

PUBLIC HEALTH ADVISORY BOARD Incentives and Funding Subcommittee

December 13, 2016

1:00-3:00 pm

Portland State Office Building, 800 NE Oregon St., Room 1C, Portland, OR 97232

Webinar: <https://attendee.gotowebinar.com/register/4675188691240638211>

Conference line: (877) 873-8017

Access code: 767068

Meeting Chair: Akiko Saito

Subcommittee Members: Silas Halloran-Steiner, Jeff Luck, Alejandro Queral, Akiko Saito, Tricia Tillman

Meeting Objectives

- Understand implications of governor’s recommended budget on funding formula deliverable
- Discuss proposal to apply the funding formula model to Public Health Emergency Preparedness funding
- Review changes to the funding formula model
- Prepare to present funding formula model to Public Health Advisory Board for approval
- Plan for subcommittee meetings in 2017
- Set agenda for January subcommittee meeting

1:00-1:05 pm	Welcome and introductions <ul style="list-style-type: none"> • Approve November meeting minutes 	Akiko Saito, Meeting Chair
1:05-1:15 pm	Implications of governor’s recommended budget on modernization funding formula	Sara Beaudrault, Oregon Health Authority
1:15-1:25 pm	Potential application of funding formula model <ul style="list-style-type: none"> • Discuss proposal to use funding formula for Public Health Emergency Preparedness funding 	Akiko Saito, Meeting Chair
1:25-1:55 pm	Funding formula review <ul style="list-style-type: none"> • Select poverty indicator(s) • Determine which indicators and data sources require additional work in 2017 • Discuss whether to use average award per capita or average award per population • Discuss whether any changes to the model are needed before PHAB meeting and inclusion in statewide modernization plan • Discuss any changes to funding formula section of statewide modernization plan 	Subcommittee members

1:55-2:05 pm

Subcommittee business

- Confirm that Akiko will lead funding formula discussion at Dec 15 PHAB meeting
- Discuss work plan for 2017
- Discuss meeting schedule for 2017
- Discuss joint subcommittee meeting
- Set agenda for January 10 subcommittee meeting; confirm Tricia can serve as Chair

Subcommittee members

2:05-2:15 pm

Public comment

2:15 pm

Adjourn

Akiko Saito
Meeting Chair

DRAFT

Public Health Advisory Board (PHAB)

Incentives and Funding Subcommittee meeting minutes

DRAFT

November 8th, 2016

1:00-3:00 pm

Welcome and roll call

Meeting Chair: Silas Halloran-Steiner

PHAB members present: Alejandro Queral, Akiko Saito, Tricia Tillman, Jeff Luck

Oregon Health Authority (OHA) staff: Sara Beaudrault, Chris Curtis, Angela Rowland

Members of the public: Morgan Cowling

The October 18th PHAB Incentives and Funding meeting minutes were approved.

Debrief Oct 20th PHAB discussion

Silas led a discussion to debrief the October 20th PHAB discussion with Representative Greenlick and Senator Monnes Anderson. One stand out was that Representative Greenlick stated his ongoing support for public health modernization. While Representative Greenlick and Senator Monnes Anderson have continued to think about implementation occurring by county waves, PHAB members explained the rationale for implementing by foundational capabilities and programs across the entire public health system in terms of equity, ethics and logistics for how to operationalize. Subcommittee members agreed to continue developing a funding formula model that is in line with this implementation approach.

Jeff stated that Representative Greenlick encourages PHAB to develop a 10-year plan and acknowledge the investment that will be needed to fully implement public health modernization over the next 10 years.

Review data sources for funding formula indicators

Subcommittee members held a consensus around including the following six indicators in the funding formula model: county population, burden of disease, health status, racial/ethnic diversity, limited English proficiency, and poverty.

OHA staff have compiled a list of data sources for county population and the other funding formula indicators. The subcommittee needs to determine if the funding formula should use Portland State University (PSU) population estimates or U.S. Census Bureau American Community Survey (ACS) data for county population.

The subcommittee agreed to use the PSU population estimates. Since the PSU estimates are not generated for race/ethnicity, limited English proficiency or poverty, ACS estimates will be used to determine a proportional percentage that will be applied to the PSU estimates. Subcommittee members

requested that the subcommittee continue to explore options to account for projected population growth in the funding formula.

