Oregon Health Authority

AGENDA

PUBLIC HEALTH ADVISORY BOARD
Incentives and Funding Subcommittee

February 12, 2018
12:30-2:00 pm
Portland State Office Building, 800 NE Oregon St., Conference Room 918, Portland, OR 97232

Webinar: https://attendee.gotowebinar.com/register/1017967828287751171
Conference line: (877) 873-8017
Access code: 767068

Subcommittee Members: Carrie Brogoitti, Bob Dannenhoffer, Jeff Luck, Alejandro Queral, Akiko Saito

Meeting Objectives

- Approve January meeting minutes
- Finalize funding principles for vote by PHAB
- Review local public health authority expenditures data
- Discuss changes for 2019-21 funding formula

12:30-12:35 pm	**Welcome and introductions** • Review January 8 meeting minutes • Subcommittee updates	Sara Beaudrault, Oregon Health Authority
12:35-12:45 pm	**Principles for public health funding** • Review and discuss changes to funding principles • Recommend that funding principles be reviewed and adopted by PHAB	All
12:45-1:05 pm	**Local public health expenditures** • Review Fiscal Year 2017 expenditures data • Discuss how this information should be used to develop the funding formula mechanism for awarding state matching funds for county investments	Danna Drum, Oregon Health Authority Joey Razzano, Oregon Health Authority
1:05-1:45 pm	**2019-21 modernization funding formula** • Review key decisions made and underlying mechanisms for the 2017-19 funding formula • Discuss how draft funding principles apply to the funding formula and whether changes are needed • Discuss indicators and data sources	Chris Curtis, Oregon Health Authority All

1:45-1:50 pm	**Subcommittee business** • Decide who will provide update at February 15 PHAB meeting • Decide whether to hold or cancel meeting scheduled for March 12 • Discuss subcommittee meeting structure. Should a Chair be appointed?	All
1:50-2:00 pm	**Public comment**	
2:00 pm	**Adjourn**	Sara Beaudrault, Oregon Health Authority

Public Health Advisory Board (PHAB)
Incentives and Funding Subcommittee meeting minutes
January 8, 2018
1:00-2:00 pm

Welcome and roll call

PHAB members present: Carrie Brogoitti, Bob Dannenhoffer, Jeff Luck, Akiko Saito

Oregon Health Authority (OHA) staff: Sara Beaudrault, Julia Hakes, Cara Biddlecom

Members of the public: Morgan Cowling

Subcommittee key tasks for 2018

Sara shared key tasks for the subcommittee in 2018.

Principles for public health funding

Sara shared a document that shows the 2017 funding principles used by the subcommittee and proposed 2018 funding principles for discussion.

Bob asked if the 2017 principles will be replaced by the 2018 principles or just added to. Sara clarified that the purpose is to capture key points and make sure everything is incorporated.

Akiko gave additional background on the 2017 principles: explaining that 2017's principles were created to make decisions about how a small investment from the legislature for public health modernization should be allocated. The 2018 principles are intended to be more general and could be applied whenever funding decisions for funding increases or decreases are needed.

Jeff asked who the intended audience for the principles are. Cara answered that the principles are for the PHAB to apply.

The subcommittee reviewed each 2018 principle and recommend changes.

Bob asked if 2018's funding principle #2: "Align funding with burden of disease and continuously assess how funds are allocated to burden of disease," makes sense for all public health programs. Cara made the recommendation to add

"risk" in addition to burden of disease to account for programs like environmental health or emergency preparedness.

Carrie said the principles don't express the balance of maintaining base capacity and infrastructure. Other members agreed that maintaining infrastructure where programs are functioning well and achieving successes should be accounted for in the principles. Cara suggested incorporating statutory language related to incentives and local investments. Subcommittee members made the recommendation to OHA staff to draft something for review at the next meeting.

Akiko recommended including a principle that specifically addresses supporting or incentivizing regional approaches to service provision.

Jeff asked for clarification on #5: "Improve transparency about funded work and state and local roles." Sara explained that it is intended to assure that at a basic level information is available about how local and state funding are used to support the public health system and achieve population health improvements.

Funding principles will be reviewed at the January 18 PHAB meeting.

Modernization funding formula

Sara walked subcommittee members through the local public health authority funding formula section from the Statewide Health Improvement Plan and reviewed components of the plan that will need to be reviewed and updated for 2019-21. PHAB will need to complete its revisions in May 2018, and the funding formula will be submitted to Legislative Fiscal Office In June.

