AGENDA

PUBLIC HEALTH ADVISORY BOARD
Incentives and Funding Subcommittee

June 15, 2016
3:00-4:00 pm
Portland State Office Building, 800 NE Oregon St., Room 918, Portland, OR 97232

Conference line: (877) 873-8017
Access code: 767068

Meeting Chair: Silas Halloran-Steiner

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

Meeting Objectives
- Review draft funding formula
- Prepare draft funding formula for presentation at June 16 PHAB meeting

3:00-3:05 pm	**Welcome and introductions**	Silas Halloran-Steiner, Meeting Chair
3:05-3:10 pm	**Approve May 17th meeting minutes**	Silas Halloran-Steiner, Meeting Chair
3:10-3:40 pm	**Review draft funding formula** • Discuss sources for baseline data components • Discuss methodology for baseline calculations • Discuss considerations for matching funds and incentives	Subcommittee members
3:40-3:45 pm	**Discuss subcommittee update for June 16th PHAB meeting** • Identify who will give update • Identify changes needed to draft funding formula prior to meeting	Subcommittee members
3:45-3:50 pm	**Set agenda for July 12th meeting** • Identify agenda items • Identify Meeting Chair	Subcommittee members
3:50-4:00 pm	**Public comment**	
4:00 pm	**Adjourn**	Silas Halloran-Steiner, Meeting Chair

PUBLIC HEALTH ADVISORY BOARD
DRAFT Incentives and Funding Subcommittee Meeting Minutes

May 17, 2016
2:00-3:00 pm

Portland State Office Building, 800 NE Oregon St., Room 918, Portland, OR 97232
Conference line: (877) 873-8017
Access code: 767068

Meeting chair: Alejandro Queral

PHAB subcommittee members present: Silas Halloran-Steiner, Jeff Luck, Alejandro Queral, Akiko Saito, Tricia Tillman

PHAB subcommittee members absent: none

OHA staff: Sara Beaudrault, Cara Biddlecom, Chris Curtis

Members of the public: Morgan Cowling, Coalition of Local Health Officials and Stacy Michaelson, Association of Oregon Counties

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Welcome and introductions - Cara Biddlecom, OHA Public Health Division

Approval of minutes – Alejandro Queral
Subcommittee members voted to approve the April 18, 2016 subcommittee meeting minutes.

Subcommittee work plan – Alejandro Queral
Alejandro reviewed the activities and deliverables for future meetings. A draft funding formula will be submitted to Legislative Fiscal Office by June 30, 2016, and developing the funding formula is the main deliverable for this subcommittee over upcoming meetings.

PHD staff provided clarification for work plan activities related to the Program Design and Evaluation Services economic analysis and health outcomes report, expected to be published in September. This report will look at health outcomes that could be expected if foundational capabilities and programs are fully implemented. When this report is available, the subcommittee will review the funding formula to determine whether changes should be made as a result of the economic analysis and health outcomes report.

PHD staff also provided clarification on subcommittee activities following the 2017 legislative session. Currently there is a placeholder on the work plan in case there is a need for the subcommittee to review the funding formula after it is known whether funding will be allocated by the legislature to support public health modernization.

Tricia asked why the work plan does not include activities related to seeking additional sources of funding, as was discussed during the April subcommittee meeting. Since the April meeting, OHA has received guidance from the legislature about the specific deliverables that need to be completed this summer. The funding formula needs to be submitted to Legislative Fiscal Office by June 30. Given this guidance, the subcommittee needs to focus on developing the funding formula over upcoming meetings. It was requested that activities related to seeking additional funding sources be added to the work plan.

Action item:

- Add seeking additional funding sources to the work plan as an activity for this subcommittee, pending guidance from PHAB.

Funding formula guidance document and supporting materials – Subcommittee members

Per House Bill 3100 Section 28, each biennium OHA must submit a funding formula that provides for the equitable distribution of moneys to local public health authorities for foundational capabilities and programs. The funding formula must include a baseline amount, a method for awarding matching funds and the use of incentives.