The poverty indicator is currently calculated from American Community Survey and looks at both children and adults living under the federal poverty level. It is a commonly used measure but doesn't factor in socioeconomic factors that directly impact poverty, like education or employment. Jeff recommended to review the supplemental poverty measure from the U.S. Census Bureau as a potential data source prior to the December meeting. This measure takes into account local variations in housing costs, transfer payments, and other governmental programs. It is not known whether this is calculated at the county level. Subcommittee members agreed to look at this measure at the December meeting. If these data are not available at the county level the subcommittee will continue to discuss alternative poverty measures that look at income inequality or educational attainment at the December meeting.

Subcommittee members questioned whether the Behavioral Risk Factor Surveillance System survey (BRFSS) has an acceptable reach into communities of color to be used as a data source for health status. Generally subcommittee members did not feel that BRFSS is adequate, although alternative data sources were not proposed.

Action Item: Explore U.S. Census Bureau supplemental poverty measure. If reported at the county level, bring county rates to the December meeting, to compare with income inequality.

Action Item: Subcommittee members and OHA staff should identify alternative data sources for the health status indicator prior to the December meeting.

Discuss funding formula models and make initial recommendations

OHA staff updated the three funding formula models after the October meeting.

Silas recommends to narrow the model options by removing model #1 (Equal base; county population; five indicators tied to county population) as it doesn't seem too modern. Model 2 and 3 differ in the structure for base/floor payments (equal across all counties or tiered).

Tricia recommends comparing model #1 and model #3, as model #2 does not represent the needs of large and extra-large counties. Model #3 seems to best address the needs across the system that have been voiced.

Sara reviewed a spreadsheet showing per capita resource gaps identified in the public health modernization assessment. Per capita gaps were displayed for foundational capabilities and programs, and for county size bands.

Jeff stated that it is important to compare per capita gaps with the funding formula to make sure the formula matches the solution pattern in the models.

Tricia stated that the assessment looked at capacity and expertise but not burden of disease. She stated that overall health and burden of disease is a small portion of the measure in the funding formula. ,

A motion was made to recommend model #3 (Model 1, Variation 2 – Tiered base; five indicators tied to county population) to PHAB at the November 17 meeting. Subcommittee members expressed agreement; this is the most equitable approach. This motion was approved.

Action Item: Bring subcommittee recommendation of model #3 (Model 1, Variation 2 – Tiered base; five indicators tied to county population) to the Nov 17th PHAB.

Subcommittee Business

Akiko volunteered to report out at the Nov 17th PHAB meeting and will chair the next subcommittee meeting. Subcommittee members requested that OHA staff cross-reference questions that were asked at the October 20 PHAB meeting to identify whether any questions would remain unresolved with this funding formula.

Sara provided the Local Public Health Funding Formula section of the Statewide Modernization report for subcommittee feedback. The PHAB will review at the Nov 17th meeting.

- The baseline amount could include a health equity bullet.
- The report should explain that the subcommittee hasn't spent much time on state matching funds.
- Keep the baseline funding section a different color to indicate that this is where the subcommittee's work-to-date has focused.
- Describe alignment with the PHAB Accountability Metrics subcommittee.
- Summarize the model recommendation from the subcommittee.
- Performance based incentives for equitable public health services.
- Explain why the model ties the indicators to population.

Action Item: The subcommittee again requests a joint meeting with the Accountability Metrics subcommittee. This could be at the beginning of 2017. Incentives and Funding subcommittee members may join an upcoming accountability Metrics meeting.

Next subcommittee agenda item: Determine how to use this model for performance based incentives to provide equitable public health services.

Public Comment

Morgan Cowling, Executive Director of Coalition of Local Health Officials

Morgan appreciates that the PHAB has set a path for thoughtful deliberation on modernization. She remarked that it could pose a challenge to only provide one funding formula model. She is unable to determine if the incentives piece is for performance based metrics or structural in HB 3100. She encourages the subcommittee to incentivize different models through the funding formula. More outreach will be needed to local public health authorities to get their take on funding formula recommendations. She encourages the subcommittee to focus on the incentives work. She also encourages the subcommittee to continue to look at HB 3100 guidance on the ability of counties to invest in public health.

