

AGENDA

PHAB INCENTIVES AND FUNDING SUBCOMMITTEE

May 24, 2024, 9:00-10:00 AM

Join ZoomGov Meeting

<https://www.zoomgov.com/j/1601522023?pwd=V2k1ZUZGbjVLTehQWktKNnowaHM3Zz09>

Meeting ID: 160 152 2023

Passcode: 773581

One tap mobile

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Subcommittee members: Heather Kaisner, Jackie Leung, Bob Dannenhoffer, Veronica Irvin, Nic Powers

Meeting objectives:

- Review LPHA local investment data
- Discuss methodology for matching and incentive fund components of the funding formula
- Make recommendations for funding formula changes for 2025-27

9:00-9:05 AM Welcome, board updates, shared agreements, agenda review

- Welcome and introductions

Sara
Beaudrault,
Oregon Health
Authority

9:05-9:50 AM Funding formula feedback

- Review LPHA local investments data and feedback provided through the LPHA funding formula survey
- Review and discuss changes to methodology for matching and incentive fund components of the funding formula
- Discuss changes for the 2025-27 funding formula

All

9:50-9:55 AM Public comment

Sara
Beaudrault

9:55 AM Next meeting agenda items and adjourn

- Schedule additional meeting to talk about use of funding formula for other funding streams

Sara
Beaudrault

Everyone has a right to know about and use Oregon Health Authority (OHA) programs and services. OHA provides free help. Some examples of the free help OHA can provide are:

- Sign language and spoken language interpreters.
- Written materials in other languages.
- Braille.
- Large print.
- Audio and other formats.

If you need help or have questions, please contact Sara Beaudrault: at 971-645-5766, 711 TTY, or publichealth.policy@odhsoha.oregon.gov at least 48 hours before the meeting.

Questions for today's meeting

- What information and feedback could inform changes to the funding formula?
- What information and feedback would the subcommittee like to provide to the Board to support other public health system discussions?
- **Based on the information provided today, does this subcommittee recommend changes to the funding formula for 2025-27?**

ORS 431.380 Distribution of (public health modernization funds)

ORS 431.380

(1) From state moneys that the Oregon Health Authority receives for the purpose of funding the foundational capabilities... and the foundational programs... the Oregon Health Authority shall make payments to local public health authorities under this section.

(a) A method for awarding base funds...

(b) A method for awarding matching funds to a local public health authority that invests in local public health activities and services above the base amount distributed in accordance with paragraph (a) of this subsection; **and**

(c) A method for the use of incentives as described in subsection (3) of this section.

(3) The Oregon Health Authority shall adopt by rule incentives and a process for identifying, updating and applying accountability metrics, for the purpose of encouraging the effective and equitable provision of public health services by local public health authorities.

Local Government Public Health Investment Fiscal Year 2022

Background

Oregon Revised Statutes 431.380 requires Oregon Health Authority to adopt a funding formula for the purposes of funding foundational public health programs and capabilities. The funding formula must incorporate “a method for awarding matching funds to a local public health authority that invests in local public health activities and services” beyond base funding provided by the Oregon Legislature.

While the matching funds component of the funding formula has not yet been implemented, Oregon Administrative Rules 333-014-0540 requires local public health authorities to report expenditure data annually. These data will be used to determine matching funds, if funding is available.

Expenditure Data

Several years ago, Oregon Health Authority and local public health authority (LPHA) representatives developed a framework to establish consistent definitions for expenditure data submission. In addition, the Public Health Advisory Board and the Conference of Local Health Officials provided input to the Oregon Health Authority Public Health Division on the data to include and exclude.

The final framework excludes some expenditures to meet the legislative intent to use new state funds to support public health foundational programs and capabilities. Excluded expenditures include: Ryan White program case management, reproductive health client services, immunization clinics, clinical support, corrections health, individual dental services, primary health care services, occupational health services, medical examiner services, mental health/addiction services treatment and services, emergency medical services, refugee resettlement screening, animal control/shelter services, and infrastructure costs directly related to these exclusions. All other expenditures were included.

LPHAs reported county government public health investments using funding sources such as county general fund, county or public health district fee revenue and/or county or public health district-generated third-party reimbursement. The data do not include expenditures paid by any other funding sources such as grants or other support from federal, state or private funders.

Due to the COVID-19 pandemic, data were not collected or reported for Fiscal Years 2019, 2020 and 2021.