This subcommittee will make recommendations for how funds will be allocated across each of these three components, appropriate data sources, and mechanisms for awarding matching funds and incentives. The subcommittee will consider the interplay among each component as it relates to equity.

Alejandro asked whether the PHAB Accountability Metrics subcommittee will also be making recommendations for data sources. The Accountability Metrics subcommittee will focus on the incentives component of the funding formula and will develop a set of accountability metrics. The two subcommittees may work together to make recommendations for a mechanism to award incentive payments to local public health authorities.

Health equity

Tricia asked whether the subcommittee has the latitude to look at equity more broadly across all components of the funding formula, and not just where it is referenced in the bill. Nothing in the bill precludes using equity as a factor in decisions made for other areas of the funding formula.

Alejandro proposed including health equity as a driver for baseline funding. Burden of disease and health outcomes are areas where disparities are seen that are most likely to affect health.

HB 3100 does not define equity. Equity is referenced in terms of incentives, health outcomes, workforce, service provision and funding. The subcommittee will also look to the definition of health equity that is included in the Public Health Modernization Manual.

Other funding sources
Subcommittee members asked whether this funding formula is to be used for existing Program Element funding. This funding formula is intended for new monies allocated by the legislature for foundational capabilities and programs. This funding formula could be used for other funding sources; however, OHA would need to be cognizant of specific federal funding requirements for different funding sources and adhere to those requirements. A more detailed process is required to individually examine how aspects of the funding formula could apply to federal funding streams.

Tricia asked whether the requirement for OHA to work with CLHO committees to change funding formulas is still in place. Morgan replied that the requirement was removed in HB 3100.

Tricia asked whether competitive grants are still allowable. Yes, this is covered in Section 28(5).

State/local split
Silas asked what HB 3100 includes related to state/local split for new monies allocated to foundational capabilities and programs. This is not included in the sections of the bill pertaining to the local public health funding formula and is not a piece of the funding formula to be submitted to Legislative Fiscal Office in June.

The subcommittee reviewed the document showing FY15 county general fund contributions to support public health by quartile. Subcommittee members requested more detail, either by county, or including population size. Silas noted the potential impacts of applying a different percent match for different quartiles.

Tricia requested the total annual amount of funding to counties by PHD, and the amount or percent that stays at the state. Some of this information will be included in the draft Public Health Modernization Assessment Report.

Action items:
- Provide definition of health equity that is included in the Public Health Modernization Manual.
- Tricia and Jeff to explore equity definitions or frameworks that might be applicable.
- Talk with BERK Consulting about modernization assessment drivers. Explore feasibility and usefulness of incorporating BERK assessment report drivers in funding formula.
- Provide additional detail for county general fund contributions.
- Provide information about total amount currently distributed to local public health authorities through Program Elements and include information about state/local split from the draft Public Health Modernization Assessment Report.

Funding formula framework
The subcommittee reviewed a framework for the funding formula which includes the three components: baseline, matching funds and incentives.

Jeff noted that the percent allocated to each of the three components of the funding formula could be changed over time and referenced how incentive payments to CCOs are increased each year.

When looking at a method for awarding matching funds, the subcommittee should consider the impact on small/large or urban/rural counties.

Alejandro requested additional factors to be considered for baseline funding: for example, primary language, health disparities, housing, disability.

Silas commented that the subcommittee should be considering all sources of funding, not limited to new moneys allocated by the legislature.

The subcommittee requested that a set of principles be developed to guide the development of the funding formula.

Action items:
- Add guiding principles to funding formula guidance document
- Explore whether population drivers included in the public health modernization assessment can be applied to the baseline component of the funding formula; are there algorithms that could be applied?
- Remove sample percentages from the funding formula framework; instead, use __% to indicate where percentages need to be filled in.

