

Public Health Advisory Board (PHAB)  
Incentives and Funding Subcommittee meeting minutes  
May 14, 2018  
1-3 pm

*Welcome and Introductions*

PHAB members present: Bob Dannenhoffer, Jeff Luck, Akiko Saito, Alejandro Queral

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

The March and April minutes were approved.

*LPHA expenditures and matching funds*

Danna reviewed a [proposed list of county general fund exclusions](#) that would not be eligible for state matching funds and asked for subcommittee feedback.

Bob noted that incentives always have unintended consequences—which in this case could result in counties shifting funds to programs and activities that are eligible for matching funds.

Bob asked about in kind charges such as shared space and noted it would be difficult to separate these costs by items that are or aren't on the list. Danna clarified that that these exclusions relate to direct charges.

Akiko asked OHA staff how items ended up on the exclusion list. Sara said that OHA staff used guidance provided to LPHAs during the 2016 public health modernization assessment and Fiscal Year 2017 LPHA expenditures data. Generally excluded services and activities are those that target individuals, and those that are eligible for matching funds affect the entire population.

Jeff asked for clarity around what reproductive health client services means. Danna explained that the reproductive health program has gone through some changes and the direct client services are now being provided through a service agreement between OHA, LPHAs and other entities. The assurance of access to reproductive services would be included in the matching funds.

Danna shared that OHA will be pulling together a technical group with county fiscal to develop reporting mechanisms.

Bob expressed concern over potential administrative burden in implementing this framework for LPHAs, especially given the relatively small amount of funds LPHAs would receive. He asked about the timeline for rolling out matching funds. Danna said that OHA has taken direction from PHAB regarding the need to incorporate matching funds as soon and PHAB has recommended rolling out matching funds sooner rather than later. Cara will map out what the rollout process for matching funds for PHAB members.

Sara asked subcommittee members if any items on the list should be required for matching funds? Akiko noted immunization clinics, and noted the importance for having capacity for clinics in outbreak situations. Sara clarified that immunization clinics were excluded because it is another service some LPHAs contract out and OHA does not want to disincentivize LPHAs contracting out services.

Jeff stated he is okay with moving forward this exclusion list to PHAB with additional clarifications that subcommittee members requested. Jeff requested changes to the document itself to include source documents and rationale for why certain bodies of work are not eligible for matching funds.

#### Funding formula indicators

Sara asked subcommittee members to review [three options](#) for a new funding formula indicator related to geographic complexity. Subcommittee members agreed to add [Rurality: Percentage of population living in a rural area](#). Rurality data come from U.S. Census Bureau Population Estimates.

Sara asked subcommittee members to review [three options for funding formula indicator allocations](#). Subcommittee members recommended option one: split the total indicator pool evenly across indicators.

#### Funding formula review

Sara reviewed [the description and methodology for the three components to the local public health funding formula](#) and the allocations to funding formula components at a range of funding level for the 2019-21 biennium. Chris reviewed

the local public health funding formula model: [\\$10 million](#) and [\\$15 million](#) example.

Akiko recommended adding the PHAB funding principles and the statutory language in ORS 431.380 to the document.

Bob noted that the allocations to different counties generally seem to make sense. He asked whether, for the base component, PHAB should set a maximum floor payment for counties. Bob stressed that OHA needs to be clear that the figures in the funding formula for matching and incentive funds are not based on actual LPHA data and were arbitrarily assigned to show the functionality of the funding formula.

For matching funds, subcommittee members recommended splitting the total available matching funds evenly between maintenance funds for sustained county investment and additional allocations for increased county investments. Jeff recommended renaming the floor payment to maintenance payment.

For incentive funds, subcommittee members recommended allocating 20% of available incentive funds to the floor payment with a minimum threshold of \$1,000 per county, and the remainder to the additional allocation that is based on county population.

#### Report to Legislative Fiscal Office

OHA must submit [a report](#) on the application of the LPHA modernization funding formula by June 30. Sara asked subcommittee members if they would like to meet in June to provide feedback on the report. Sara clarified that OHA will take feedback into consideration but it is ultimately OHA that writes the final report. Bob asked that Sara put the meeting on the calendar and send out the report. If there are no major revisions recommended then Sara will cancel the meeting to review comments.

#### Subcommittee business

Akiko will provide the subcommittee update at the May 17 PHAB meeting.

#### Public Comment

No public testimony.