Fiscal Year 2022 - Local Governmental Public Health Investment

County	Population*	FY 2022 Local Expenditures (less exclusions ¹)	FY 2022 In Kind Support ^Y	FY 2022 Total Local Investment	FY 2018 Total Local Investment	FY 2018 Per Capita Total Local Investment	FY 2022 Per Capita Total Local Investment	Difference between FY 2022 and FY 2018 Per Capita Local Investment
Oregon	4,281,851	\$ 83,251,123	\$ 2,218,225	\$ 85,469,348	\$ 69,230,127	\$ 16.70	\$ 19.96	\$ 3.26
BAKER	17,148	\$143,526.92	\$ -	\$ 143,527	\$ 361,764	\$ 21.58	\$ 8.37	\$ (13.21)
BENTON	95,594	\$3,063,262.34	\$ -	\$ 3,063,262	\$ 1,791,995	\$ 19.15	\$ 32.04	\$ 12.89
CLACKAMAS	430,421	\$6,908,159.00	\$ -	\$ 6,908,159	\$ 5,019,520	\$ 11.97	\$ 16.05	\$ 4.08
CLATSOP	41,971	\$2,010,493.79	\$ 514,301	\$ 2,524,795	\$ 446,000	\$ 11.38	\$ 60.16	\$ 48.78
COLUMBIA	53,156	\$82,251.93	\$ -	\$ 82,252	\$ 615,328	\$ 11.66	\$ 1.55	\$ (10.11)
COOS	65,112	\$232,275.78	\$ 240,828	\$ 473,104	\$ 332,653	\$ 5.26	\$ 7.27	\$ 2.01
CROOK*	26,162				\$ 1,584,688	\$ 69.78	\$ -	\$ (69.78)
CURRY^	23,897							
DESCHUTES	207,561	\$6,151,984.00	\$ 692,228	\$ 6,844,212	\$ 3,814,900	\$ 20.19	\$ 32.97	\$ 12.78
DOUGLAS	111,716	\$245,992.44	\$ -	\$ 245,992	\$ 444,652	\$ 3.98	\$ 2.20	\$ (1.78)
GRANT*	7,337							
HARNEY	7,640	\$122,414.50	\$ 40,728	\$ 163,143	\$ 172,270	\$ 23.34	\$ 21.35	\$ (1.99)
HOOD RIVER	23,894	\$773,841.21	\$ 275,554	\$ 1,049,395	\$ 729,676	\$ 28.83	\$ 43.92	\$ 15.09
JACKSON	224,013	\$2,253,191.00	\$ -	\$ 2,253,191	\$ 2,298,330	\$ 10.49	\$ 10.06	\$ (0.43)
JEFFERSON	25,404	\$899,360.00	\$ 104,340	\$ 1,003,700	\$ 261,557	\$ 11.10	\$ 39.51	\$ 28.41
JOSEPHINE	88,695	\$604,214.12	\$ -	\$ 604,214	\$ 657,998	\$ 7.62	\$ 6.81	\$ (0.81)
KLAMATH	70,848	\$370,108.63	\$ -	\$ 370,109	\$ 542,426	\$ 7.98	\$ 5.22	\$ (2.76)
LAKE	8,246	\$122,000.00	\$ -	\$ 122,000	\$ 187,877	\$ 23.15	\$ 14.80	\$ (8.35)
LANE	383,958	\$7,241,364.22	\$ -	\$ 7,241,364	\$ 4,024,080	\$ 10.73	\$ 18.86	\$ 8.13
LINCOLN	51,090	\$1,869,054.69	\$ -	\$ 1,869,055	\$ 1,458,472	\$ 30.25	\$ 36.58	\$ 6.33
LINN	131,194	\$2,359,639.00	\$ -	\$ 2,359,639	\$ 1,327,242	\$ 10.57	\$ 17.99	\$ 7.42
MALHEUR	32,095	\$232,076.63	\$ 43,134	\$ 275,210	\$ 474,185	\$ 14.85	\$ 8.57	\$ (6.28)
MARION	348,616	\$6,070,198.81	\$ -	\$ 6,070,199	\$ 4,647,307	\$ 13.51	\$ 17.41	\$ 3.90
MORROW	12,315	\$106,714.15	\$ 11,886	\$ 118,600	\$ 712,823	\$ 59.98	\$ 9.63	\$ (50.35)
MULTNOMAH	810,242	\$24,998,814.83	\$ -	\$ 24,998,815	\$ 25,329,190	\$ 31.14	\$ 30.85	\$ (0.29)
NORTH CENTRAL PHD	30,803	\$701,265.00	\$ 103,068	\$ 804,333	\$ 772,441	\$ 24.94	\$ 26.11	\$ 1.17
GILLIAM	2,071							
SHERMAN	1,938							
WASCO	26,794							
POLK	90,593	\$126,836.64	\$ -	\$ 126,837	\$ 291,010	\$ 3.54	\$ 1.40	\$ (2.14)
TILLAMOOK*	27,868				\$ 119,798	\$ 4.54	\$ -	\$ (4.54)
UMATILLA	80,401	\$1,071,708.66	\$ 148,908	\$ 1,220,617	\$ 532,317	\$ 6.59	\$ 15.18	\$ 8.59
UNION	26,673	\$95,457.00	\$ 42,373	\$ 137,830	\$ 153,290	\$ 5.70	\$ 5.17	\$ (0.53)
WALLOWA^	7,541							
WASHINGTON	609,219	\$12,008,243.59	\$ -	\$ 12,008,244	\$ 8,674,852	\$ 14.31	\$ 19.71	\$ 5.40
WHEELER	1,436	\$0.00	\$ 878	\$ 878	\$ 6,791	\$ 4.68	\$ 0.61	\$ (4.07)
YAMHILL	108,993	\$2,386,674.00	\$ -	\$ 2,386,674	\$ 1,553,242	\$ 14.46	\$ 21.90	\$ 7.44