Subcommittee business

Akiko will provide an update from the Subcommittee at the next PHAB meeting on January 18th.

Possible Subcommittee Chair appointment will be discussed at the next meeting in February.

Public Comment

No public testimony.

PHAB Incentives and Funding subcommittee
Key tasks for 2018
January 8, 2018

Subcommittee members: Carrie Brogoitti, Bob Dannenhoffer; Jeff Luck, Alejandro Queral, Akiko Saito

Key tasks for January-June 2018

1. Develop principles for public health funding
2. Review and update public health modernization funding formula for 2019-21
3. Review county expenditures data
4. Make recommendations for mechanisms to award incentive and matching funds
5. Consult as needed on other issues related to public health funding

Anticipated timeline

	Agenda items	Outcomes and deliverables
January 8	• Discuss and recommend principles for public health funding • Discuss changes needed to public health modernization funding formula	• First set of funding principles for review at PHAB
February 12	• Final review of principles for public health funding • Review county expenditures data • Review revisions to public health modernization funding formula • Discuss data sources for funding formula indicators • Discuss mechanisms for awarding incentives and matching funds	• Final recommendations for principles for public health funding for review at PHAB • Final list of data sources for funding formula indicators
March (to be scheduled)	• Joint meeting with PHAB Accountability Metrics subcommittee	• Strategy for incorporating incentives into funding formula
April 9	• Review changes to public health modernization funding formula	
May 14	• Finalize public health modernization funding formula	• Final funding formula for adoption by PHAB
June 11	• Review report to Legislative Fiscal Office	

Public Health Advisory Board
Public health funding principles – preliminary, for discussion
February 8, 2018

The following set of public health funding principles were compiled from the following sources:

- PHAB Incentives and Funding subcommittee public health modernization funding formula (2016)
- PHAB and PHD/CLHO Joint Leadership Team guidance for allocating the 2017-19 legislative investment (Spring 2017)
- PHD/CLHO Joint Leadership Team funding principles discussion (December 2017)

These funding principles can be applied to increases or decreases in public health modernization funding and other state and local public health funding.

Public health system approach to foundational programs

1. Ensure services are available everywhere across Oregon, but not necessarily ~~county by county~~local public health authority by local public health authority.

2. Align funding with burden of disease, ~~and~~ risk, and state and community health assessment and plan priorities, while considering the impact to public health infrastructure.

3. Use funding to advance health equity in Oregon, which may include directing funds to areas of the state experiencing a disproportionate burden of disease or where health disparities exist.

4. Use funding to incentivize changes to the public health system intended to increase efficiency and improve health outcomes, which may include ~~regional~~ innovative approaches to service provision.

5. Leverage opportunities to align work with health care, education and other sectors.

Transparency ~~of state and local roles~~across the public health system:

6. Recognize how ~~state and local public health authority roles~~the public health system works to achieve outcomes, and ~~identify the most effective and efficient delivery of funded roles.~~ direct funding to close the identified gaps across the system in all governmental public health authorities.

7. Improve transparency about funded work ~~and state and local roles~~across the public health system and scale work to available funding.

