priorities, while minimizing the impact to public health infrastructure when resources are redirected.
3. Use funding to advance health equity in Oregon, which may include directing funds to areas of the state experiencing a disproportionate burden of disease or where health disparities exist.
4. Use funding to incentivize changes to the public health system intended to increase efficiency and improve health outcomes, which may include cross-jurisdictional sharing.
5. Align public health work and funding to coordinate resources with health care, education and other sectors to achieve health outcomes.

**Transparency across the public health system**

6. Acknowledge how the public health system works to achieve outcomes, and direct funding to close the identified gaps across the system in all governmental public health authorities.
7. Improve transparency about funded work across the public health system and scale work to available funding.

# Local public health authority funding formula

## Legislative requirements

ORS 431.380 requires OHA to submit a funding formula to Legislative Fiscal Office by June 30 of every even-numbered year.

The local public health funding formula is comprised of three components, listed below. This funding formula is intended to equitably distribute monies made available to fund implementation of foundational capabilities and programs.

### Baseline funds

Awarded based on county population health status and burden of disease

### State matching funds

For local investment in foundational capabilities and programs

### Performance-based incentives

To encourage the effective and equitable provision of services

**Baseline funds.** This component awards funding to LPHAs based on their county population, health status and burden of disease. Counties with a larger population will receive a larger portion of the pool of available funding. Similarly, counties with a greater burden of disease or poorer health status will receive a proportionally larger portion of the pool of available funding.

**State matching funds for county investments.** This component awards state matching funds for local public health authority investment in foundational programs and capabilities.

**Performance-based incentives.** This component uses performance-based incentives to encourage the effective and equitable provision of public health programs and capabilities by LPHAs.

OHA submitted an initial framework for the funding formula to the Legislative Fiscal Office on June 30, 2016. The funding formula described below was built from this framework. This funding formula will continued to be developed over the coming months and will be finalized at the conclusion of the 2017 legislative session.

PHAB has formed an incentives and funding subcommittee to develop the local public health funding formula. This subcommittee has met monthly since May 2016.

## Guiding principles

The incentives and funding subcommittee has applied these guiding principles to decisions made about the funding formula:

- The funding formula should advance equity in Oregon, both in terms of health equity and building an equitable public health system.
- The funding formula should be designed to drive changes to the public health system intended to increase efficiencies and effectiveness.
- Decisions made about the funding formula will be compared with findings from the public health modernization assessment to ensure funds will adequately address current gaps in implementation of foundational programs.

## Funding formula recommendations

The incentives and funding subcommittee makes the following recommendations:

1. All monies initially made available for implementing foundational capabilities and programs should be directed to the baseline component of the funding formula. Monies will be used to fill critical gaps that result from the historical un- or under-funding for foundational public health work. Payments to LPHAs for the other two components of the funding formula (state matching funds and performance-based incentives) will be incorporated into the funding formula in future biennia.
2. This funding formula dictates how funds will be distributed to LPHAs and does not inform how funds are split between state and local public health authorities. OHA Public Health Division and PHAB intend for the majority of funds to be distributed to LPHAs to address gaps and priorities locally. Dollars that remain with OHA Public Health Division will be specifically used to address statewide requirements to support local improvements, and to monitor implementation and accountability.
3. The funding formula must provide for the equitable distribution of monies. Some counties may receive proportionally more or less than an “equal” share based on need. While extra small and small counties will receive a proportionally larger per capita payment, extra-large and large counties will receive a proportionally larger total dollar amount of funding<sup>‡</sup>. This is

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<sup>‡</sup> Counties were divided into five size bands based on county population in the public health modernization assessment report. County size bands are as follows: extra small = fewer than 20,000 residents; small = 20,000–75,000 residents; medium = 75,000–150,000 residents; large = 150,000–375,000 residents; extra large = greater than 375,000 residents.

consistent with the financial resource gaps identified in the public health modernization assessment.

4. The subcommittee recommends implementing three additional indicators to the baseline funds component of the funding formula: racial/ethnic diversity, poverty and limited English proficiency. These indicators may be linked to poorer health outcomes and also indicate increased demand for LPHA resources.
5. The subcommittee recommends incorporating a floor, or base, payment per county into the funding formula. This floor payment ensures each LPHA has the resources needed to implement the modernization framework, gain efficiencies and improve health outcomes. The subcommittee recommends using a tiered floor amount, based on county population.
6. The subcommittee recommends allocating all remaining funds across the six indicators included in the baseline funds component.

These initial recommendation will continue to be developed by the PHAB Incentives and Funding subcommittee in 2017.

See Appendix C for a funding formula example and methodology.

### Key activities to complete the funding formula:

- Finalize indicators and data sources for 2017–19 funding formula
- Develop method to collect standardized information on county expenditures; establish method to validate expenditures data
- Develop funding formula components for state matching funds and performance-based incentives
- Submit revised funding formula to Legislative Fiscal Office

# Appendix C: Local public health funding formula model

## Funding formula methodology

### Purpose:

Method with which to distribute funds to local public health authorities.

### Formulas:

Total funding = baseline + matching funds + incentives

Baseline = county floor payments + burden of disease pool + health status pool + race/ethnicity pool + poverty pool + education pool + limited English proficiency pool

County indicator pool payment = (LPHA weight/sum of all LPHA weights) \*

Total indicator pool

Indicator	Allocation
Burden of disease	20%
Health status	20%
Race/ethnicity	20%
Poverty	10%
Education	10%
Limited English proficiency	20%
<b>Total indicator pool</b>	<b>100%</b> of available funds to be distributed across funding formula indicators

LPHA weight = LPHA population \* LPHA indicator metric percentage

### Explanations:

The county floor payments are broken into five tiers based on LPHA sizing established in the Public Health Modernization Assessment Report.

All remaining baseline funding, after county floor payments have been established, is to be distributed among the baseline indicator pools (burden of disease, health status, race/ethnicity, poverty, education, and limited English proficiency). Every baseline indicator pool is tied to a metric that every LPHA reports on.

All indicator pools are calculated using a weighted average taken by multiplying the individual LPHA population and the individual LPHA indicator metric percentage. To solve for the payment for each LPHA, multiply the total indicator pool by the individual LPHA weight divided by the sum of all LPHA weights.