

**PUBLIC HEALTH ADVISORY BOARD
Incentives and Funding Subcommittee Meeting Minutes**

**September 13, 2016
1:00-2:00 pm**

Portland State Office Building, 800 NE Oregon St., Room 1C, Portland, OR 97232
Conference line: (877) 873-8017
Access code: 767068

Meeting chair: Jeff Luck

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

PHAB subcommittee members absent: Silas Halloran-Steiner

OHA staff: Sara Beaudrault, Chris Curtis, Angela Rowland

Members of the public: Kathleen Johnson, *Coalition of Local Health Officials*

Welcome and introductions – Jeff Luck

Approval of minutes – Jeff Luck

Subcommittee members voted to approve the August 31, 2016 subcommittee meeting minutes. Akiko added a correction to the base amount in the HSPR funding formula. There are actually two base amounts.

All in favor to approve the edited minutes.

Discuss how the funding formula can be used to incentivize change – Jeff Luck

The subcommittee should think about what changes to incentivize through the funding formula. Oregon Health Authority staff provided an excerpt from Section 28 of HB 3100. This section states that the funding formula should provide for the equitable distribution of monies, and incentives are to be used to encourage the effective and equitable provision of public health services. This language is open to interpretation as it could mean distributing funds equitably to local public health departments or distributing funds equitably for all people in the state of Oregon. The funding formula can be used to incentivize a changed system.

Alejandro commented on the part of Section 28 related to state matching funds for county contributions. He suggested the subcommittee consider methods to incentivize county investments through the funding formula. Alejandro also suggested for the subcommittee to define equitable health outcomes. He proposed looking at disparities

and increasing payments above the baseline amount to target disadvantaged communities.

Tricia asked what the decision-making process is for the subcommittee to bring forward a recommendation to the Public Health Advisory Board (PHAB). The subcommittee favored working toward consensus, but if consensus is not reached, take the decision forward to be made by the full Board.

The subcommittee discussed the timeline for incorporating state matching funds for county investments and incentive payments for performance on accountability metrics. The subcommittee recommends targeting all funds available in 2017-19 to baseline payments. Akiko stated that the system needs to be built before incorporating incentive funds and matching funds. These components can be incorporated into the funding formula that will be submitted to legislative fiscal office in June 2018.

The subcommittee discussed how the funding formula can be used to drive the system to change to achieve outcomes and gain efficiencies. Jeff questioned whether regional approaches or cross jurisdictional sharing could be among the changes that are incentivized. Tricia stated that counties may not have current capacity to make decisions to regionalize or enter into cross jurisdictional sharing agreements today, which is why planning grants or a similar mechanism to target funding for these decisions may be a good option. Jeff suggested funding pilot tests.

Alejandro questioned the purpose of regionalization. Better access? Better health? There may be other routes for achieving improved health outcomes. Tricia stated that regionalization is a means to appropriate staffing and core capacity.

Akiko stated there is a difference between regional sharing and a regional system approach. She proposed using the funding formula to fund LPHAs to perform pilot projects around the 2017-19 priorities. The BERK public health modernization assessment report can provide insight on the capacity gaps in these areas. Based on the \$210M gap in the BERK findings, Tricia does not think that \$30M in requested funding is enough for LPHAs to reach full capacity in the 2017-19 priority areas.

Jeff proposed taking an amount off the top of the funds that become available in 2017 to use for planning grants or pilots. Sara stated there is a priority around leadership and competencies to be used around public health planning, which may include exploring regional approaches to sharing services. Tricia's understanding is that priority is focused on performance management and quality improvement. Tricia supported planning grants or pilot projects but suggests not putting a dollar amount on it now since the requested funding amount of \$30M will not meet needs across the system.

Alejandro recommended using a matching funds approach to incentivize planning rather than a grant approach. This creates a planning approach to make improvements toward foundational capabilities and avoids a second grant. Tricia questioned the

implication for small counties that may not get county investments but that may have the greatest need to explore new service delivery models.

Discuss updated funding formula models– Subcommittee members
Postponed until the October meeting.

Subcommittee business– subcommittee members

Alejandro will chair the next meeting on October 18, 2016 from 2:00pm-4:00pm.

The group agreed to two hour meeting times for upcoming meetings.

Action Items:

- OHA will send subcommittee members “homework” to review the three models. Subcommittee members will review the models and come to the next meeting prepared to make an initial recommendation or rule a model out.
- Add time to the next agenda to review the methodology for developing the funding formula models.
- Consider updating county population estimates using PSU population estimates.
- Update indicators as discussed at the July subcommittee meeting.
- Extend meetings through 2016 to two hours.

Public comment – None

Adjournment – Jeff Luck
The meeting was adjourned.