Fiscal Year 2017:
LPHA Expenditures

Office of the State Public Health Director

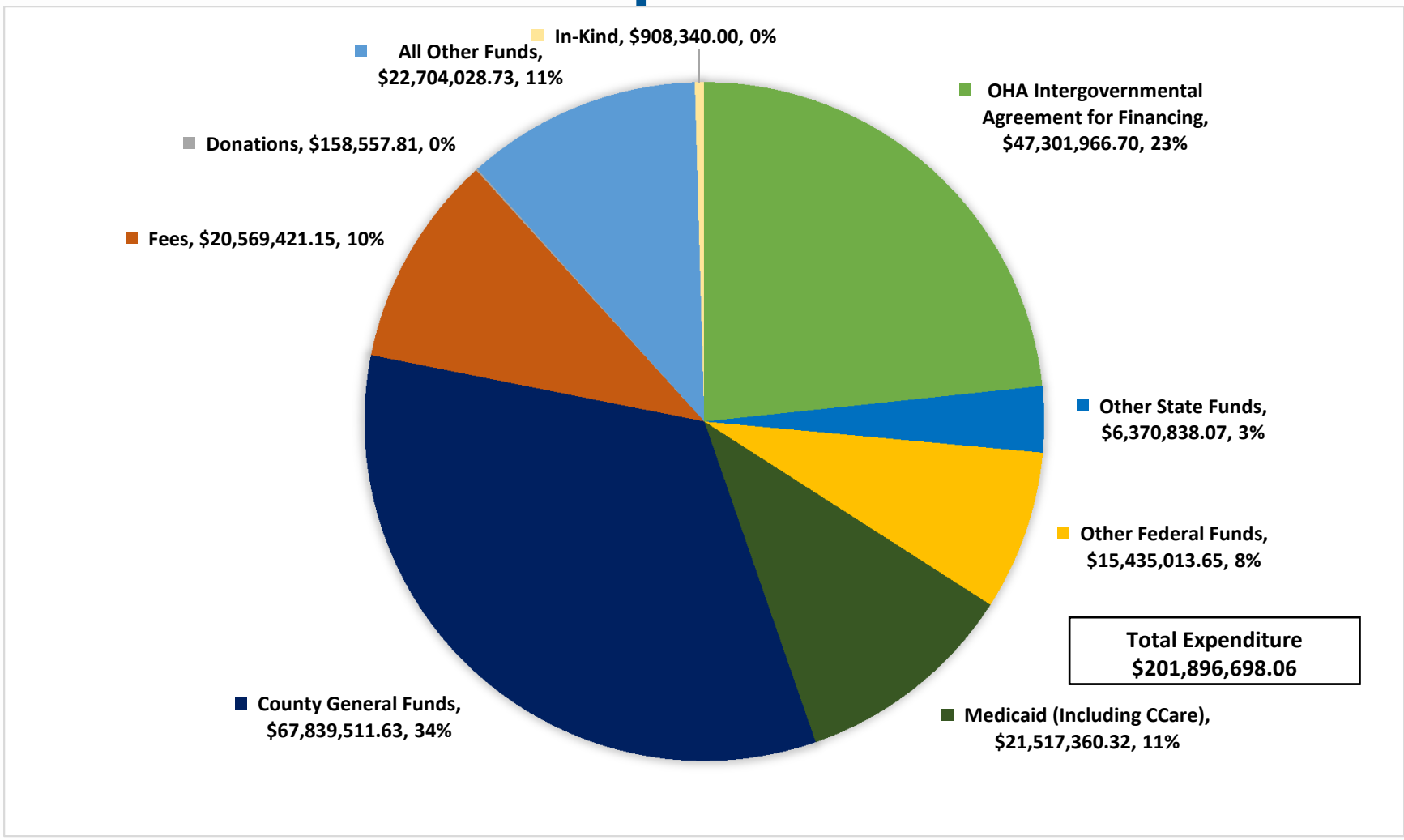
January 2018

Oregon Health Authority