PHAB Funding and Incentives Subcommittee

Subcommittee Members: Silas Halloran-Steiner, Jeff Luck, Alejandro Queral, Akiko Saito, Tricia Tillman
December, 2016

Local public health funding formula model: This model includes a base/floor payment for each county. Awards for each indicator (burden of disease, health status, race/ethnicity, poverty, income inequality, education and limited English proficiency) are tied to each county's ranking on the indicator and the county population. This funding formula example assumes a \$10 million investment. This is an example only.

County Group	Population ¹	Floor	County Population	Burden of Disease ²	Health Status ³	Race/Ethnicity ¹	Poverty ⁴	Income Inequality ¹	Education ⁴	Limited English Proficiency ¹	Matching Funds ⁵	Incentives ⁶	Total Award	Award Percentage	% of Total Population	Award Per Capita	Avg Award Per Capita	Avg Award/Popl
County 33	1,445	\$ 30,000	\$ -	\$ 568	\$ -	\$ 171	\$ 214	\$ 199	\$ 198	\$ 67	\$ -	\$ -	\$ 31,418	0.3%	0.0%	\$ 21.74		
County 31	7,100	\$ 30,000	\$ -	\$ 3,353	\$ 1,067	\$ 592	\$ 798	\$ 906	\$ 630	\$ 235	\$ -	\$ -	\$ 37,581	0.4%	0.2%	\$ 5.29		
County 12	7,295	\$ 30,000	\$ -	\$ 4,652	\$ 4,422	\$ 1,078	\$ 1,248	\$ 933	\$ 1,157	\$ 270	\$ -	\$ -	\$ 43,759	0.4%	0.2%	\$ 6.00		
County 11	7,430	\$ 30,000	\$ -	\$ 2,787	\$ 1,657	\$ 806	\$ 929	\$ 986	\$ 1,154	\$ 286	\$ -	\$ -	\$ 38,605	0.4%	0.2%	\$ 5.20		
County 18	8,010	\$ 30,000	\$ -	\$ 3,992	\$ 2,039	\$ 1,993	\$ 1,155	\$ 1,117	\$ 1,493	\$ 1,033	\$ -	\$ -	\$ 42,823	0.4%	0.2%	\$ 5.35		
County 24	11,630	\$ 30,000	\$ -	\$ 4,539	\$ 7,642	\$ 12,890	\$ 1,819	\$ 1,408	\$ 3,535	\$ 10,291	\$ -	\$ -	\$ 72,124	0.7%	0.3%	\$ 6.20		
County 1	16,425	\$ 30,000	\$ -	\$ 8,673	\$ 6,412	\$ 2,007	\$ 2,439	\$ 2,270	\$ 2,155	\$ 1,038	\$ -	\$ -	\$ 54,993	0.5%	0.4%	\$ 3.35	\$ 7.59	\$ 5.42
County 7	21,085	\$ 45,000	\$ -	\$ 9,707	\$ 7,873	\$ 5,124	\$ 3,552	\$ 2,679	\$ 4,129	\$ 2,713	\$ -	\$ -	\$ 80,776	0.8%	0.5%	\$ 3.83		