*Population estimates prepared by Population Research Center, College of Urban and Public Affairs, Portland State University, December 2022, <https://www.pdx.edu/population-research/population-estimate-reports>. These are the estimates to calculate FY 2022 per capita data. FY 2018 per capita data based on population estimates prepared by Population Research Center, College of Urban and Public Affairs, Portland State University, December 2018.

This table reflects all county government investments in local public health as measured by expenditures paid by county funds or other revenue generated by the county or public health district (insurance reimbursement, license fees, etc) minus exclusions outlined below during fiscal year 2022. Due to the COVID-19 pandemic, data were not published for FY 2019, 2020, 2021.

¹ Exclusions include: Ryan White case management, reproductive health client services, immunization clinics, clinical support, corrections health, individual dental services, primary care services, occupational health services, medical examiner services, mental health/addiction services and treatment, emergency medical services, refugee resettlement screening, animal control/shelter, and infrastructure costs directly related to these exclusions.

^Y In Kind Support: Non-cash contribution by county government of goods or services such as building space that is provided rent free. In-kind support should be valued at the fair market rate of the goods or services at the date it is received.

* No FY 2022 data available for Crook, Grant and Tillamook; Grant County did not submit data for FY 2018.

^ No longer performs local public health authority responsibilities.

Matching funds

Matching funds will be awarded for sustained or increased county general fund investments over time.

- Five percent of funds will be allocated to matching funds at or above the \$15 million level.
- Of the total funds allocated to matching funds, 50% will be awarded for sustained county general fund investments, and 50% will be awarded for increased county investment.
- **Maintenance payment:** Awarded to counties that demonstrate sustained county general fund investment. Available funds awarded equally to all qualifying counties.
- **Additional allocation:** Awarded to counties that demonstrate increased county general fund investment. Allocations for increased investment are determined based on the available pool, percent funding increase, and county population.

Matching funds

Methodology

- Compares county general fund investment over two years.
- **Matching funds** = maintenance payment for sustained investment + additional allocation for increased investment
- **Maintenance payment** = All counties eligible to receive the same floor payment.
- **Additional allocation** = Based on percent county funding increase, county population and total funds available to counties with funding increases
- **Additional allocation** = $(\text{LPHA weight} / \text{sum of all LPHA weights}) * \text{total available pool for counties with funding increases}$
- **LPHA weight** = $\text{LPHA population} * \text{percent county funding increase}$

Incentive funds

- Each county that achieves an accountability metric will receive an incentive fund floor payment and an additional allocation.
 - All qualifying counties receive the same floor payment. Twenty percent of incentive funds will go to floor payments, with a minimum threshold of \$1,000
 - Additional allocations are proportionally distributed to qualifying counties based on county population.
- One percent of funds will be allocated to incentive funds at or above the \$15 million level.
 - Available funds will be split across incentivized accountability metrics

Incentive funds

Methodology

- **Incentive funds** = floor payment plus additional allocation based on county population
- **Incentive floor payment** = All qualifying counties receive the same floor payment.
- **Additional allocation** = All qualifying counties receive proportion of remaining incentive funds based on county population