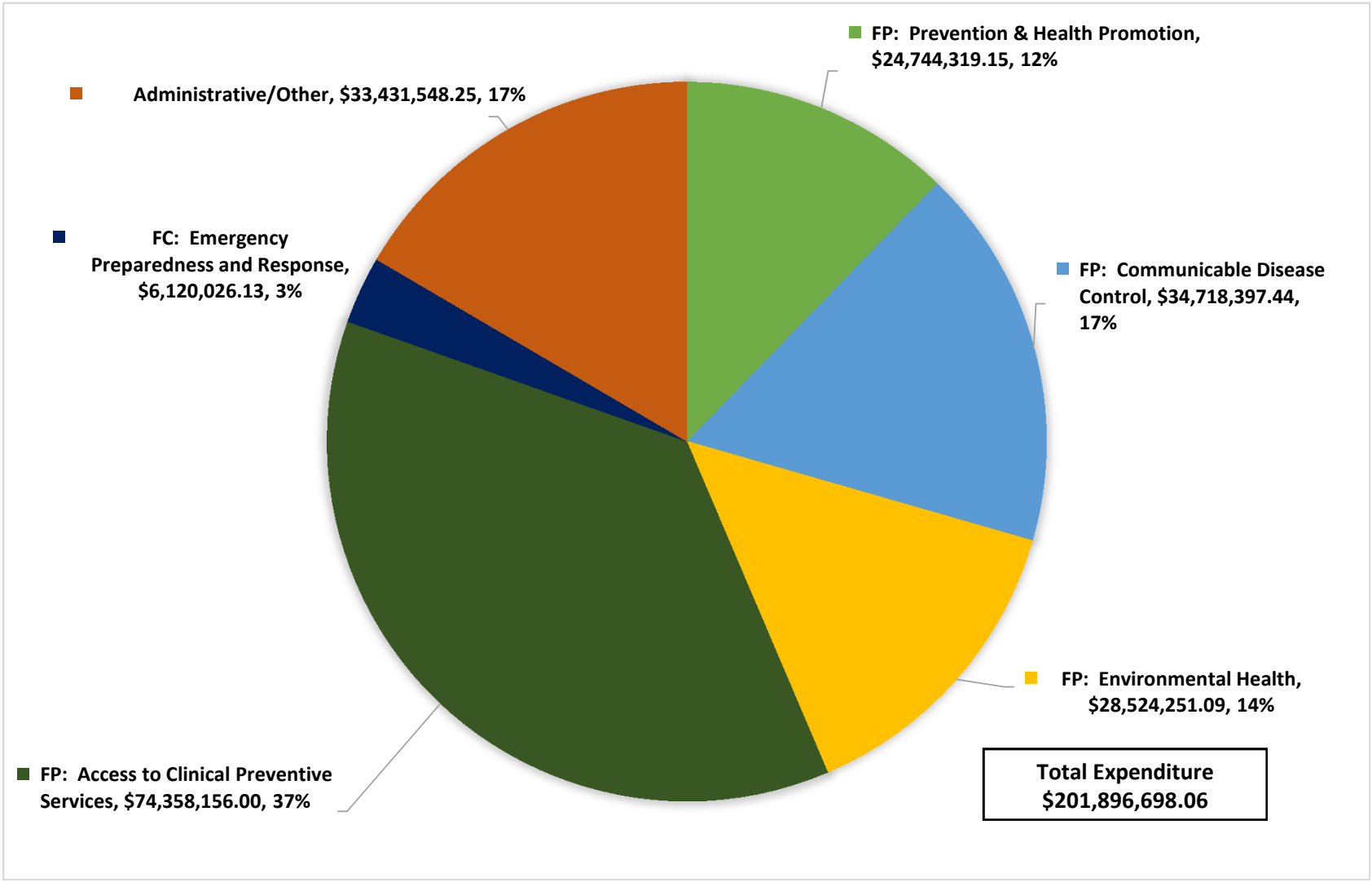
Things to Keep in Mind

- First time LPHA expenditure data collected
- All data is self-reported by LPHAs
- Data includes all LPHAs except Wallowa County