County 15	22,445	\$ 45,000	\$ -	\$ 13,862	\$ 11,266	\$ 14,596	\$ 3,792	\$ 2,871	\$ 4,513	\$ 9,583	\$ -	\$ -	\$ 105,483	1.1%	0.6%	\$ 4.70		
County 8	22,470	\$ 45,000	\$ -	\$ 15,280	\$ 13,784	\$ 4,519	\$ 2,798	\$ 2,838	\$ 2,657	\$ 1,551	\$ -	\$ -	\$ 88,428	0.9%	0.6%	\$ 3.94		
County 13	24,245	\$ 45,000	\$ -	\$ 7,658	\$ 8,465	\$ 24,510	\$ 3,077	\$ 2,996	\$ 5,536	\$ 27,291	\$ -	\$ -	\$ 124,533	1.2%	0.6%	\$ 5.14		
County 28	25,690	\$ 45,000	\$ -	\$ 12,659	\$ 11,337	\$ 8,275	\$ 3,670	\$ 3,241	\$ 3,464	\$ 5,651	\$ -	\$ -	\$ 93,296	0.9%	0.6%	\$ 3.63		
County 30	26,625	\$ 45,000	\$ -	\$ 11,545	\$ 10,781	\$ 3,760	\$ 4,057	\$ 3,751	\$ 3,135	\$ 3,931	\$ -	\$ -	\$ 85,960	0.9%	0.7%	\$ 3.23		
County 26	30,135	\$ 105,000	\$ -	\$ 15,489	\$ 16,075	\$ 14,911	\$ 4,009	\$ 3,859	\$ 5,398	\$ 14,857	\$ -	\$ -	\$ 179,597	1.8%	0.8%	\$ 5.96		
County 22	31,480	\$ 45,000	\$ -	\$ 13,844	\$ 20,228	\$ 34,104	\$ 7,241	\$ 4,378	\$ 8,036	\$ 21,200	\$ -	\$ -	\$ 154,030	1.5%	0.8%	\$ 4.89		
County 4	37,750	\$ 45,000	\$ -	\$ 20,438	\$ 15,927	\$ 9,976	\$ 4,824	\$ 4,937	\$ 4,418	\$ 7,412	\$ -	\$ -	\$ 112,932	1.1%	0.9%	\$ 2.99		
County 20	47,225	\$ 45,000	\$ -	\$ 28,909	\$ 21,871	\$ 13,019	\$ 6,547	\$ 6,173	\$ 7,036	\$ 9,491	\$ -	\$ -	\$ 138,047	1.4%	1.2%	\$ 2.92		
County 5	50,390	\$ 45,000	\$ -	\$ 23,353	\$ 25,658	\$ 7,405	\$ 5,368	\$ 6,423	\$ 6,705	\$ 3,682	\$ -	\$ -	\$ 123,595	1.2%	1.3%	\$ 2.45		
County 6	62,990	\$ 45,000	\$ -	\$ 38,344	\$ 27,492	\$ 12,038	\$ 9,188	\$ 8,872	\$ 9,210	\$ 5,416	\$ -	\$ -	\$ 155,559	1.6%	1.6%	\$ 2.47		
County 17	67,110	\$ 45,000	\$ -	\$ 39,167	\$ 38,077	\$ 25,122	\$ 10,108	\$ 8,840	\$ 10,868	\$ 15,280	\$ -	\$ -	\$ 192,462	1.9%	1.7%	\$ 2.87	\$ 3.77	\$ 3.48
County 27	78,570	\$ 60,000	\$ -	\$ 28,270	\$ 29,148	\$ 33,073	\$ 10,845	\$ 9,964	\$ 9,603	\$ 22,998	\$ -	\$ -	\$ 203,903	2.0%	2.0%	\$ 2.60		
County 29	79,155	\$ 60,000	\$ -	\$ 35,353	\$ 42,033	\$ 65,744	\$ 10,956	\$ 9,981	\$ 16,943	\$ 41,455	\$ -	\$ -	\$ 282,464	2.8%	2.0%	\$ 3.57		