LPHA Public Health Modernization Funding Formula Survey Results

Conference of Local Health
Officials | May 16, 2024

Respondents

23 Total respondents

4 Extra small

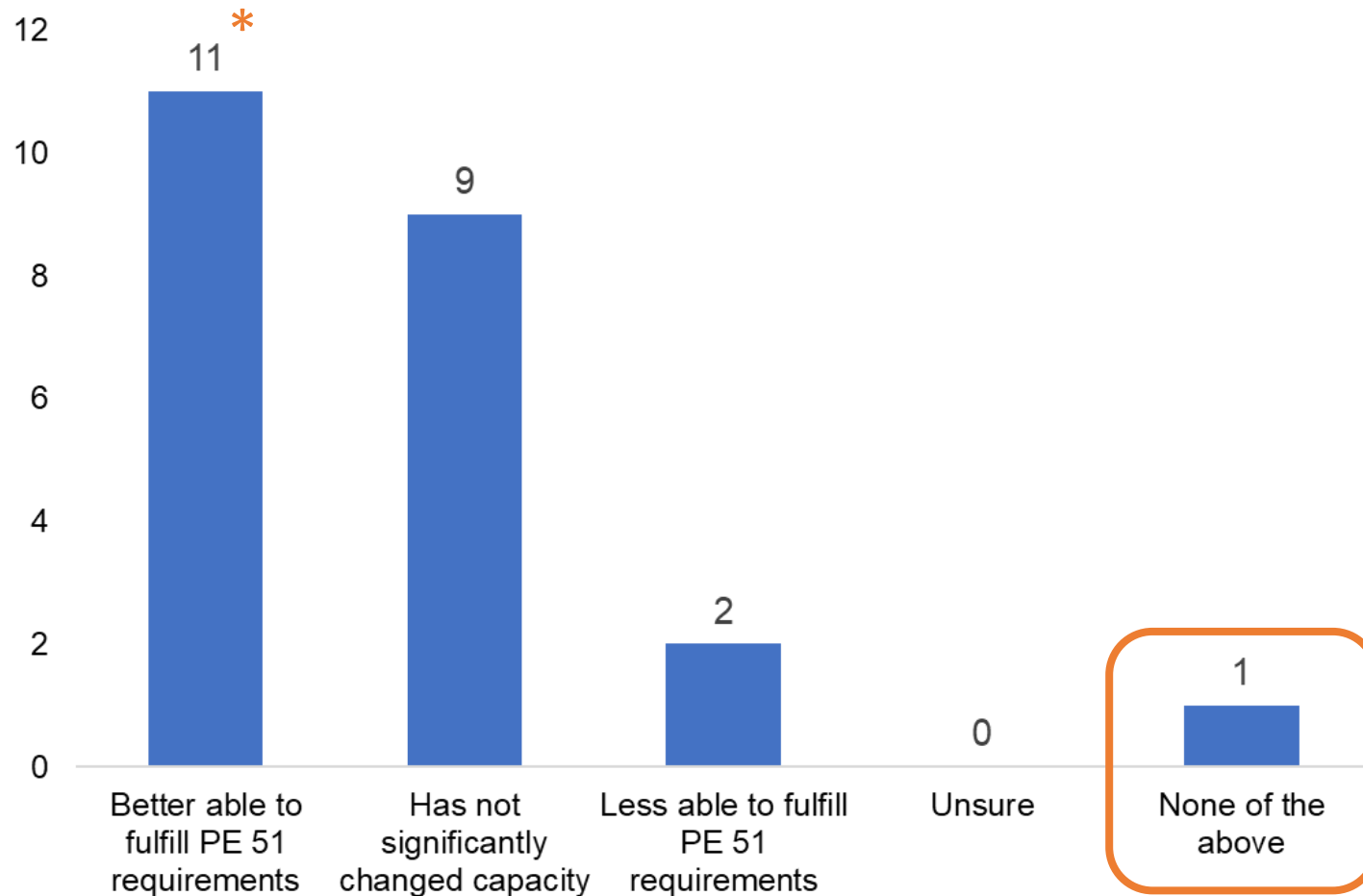
9 Small

4 Medium

2 Large

4 Extra large

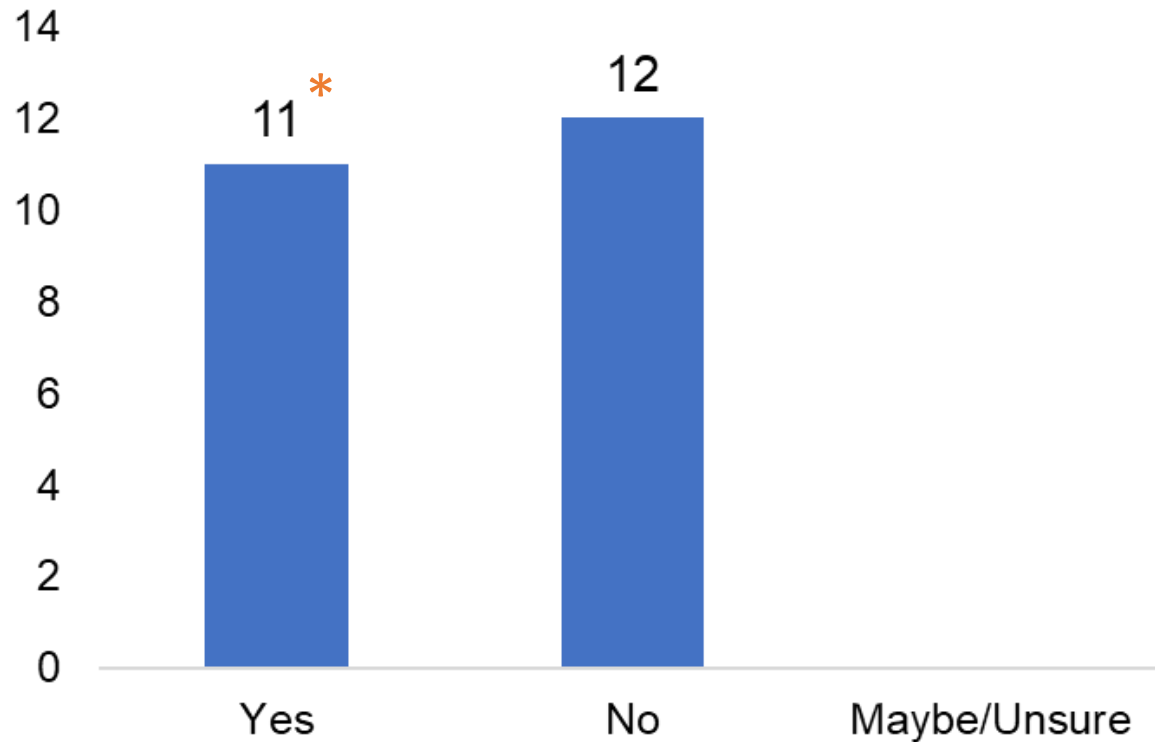
What impact has PHAB's decision to increase floor funding for each county to \$400,000 had on your LPHA's capacity to fulfill PE 51 requirements?