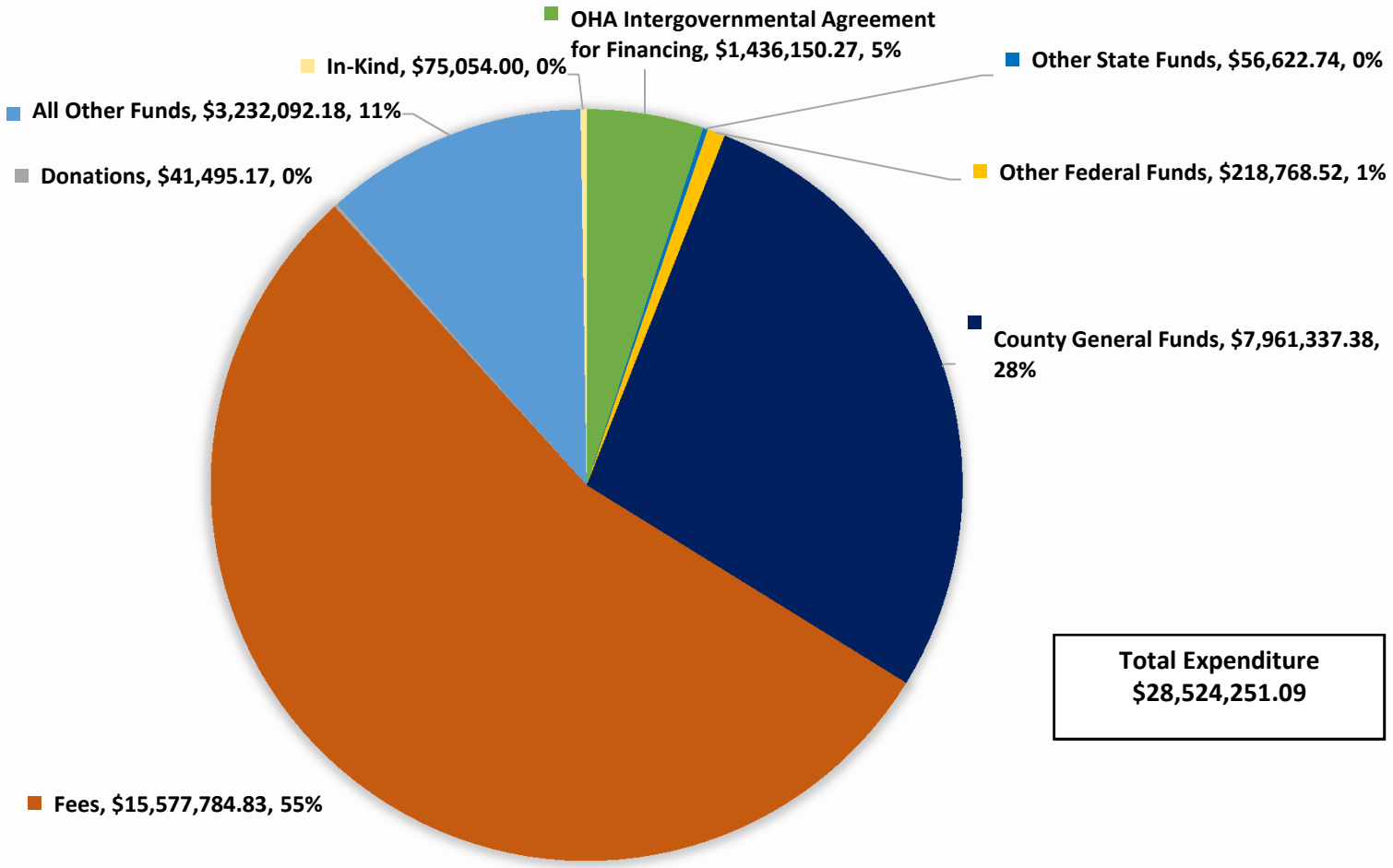
Total LPHA Expenditures FY2017



Total LPHA Expenditures FY2017