5/19 PHAB meeting
The subcommittee agreed to share the funding formula guidance document, funding formula framework and county general fund contributions to support public health during the subcommittee update at the 5/19 PHAB meeting.

Alejandro will give the subcommittee update.

Organizational business
Silas will chair the June meeting.

Public comment
none

PHAB Funding and Incentives Subcommittee – June 2016

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

Public Health Modernization Manual definition of health equity

Health disparities are referred to as health inequities when they are the result of the systematic and unjust distribution of these critical conditions. Health equity, then, as understood in public health literature and practice, is when everyone has the opportunity to “attain their full health potential” and no one is “disadvantaged from achieving this potential because of their social position or other socially determined circumstance.” (Oregon health Authority, Public Health Division).

PHAB Funding and Incentives Subcommittee - June 2016

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OREGON COUNTY HEALTH DEPARTMENTS
PROJECTED REVENUE BY SOURCE
FY 2015

County	2013 Population Estimate	County General Funds	County GF $/Capita
Multnomah	**756,530**	$63,352,077	**$83.74**
Morrow	**11,425**	$591,361	**$51.76**
Harney	**7,260**	$250,688	**$34.53**
Benton	**87,725**	$1,729,820	**$19.72**
Hood River	**23,295**	$442,051	**$18.98**
Grant	**7,435**	$125,000	**$16.81**
Deschutes	**162,525**	$2,486,445	**$15.30**
Malheur	**31,440**	$470,300	**$14.96**
North Central PHD	**29,535**	$376,222	**$12.74**
Baker	**16,280**	$207,110	**$12.72**
Washington	**550,990**	$6,800,699	**$12.34**
Crook	**20,690**	$247,682	**$11.97**
Clatsop	**37,270**	$429,660	**$11.53**
Linn	**118,665**	$1,234,853	**$10.41**
Jefferson	**22,040**	$224,434	**$10.18**
Lake	**7,940**	$75,300	**$9.48**
Umatilla	**77,895**	$738,125	**$9.48**
Marion	**322,880**	$2,011,655	**$6.23**
Yamhill	**101,400**	$616,406	**$6.08**
Douglas	**108,850**	$624,654	**$5.74**
Union	**26,325**	$139,034	**$5.28**
Lane	**356,125**	$1,802,751	**$5.06**
Clackamas	**386,080**	$1,880,251	**$4.87**
Tillamook	**25,375**	$114,774	**$4.52**
Jackson	**206,310**	$578,494	**$2.80**
Coos	**62,860**	$165,750	**$2.64**
Josephine	**82,815**	$210,000	**$2.54**
Columbia	**49,850**	$100,000	**$2.01**
Polk	**77,065**	$144,500	**$1.88**
Klamath	**66,810**	$101,000	**$1.51**
Wheeler	**1,430**	$1,500	**$1.05**
Wallowa	**7,045**	$2,000	**$0.28**
Curry	**22,300**	$0	**$0.00**
Lincoln	**46,560**		**$0.00**
STATE TOTALS	**3,919,020**	**$88,274,596**	**$22.52**

extra large
large
medium
small
extra small

Limitations:
1. There is considerable variation between the accounting systems used across counties.
2. These data represent projected, not actual, expenditures.
3. These contributions include all county GF contributions; they are not limited to work that supports the foundational capabilities and programs.

PHAB Funding and Incentives Subcommittee - June 2016

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

OREGON COUNTY HEALTH DEPARTMENTS
County General Funds per Capita

	Average[1]	Minimum	Maximum	Population	% of State Pop.
Quartile 1 (Top 8 Counties)	$ 31.97	$ 14.96	$ 83.74	1,087,635	27.8%
Quartile 2	$ 11.21	$ 9.48	$ 12.74	881,305	22.5%
Quartile 3	$ 4.80	$ 2.64	$ 6.23	1,596,205	40.7%
Quartile 4 (Bottom 8 Counties)	$ 1.16	$ -	$ 2.54	353,875	9.0%
Statewide Average	$ 22.52	$ -	$ 83.74	3,919,020	100.0%

[1] Average Revenue per capita calculated as projected FY2015 county general fund revenue divided by 2013 county population

Limitations:

1. There is considerable variation between the accounting systems used across counties.
2. These data repersent projected, not actual, expenditures.
3. These contributions include all county GF contributions; they are not limited to work that supports the foundational capabilities and programs.