Open text response indicated increased floor funding did not enhance local capacity due to structural changes in department from staff turn-around and shortage

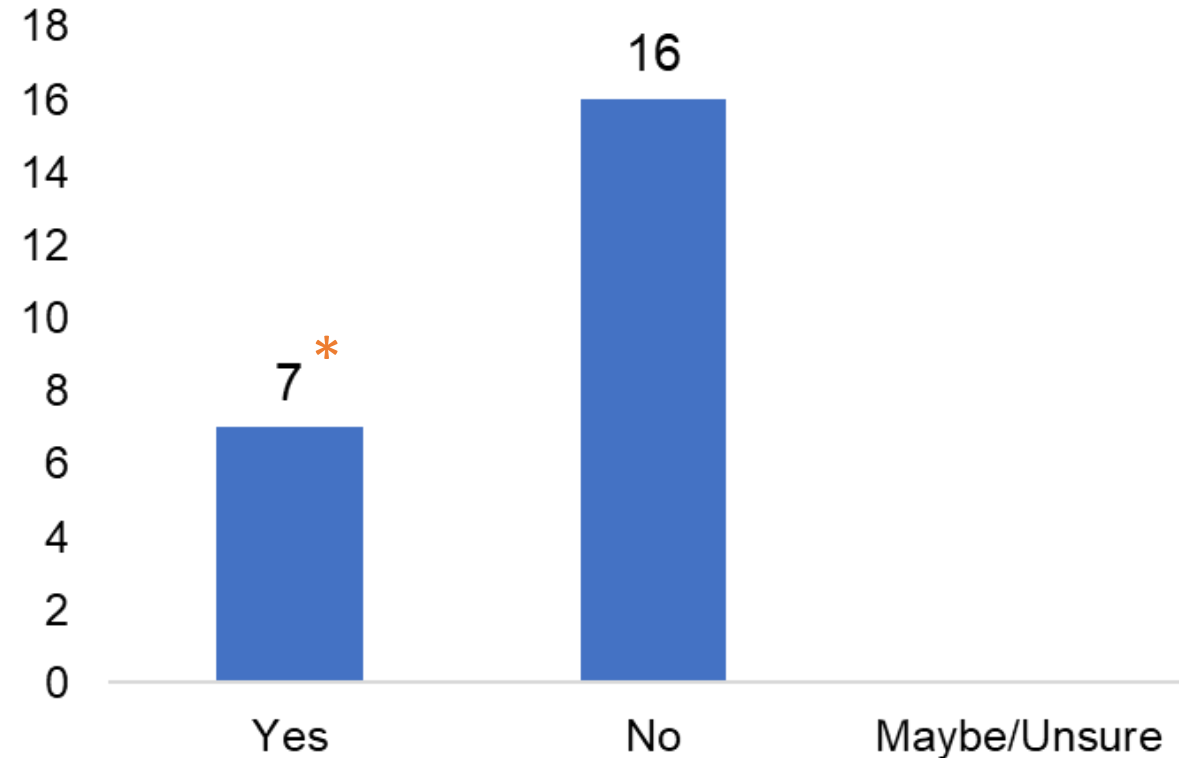
* 9 out of these 11 from extra small or small counties

Has your LPHA hired additional staff that you would not have been able to hire without increased floor payment?