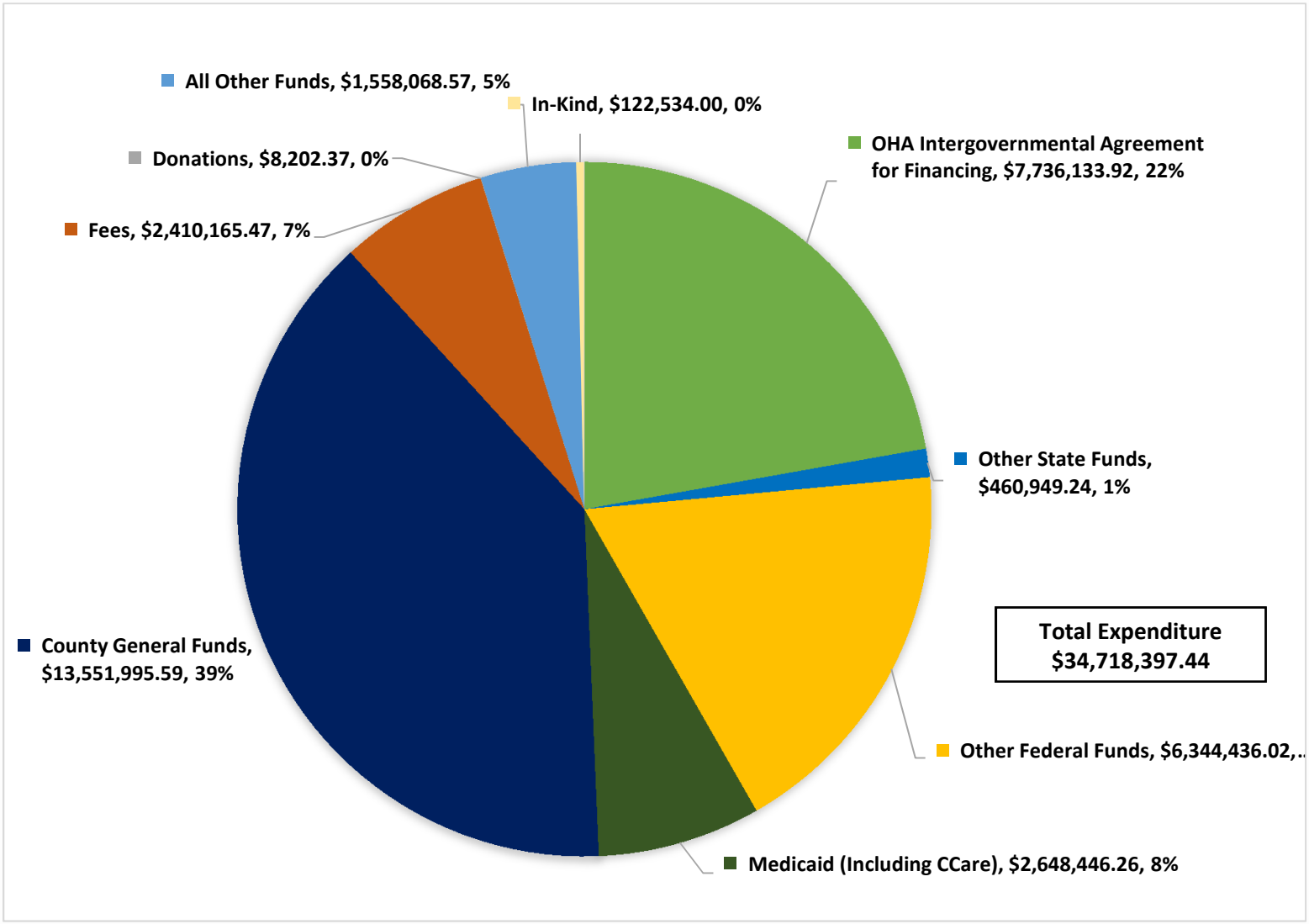


LPHA Environmental Health FY2017

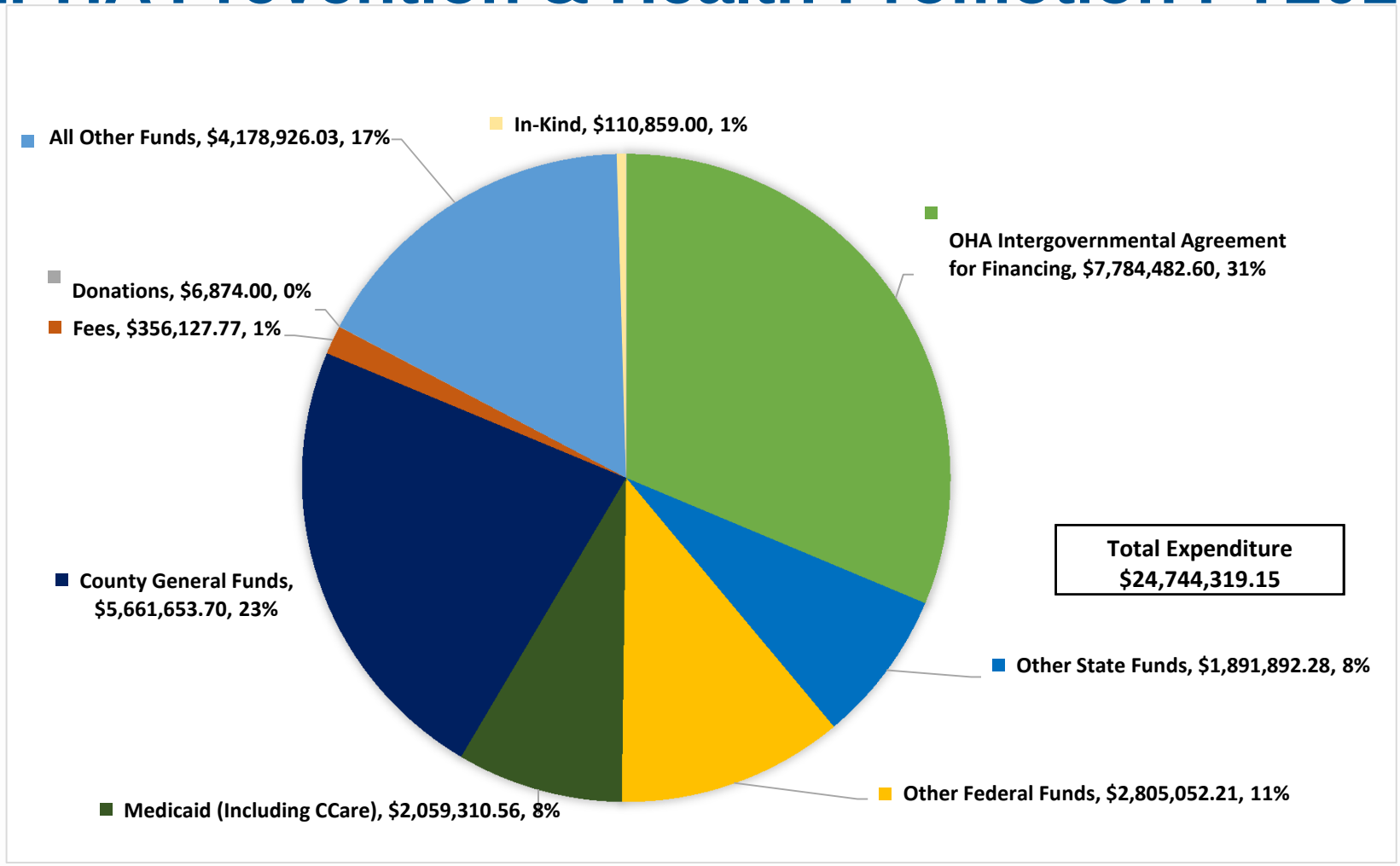