County 16	83,720	\$ 60,000	\$ -	\$ 48,681	\$ 35,322	\$ 18,691	\$ 13,348	\$ 12,026	\$ 12,186	\$ 6,366	\$ -	\$ -	\$ 206,620	2.1%	2.1%	\$ 2.47		
County 2	90,005	\$ 60,000	\$ -	\$ 24,940	\$ 32,736	\$ 20,226	\$ 16,526	\$ 13,182	\$ 6,259	\$ 19,428	\$ -	\$ -	\$ 193,296	1.9%	2.2%	\$ 2.15		
County 34	103,630	\$ 60,000	\$ -	\$ 38,754	\$ 36,686	\$ 52,654	\$ 14,027	\$ 13,183	\$ 17,664	\$ 44,178	\$ -	\$ -	\$ 277,145	2.8%	2.6%	\$ 2.67		
County 10	109,910	\$ 60,000	\$ -	\$ 63,924	\$ 64,760	\$ 18,241	\$ 17,519	\$ 14,049	\$ 16,768	\$ 7,203	\$ -	\$ -	\$ 262,463	2.6%	2.7%	\$ 2.39		
County 21	120,860	\$ 60,000	\$ -	\$ 53,922	\$ 54,801	\$ 32,735	\$ 19,087	\$ 14,860	\$ 16,223	\$ 19,677	\$ -	\$ -	\$ 271,306	2.7%	3.0%	\$ 2.24	\$ 2.58	\$ 2.55
County 9	170,740	\$ 75,000	\$ -	\$ 61,851	\$ 40,572	\$ 43,408	\$ 20,770	\$ 23,990	\$ 15,616	\$ 29,362	\$ -	\$ -	\$ 310,569	3.1%	4.3%	\$ 1.82		
County 14	210,975	\$ 75,000	\$ -	\$ 96,357	\$ 96,173	\$ 80,527	\$ 30,421	\$ 28,751	\$ 30,375	\$ 50,295	\$ -	\$ -	\$ 487,898	4.9%	5.3%	\$ 2.31		
County 23	329,770	\$ 75,000	\$ -	\$ 132,122	\$ 170,316	\$ 275,697	\$ 50,951	\$ 42,639	\$ 69,632	\$ 238,020	\$ -	\$ -	\$ 1,054,378	10.5%	8.2%	\$ 3.20		
County 19	362,150	\$ 75,000	\$ -	\$ 153,750	\$ 144,889	\$ 95,062	\$ 59,765	\$ 51,060	\$ 41,532	\$ 71,544	\$ -	\$ -	\$ 692,602	6.9%	9.0%	\$ 1.91	\$ 2.31	\$ 2.37
County 3	397,385	\$ 90,000	\$ -	\$ 137,903	\$ 139,715	\$ 106,736	\$ 31,389	\$ 52,954	\$ 36,593	\$ 116,185	\$ -	\$ -	\$ 711,474	7.1%	9.9%	\$ 1.79		
County 32	570,510	\$ 90,000	\$ -	\$ 161,260	\$ 182,600	\$ 305,107	\$ 54,658	\$ 73,784	\$ 69,197	\$ 357,130	\$ -	\$ -	\$ 1,293,735	12.9%	14.2%	\$ 2.27		
County 25	777,490	\$ 90,000	\$ -	\$ 315,095	\$ 309,174	\$ 286,202	\$ 116,573	\$ 113,565	\$ 99,652	\$ 465,885	\$ -	\$ -	\$ 1,796,146	18.0%	19.4%	\$ 2.31	\$ 2.12	\$ 2.18
Total	4,013,845	\$ 1,845,000	\$ -	\$ 1,631,000	\$ 1,631,000	\$ 1,631,000	\$ 543,667	\$ 543,667	\$ 543,667	\$ 1,631,000	\$ -	\$ -	\$ 10,000,000	100.0%	100.0%	\$ 2.49		