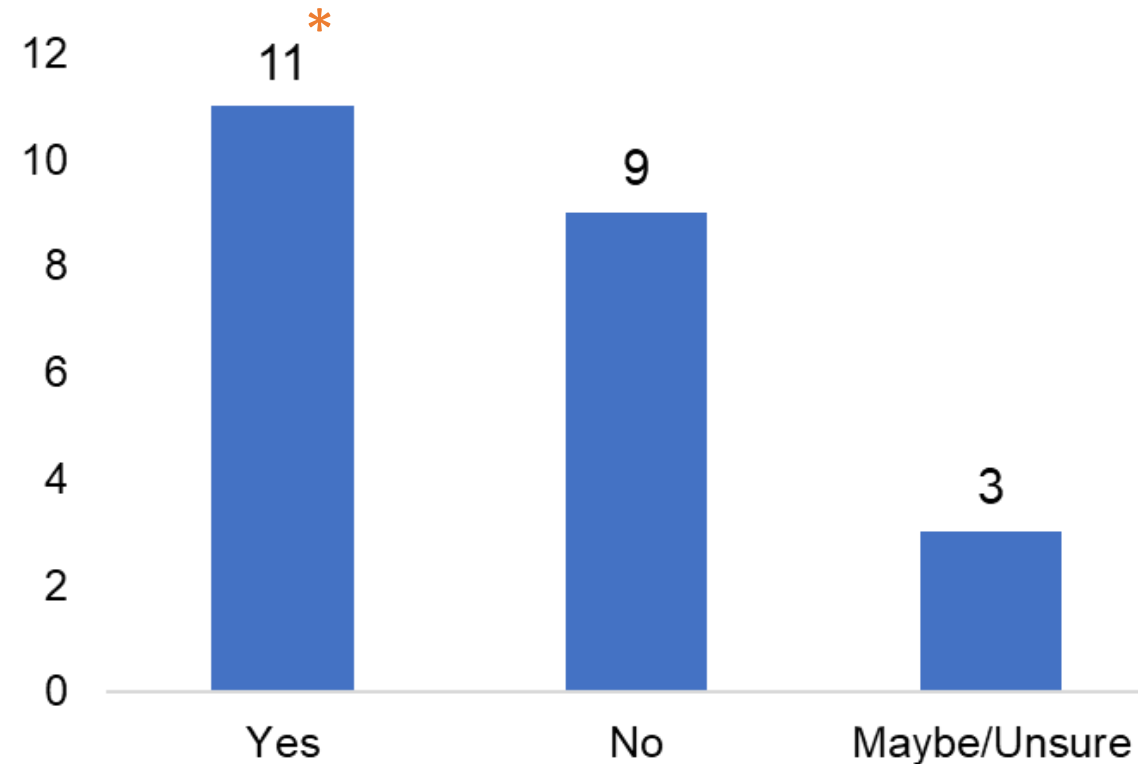
* 9 out of these 11 from extra small or small counties

Has your LPHA used the increased floor payment to increase staff capacity through contracted staff?