Total Expenditure
$28,524,251.09

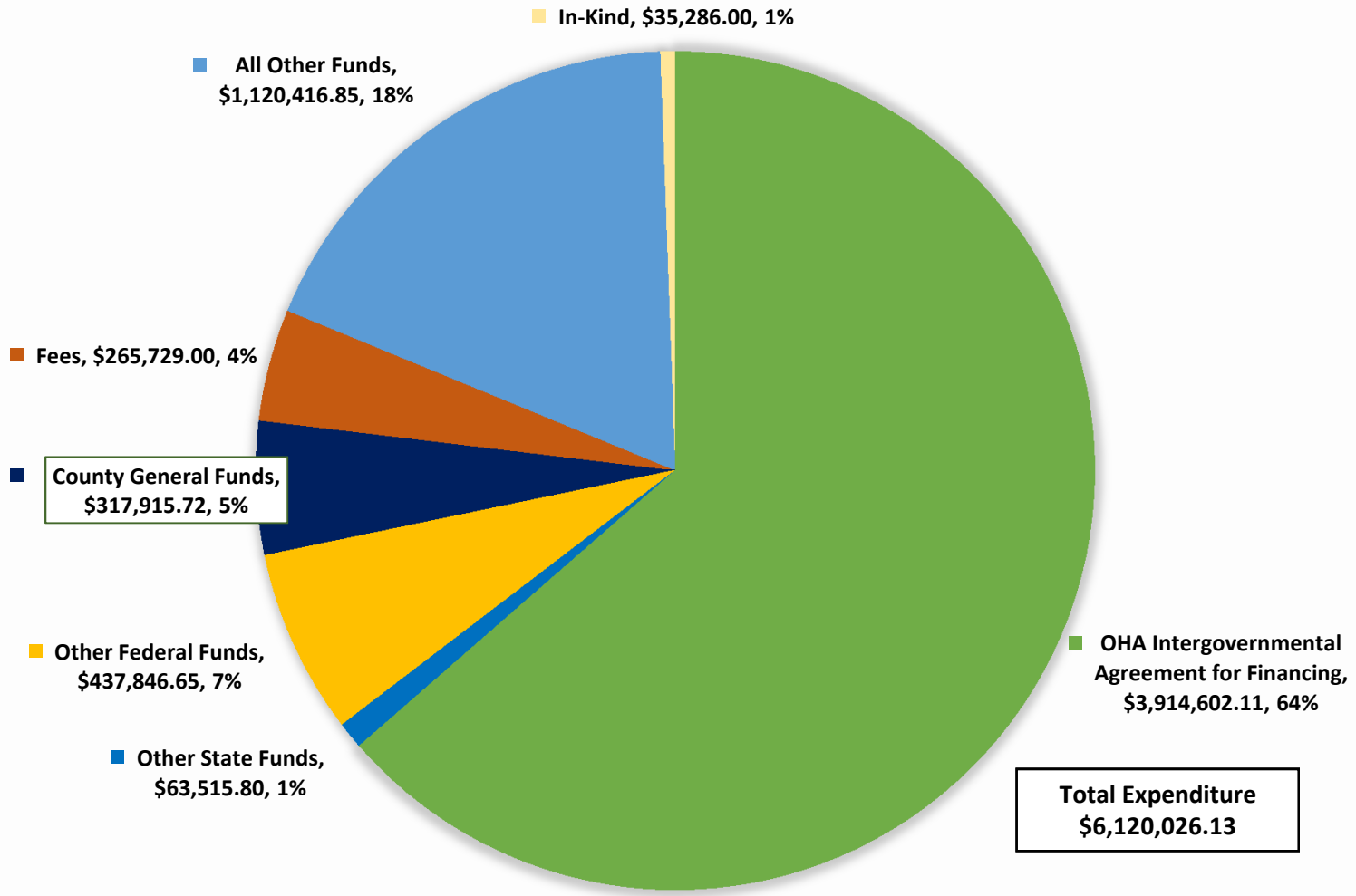
LPHA Communicable