county size bands
extra small
small
medium
large
extra large

¹ Source: Portland State University Certified Population estimate July 1, 2015

² Source: Oregon State Health Profile. Premature death, 2010-14. Oregon death certificate data.

³ Source: Oregon State Health Profile. Good or excellent health, 2010-2013. BRFSS

⁴ Source: American Community Survey population 5-year estimate, 2012

⁵ Limitations exist for calculating current county contributions for public health. An updated process will be developed to address these limitations. Matching funds will be awarded based on actual, not projected expenditures, and will be limited to county contributions that support public health modernization. Given the change in process, matching funds will not be awarded until 2019.

⁶ The Accountability Metrics subcommittee will define a set of accountability metrics. Following selection of accountability metrics, baseline data will be collected. Funds will not be awarded for achievement of accountability metrics until 2019.

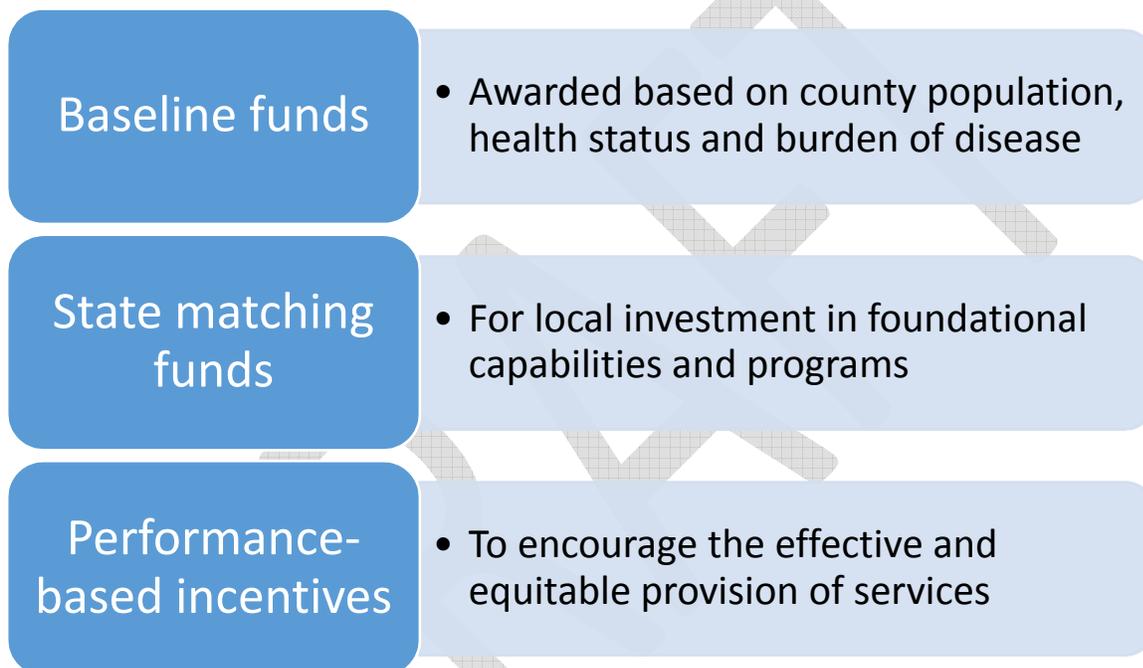
STATEWIDE MODERNIZATION PLAN

The Local Public Health Authority Funding Formula

Legislative requirements

HB 3100, Section 28 requires Oregon Health Authority 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 provide for the equitable distribution of monies made available to fund implementation of foundational capabilities and programs.



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 worse 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 services by local public health authorities.

Oregon Health Authority submitted an initial framework for the funding formula to 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.

The Public Health Advisory Board has formed an Incentives and Funding subcommittee that meets monthly to develop the funding formula.

Guiding principles

The Incentives and Funding subcommittee has applied the following 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 public health services.

Funding formula recommendations

The Incentives and Funding subcommittee makes the following recommendations:

- All monies made available for implementing foundational capabilities and programs in the 2017-19 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 local public health authorities for the other two components of the funding formula, state matching funds and performance-based incentives, will be incorporated into the funding formula in the 2019-21 biennium.
- This funding formula dictates how state funds will be distributed to local public health authorities and does not inform how funds are split between state and local public health authorities. OHA and the Public Health Advisory Board intend for the majority of funds to be distributed to local public health authorities to address gaps and priorities locally. Dollars that remain with OHA Public Health Division will be specifically used to address statewide needs that are necessary to support local improvements, and to monitor implementation and accountability.
- The funding formula must provide for the equitable distribution of moneys. This means that 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. This is consistent with the financial resource gaps identified in the public health modernization assessment.

- The subcommittee recommends adding 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.
- The subcommittee recommends incorporating a floor, or base, payment per county into the funding formula. This floor payment is intended to ensure that each LPHA has resources needed to implement the modernization framework and drive toward greater efficiencies and improved health outcomes. The subcommittee recommends using a tiered floor amount, based on county population.
- The subcommittee recommends allocating all remaining funds across the six indicators included in the baseline funds component. The subcommittee recommends weighting all indicators equally in 2017-19.
- The subcommittee will revisit all decisions made about the funding formula at the conclusion of the 20127 legislative session before finalizing payment amounts for each local public health authority.

Funding formula example:

(add excel table for funding formula)

Next steps

- The Incentives and Funding subcommittee has reviewed and made initial recommendations for data sources for the six indicators used to calculate baseline funds for each local public health authority. The subcommittee will continue to look at alternative data sources and will finalize its recommendations in 2017.
- Currently, there is no mechanism to collect standardized information on county expenditures for foundational programs and capabilities. The Public Health Division and local public health authorities will develop a standardized method and timeline, and PHD is also developing a method to validate this information.
- The PHAB Incentives and Funding subcommittee will continue to explore how to use matching funds to incentivize increased local funding while ensuring that the funding formula does not penalize counties that are currently unable to invest in public health.
- A second PHAB subcommittee is developing a set of performance-based metrics to ensure accountability in the public health system and progress toward improved health outcomes. This mechanism will be similar to metrics established for Coordinated Care Organizations, whereby the entire state is accountable for a set of accountability metrics. CCOs are additionally accountable for a subset of these metrics and receive incentive payments annually for achieving improvement targets or benchmarks. These two subcommittees will work closely in 2017 to ensure that the metrics that are selected are achievable with funds made available through the funding formula.

See Appendix XXX for funding formula methodology and a list of data sources used for funding formula indicators.

DRAFT