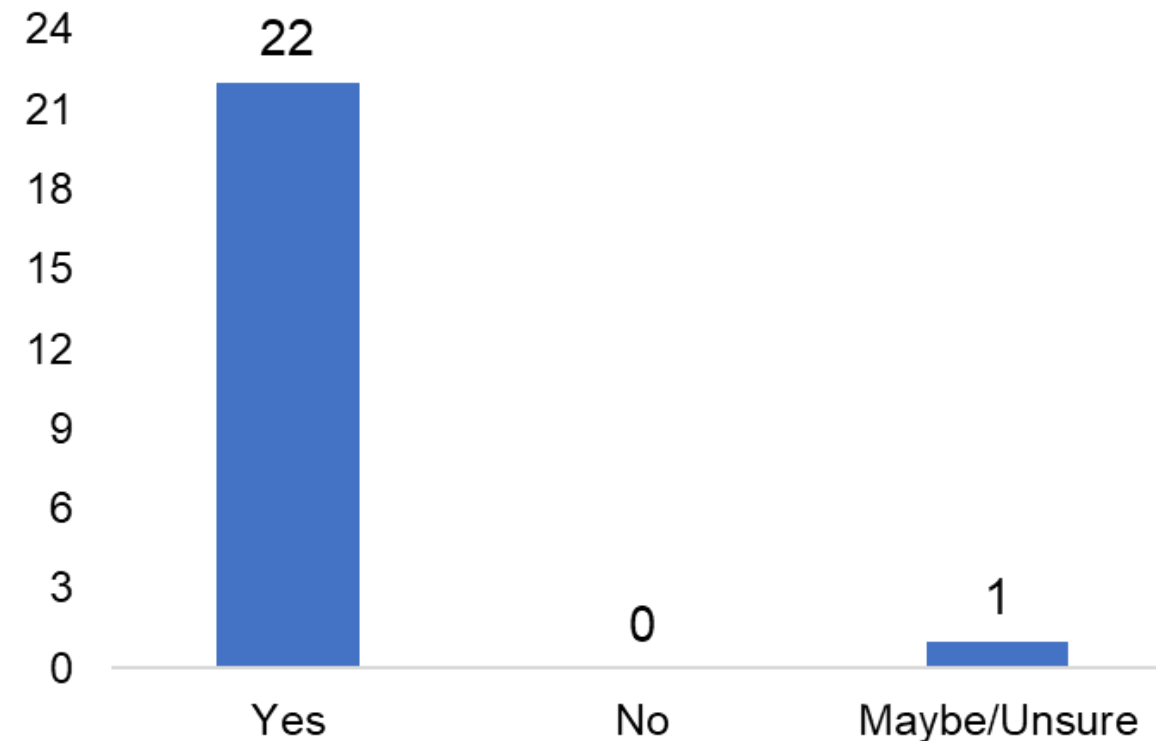


* All responses from extra small or small counties

Has your LPHA used the increased floor payment to retain staff originally hired with other funding?