PHAB Funding and Incentives Subcommittee – June 2016
Funding Formula Framework Example

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

Overview

The overall award amount for each county in the example provided is determined by taking into account the following metrics:

1. County population
2. Burden of disease
3. Health status
4. Racial/ethnic diversity
5. Population impacted by poverty
6. Local public health investments (left blank in example), and
7. Local public health department incentives met (left blank in example).

For the first metric, county population, funds allotted for county population payments would be paid out to every county as a per capita payment.

Metrics 2-5 rank each county from 1-34. Funds allotted for each metric are based on:

- (county population) X (county ranking) X (weight assigned to the metric).

This model is intended to award funds to counties based on their ranking, or level of need, while accounting for the size of the population. While the total amount awarded may be larger for counties with larger populations, the award per capita is larger for counties that rank lower on metrics 2-5.

Points for Discussion

1. **Additional metrics included to address equity.** Metrics 4 and 5, racial/ethnic diversity and population impacted by poverty, were added to address equity in the funding formula. Are these the appropriate metrics to use? What other metrics could be used?
2. **Data sources.** Are the data sources used for metrics 1-5 appropriate? Are there other data sources that could be used?
3. **Weighting.** Does the subcommittee have recommendations for weighting metrics 1-5?
4. **Matching funds.** Matching funds are to be awarded for county contributions to support public health modernization. Discuss limitations of the county contribution data that is currently collected, process for determining what data to collect, and timeline for incorporating matching funds into the funding formula.
5. **Incentives.** Incentives are to be awarded to counties that meet a set of accountability metrics. Provide update on Accountability and Metrics subcommittee and timeline for incorporating accountability metrics into funding formula.