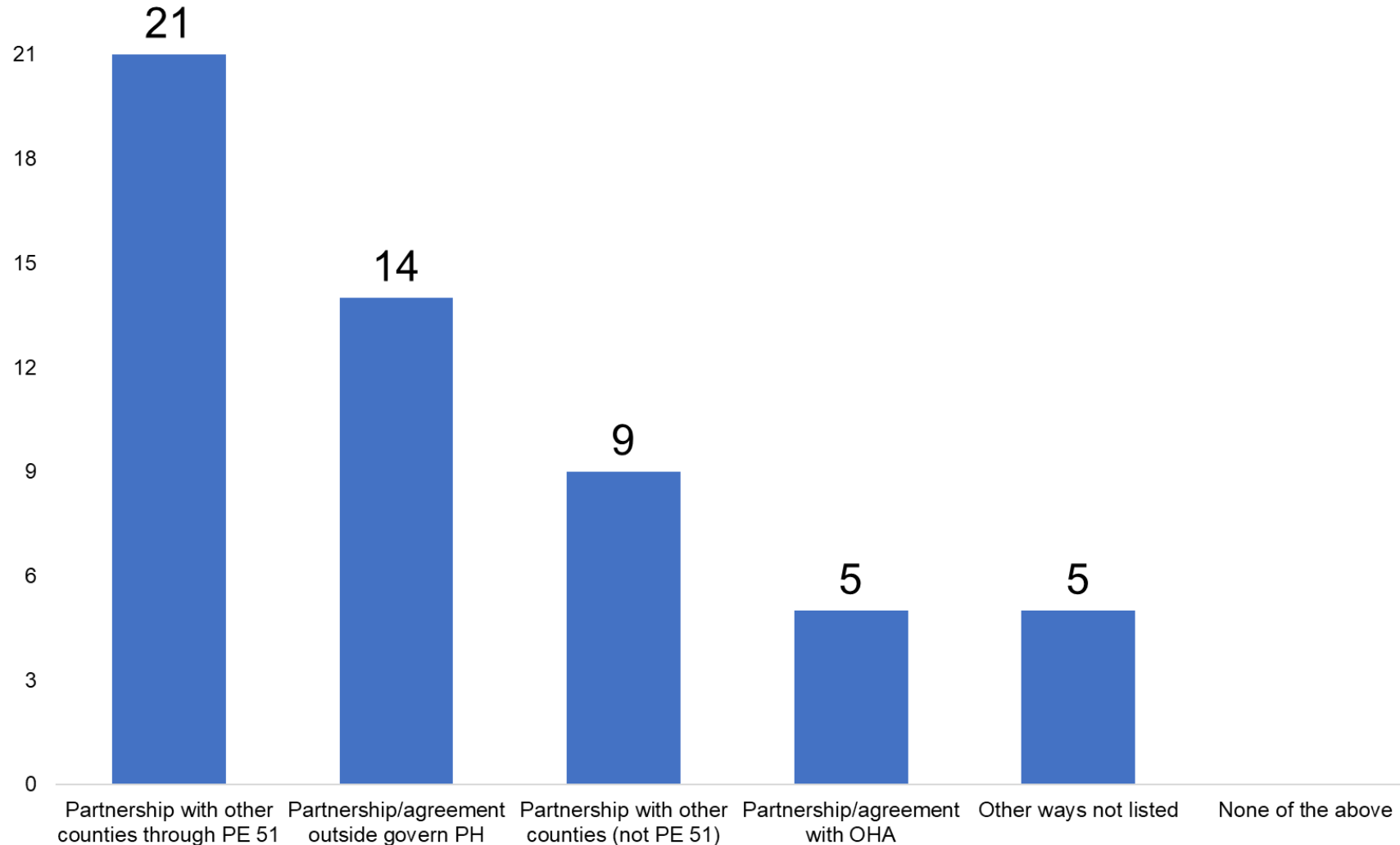


Does your LPHA anticipate being able to fully spend the increased investment during 23-25 biennium?



* 9 out of these 11 from extra small or small counties

In what ways is your LPHA increasing capacity to fulfill PE 51 requirements through regional or other partnerships?



Note: participants could select multiple responses; responses are not mutually exclusive

Please describe opportunities or challenges related to spending the increased investment.

Opportunities

- Hired positions with specific skills
- Retained existing staff (some required to pivot to modernization)
- Ability to contract (capacity for capabilities, specific projects)
- Increased regional support for foundational capabilities/programs
- Invest in performance management
- Reinstate programs/services

Challenges

- Increased staffing wages/expenses mean stable funding is a decrease
- Funding increases used to maintain capacity, offset other funding losses
- Not allowed to hire new staff given funding is not stable
- Staff turnover
- Difficult to quickly receive approval for, recruit, and hire qualified staff

Please use this space for anything else you'd like PHAB to know about the **base component** (floor + indicators) of the public health modernization funding formula.

- Funding formula works well for smaller counties, but resulted in less funding overall for larger
- Formula does not reflect complexity of working in a large, geographically spread-out jurisdiction
- Should state-required indicators be given more or equal weight
- Need time to see effects of change in base before more modifications
- Consider raising floor with additional legislative investment

What else would you like the PHAB Incentives and Funding subcommittee to know about the public health modernization funding formula to inform work on the 2024 update?

- Give equal weight to all indicators
- Consider funding formula without counties matching funding
- Consider raising minimum floor with additional legislative investment
- Need long-term, sustainable funding
- Consider formula in context of no increases to county general fund
- Recommend increase to regional funding which has remained flat

How can **matching funds** be used to encourage sustained and increased local investments in public health?

- Agree that matching should be a component/incentive for counties to invest in public health
- Linking incentive funds to county's ability to match funding could do harm
- County may not have enough revenue generated to be able to invest or match
- May not lead to increase in funding, because county would recoup match with charges elsewhere
- Matching funds support internal budget requests and planning with county leadership (extra large)
- Match fund doable if local takes a reasonable portion (not at current more than one third)
- Recommend leaning into incentive funding and more equitable distribution of funding through indicators (rather than matching)
- Recommend expanding incentive funds to reward counties that identify other funding sources outside of county GF
- Recommend state law to define state and local government shared responsibility to invest in public health

How can **incentive funds** be used to encourage improved performance on LPHA process measures for accountability metrics?

- Successful incentive program will take years of data collection/implementation to meaningfully move the needle
- Will be difficult to achieve metrics and receive incentive funds if funding focus changes every 2 years
- Concern with completely withholding incentive funds when improvement is not made since progress is difficult without adequate initial investment
- Improved performance on a process measure may be difficult to measure and could be outside of the LPHA primary scope and span of control
- Collect static set of modernization data with matrix of benchmarks across many areas; incentivize meeting/exceeding benchmark
- Consider percentage incentives rather than all-or-nothing approach so we do not widen performance gaps
- Tie incentive payments to both process and *movement* on a process measure
- Specify incentive funding is to be used for county goals related to specific accountability metrics
- Allocate incentive payments to LPHAs that demonstrate implementation of evidence-based practices

How can **incentive funds** be used to encourage improved performance on LPHA process measures for accountability metrics? (continued)

- Incentives to counties when they deliver required work on schedule or contribute to improving health outcomes
- Accountability metrics need to tie clearly to workplans and the manual
- Recommend accountability metrics development for CBOs
- Align incentive measures with CCOs