PHAB Funding and Incentives Subcommittee

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

Funding formula example based on $10 million investment. **Example only!**

County Group	Population[1]	County Population[1]	Burden of Disease[2]	Health Status[3]	Race/Ethnicity[4]	Poverty[5]	Matching Funds[6]	Incentives[7]	Total Award[8]	Award Percentage	% of Total Population	Award Per Capita
Extra Small	1,357	1	9	15	3	17	-	-	$ 2,794	0.03%	0.03%	$ 2.06
Extra Small	6,893	2	5	22	1	4	-	-	$ 12,280	0.12%	0.18%	$ 1.78
Extra Small	7,253	3	30	32	7	32	-	-	$ 29,691	0.30%	0.19%	$ 4.09
Extra Small	7,325	4	8	7	2	8	-	-	$ 10,177	0.10%	0.19%	$ 1.39
Extra Small	7,854	5	26	17	14	24	-	-	$ 25,422	0.25%	0.20%	$ 3.24
Extra Small	11,217	6	17	10	34	21	-	-	$ 33,689	0.34%	0.29%	$ 3.00
Extra Small	16,049	7	12	16	4	16	-	-	$ 35,405	0.35%	0.41%	$ 2.21
Small	20,798	8	11	14	13	23	-	-	$ 52,164	0.52%	0.53%	$ 2.51
Small	21,830	9	33	34	29	31	-	-	$ 104,585	1.05%	0.56%	$ 4.79
Small	22,341	10	7	30	10	5	-	-	$ 54,621	0.55%	0.57%	$ 2.44
Small	22,620	11	4	4	32	9	-	-	$ 42,287	0.42%	0.58%	$ 1.87
Small	25,334	12	14	24	21	15	-	-	$ 76,093	0.76%	0.65%	$ 3.00
Small	25,736	13	19	21	5	22	-	-	$ 74,044	0.74%	0.66%	$ 2.88
Small	29,103	14	18	18	26	14	-	-	$ 86,815	0.87%	0.75%	$ 2.98
Small	30,740	15	34	28	33	34	-	-	$ 146,171	1.46%	0.79%	$ 4.76
Small	37,236	16	16	25	17	6	-	-	$ 102,651	1.03%	0.95%	$ 2.76
Small	46,138	17	13	27	20	10	-	-	$ 134,910	1.35%	1.18%	$ 2.92
Small	49,325	18	20	9	6	3	-	-	$ 91,800	0.92%	1.26%	$ 1.86
Small	62,678	19	25	31	9	13	-	-	$ 210,320	2.10%	1.61%	$ 3.36
Small	65,985	20	32	33	23	20	-	-	$ 279,877	2.80%	1.69%	$ 4.24
Medium	76,464	21	23	6	25	11	-	-	$ 194,004	1.94%	1.96%	$ 2.54
Medium	76,645	22	31	23	30	18	-	-	$ 297,838	2.98%	1.97%	$ 3.89
Medium	83,021	23	24	26	11	27	-	-	$ 296,095	2.96%	2.13%	$ 3.57
Medium	86,034	24	3	3	12	33	-	-	$ 173,435	1.73%	2.21%	$ 2.02
Medium	100,486	25	22	8	27	12	-	-	$ 267,745	2.68%	2.58%	$ 2.66
Medium	107,156	26	28	29	8	28	-	-	$ 406,979	4.07%	2.75%	$ 3.80
Medium	118,270	27	29	20	19	29	-	-	$ 442,743	4.43%	3.03%	$ 3.74
Large	163,141	28	6	5	15	7	-	-	$ 247,203	2.47%	4.18%	$ 1.52
Large	206,583	29	27	19	24	19	-	-	$ 713,352	7.13%	5.30%	$ 3.45
Large	320,448	30	21	12	31	25	-	-	$ 1,051,253	10.51%	8.22%	$ 3.28
Large	354,764	31	10	11	16	30	-	-	$ 930,280	9.30%	9.10%	$ 2.62
Extra Large	384,697	32	2	2	18	1	-	-	$ 437,032	4.37%	9.86%	$ 1.14
Extra Large	547,451	33	1	1	28	2	-	-	$ 726,977	7.27%	14.04%	$ 1.33
Extra Large	757,371	34	15	13	22	26	-	-	$ 2,209,265	22.09%	19.42%	$ 2.92
Total	**3,900,343**								$ 10,000,000	100.00%	100.00%	$ 2.56

[1] Source: American Community Survey population 5-year estimate, 2009-2014.

[2] Source: County Health Rankings, Health Factors/Health Behaviors, 2016.

[3] Source: County Health Rankings, Health Outcomes, Overall, 2016.

[4] Source: American Community Survey population 5-year estimate, 2009-2014.

[5] Source: American Community Survey population 5-year estimate, 2009-2014.

[6] 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 supoprt public health modernization. Given the change in process, matching funds will not be awarded until 2019.

[7] 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.

[8] The funding formula calculates payments based on (population X ranking X weight). This example allocates equal portions of available funding across the five components. In other words, each component accounts for 20% of the funding allocation. Subcommittee members will determine the weight for each of these components.

PHAB Incentives and Funding Subcommittee
Funding Formula - Per Capita Methodology, June 2016

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

This document provides the methodology used to calculate funding allocations on the example funding formula included in the subcommittee meeting packet.

The overall award amount to be distributed by county is group is determined by taking into account the follow metrics: county population, burden of disease, health status, population racial/ethnic diversity, population impacted by poverty, local public health investments (currently not in use), and local public health department incentives met (currently not in use). All seven metrics listed above will be assigned a proportion to be determined by the PHAB Incentives and Funding Subcommittee.

The first five categories listed above are currently used in the example funding model that was provided, and they make up the baseline payment to public health departments by county or county group. The remaining two items, local public health investment matching and local public health target incentives have been ignored in this model until further discussion on their implementation can be discussed.

County Population – The first baseline metric is driven by population data from the US Census Bureau (ACS Population 5-Year Estimates, 2009-2014). Every county population is listed as a proportion of the overall state budget. The amount of money determined to be allotted for county population payments is then paid out to every county as a per capita payment. In this case every Oregonian living in any county will receive the same per capita payment.

Categories two through five all work off a similar methodology which is listed below. The general goal of this methodology is to identify counties that are in higher need of funds based on a specific baseline metric determined by the PHAB Subcommittee. Dollars are then distributed on a per capita basis with counties with a greater need receiving higher per capita dollars than counties with a lower need.

Step 1: Calculate total dollars to be paid to all counties based on total pool funds available and percentage of total funds to be given to each metric category (% to be determined by PHAB Incentives and Funding Subcommittee).

Total Pool ($) x Metric Proportion % = Metric Dollars to Distribute ($)

Step 2: Assign all 34 county groups a rank from 1 through 34. The healthiest county (another way of looking at this is county with lowest need of funding) would be assigned rank number one down to the least health county (or county with greatest need of funding).

Step 3: Assign a percentage weight to all 34 county groups based on ranking. Currently the method is:

County rank ÷ Sum of Total County Ranks (595) = County Percentage Weight %

Step 4: Multiply total metric dollars to be distributed by each county percentage weight.

Metric Dollars to Distribute ($) x County Percentage Weight (%) = County Payment ($)

Burden of Disease – The second baseline metric is driven by county health rankings of health behaviors as ranked by the County Health Rankings & Roadmaps program. The county with the highest ranking for overall health behaviors is assigned rank number one down through the county with the lowest ranking for overall health behaviors at 34. The county with the highest (best) overall health behaviors will receive the lowest amount per capita while the county with the lowest (worst) overall health behaviors will receive the highest amount per capita. The theory behind this is to send money based on population size to the areas that display the greatest need due to their burden of disease.

Health Status – The third baseline metric is driven by county health outcomes rankings overall, as ranked by the County Health Rankings & Roadmaps program. All 34 county groups are given a rank of 1-34. The county with the best overall health outcomes is assigned rank number one down through the county with the lowest overall health outcomes at 34. The county with the highest (best) overall health outcome ranking will receive the lowest amount per capita while the county with the lowest (worst) overall health outcome ranking will receive the highest amount per capita. The theory behind this is to send money based on population size to the areas that display the greatest need due to their overall county health status.

Population Racial/Ethnic Diversity – The fourth baseline metric is driven by percentage of county population identified as non-white and/or Hispanic population. These rankings are created by taking data provided in the U.S. Census Bureau, ACS Population 5-Year Estimates, 2009-2014. All 34 county groups are given a rank of 1-34. The county with the lowest population of non-white and/or Hispanic population ranking will receive the lowest amount per capita while the county with the highest population of non-white and/or Hispanic population will receive the highest amount per capita. The theory behind this is to send money to counties with a greater diversity group that has been shown to directly impact the need for additional public health funding.

Population Impacted by Poverty – The fifth baseline metric is driven by percentage of county population living below the Federal Poverty Level. These rankings are created by taking data provided in the U.S. Census Bureau, ACS Population 5-Year Estimates, 2009-2014. All 34 county groups are given a rank of 1-34 based on percentage of county population living below 100% of the Federal Poverty Limit (FPL). The county with the lowest population living below 100% of the FPL will receive the lowest amount per capita while the county with the highest population living below 100% of the FPL will receive the highest amount per capita. The theory behind this is to send money to counties with a greater population below the FPL as this person group has been identified to need additional public health funding.