Disease FY2017



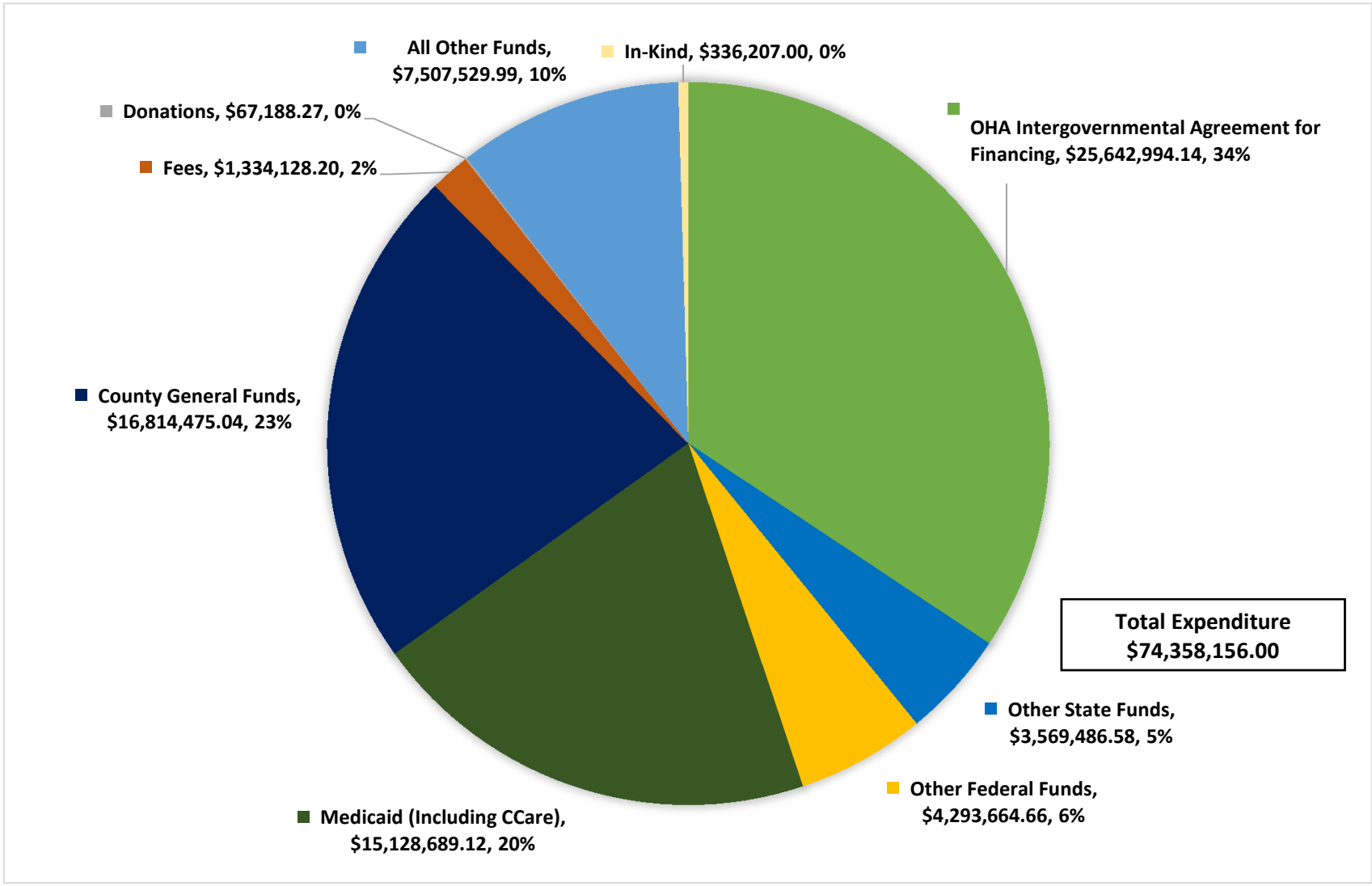
LPHA Prevention & Health Promotion FY2017



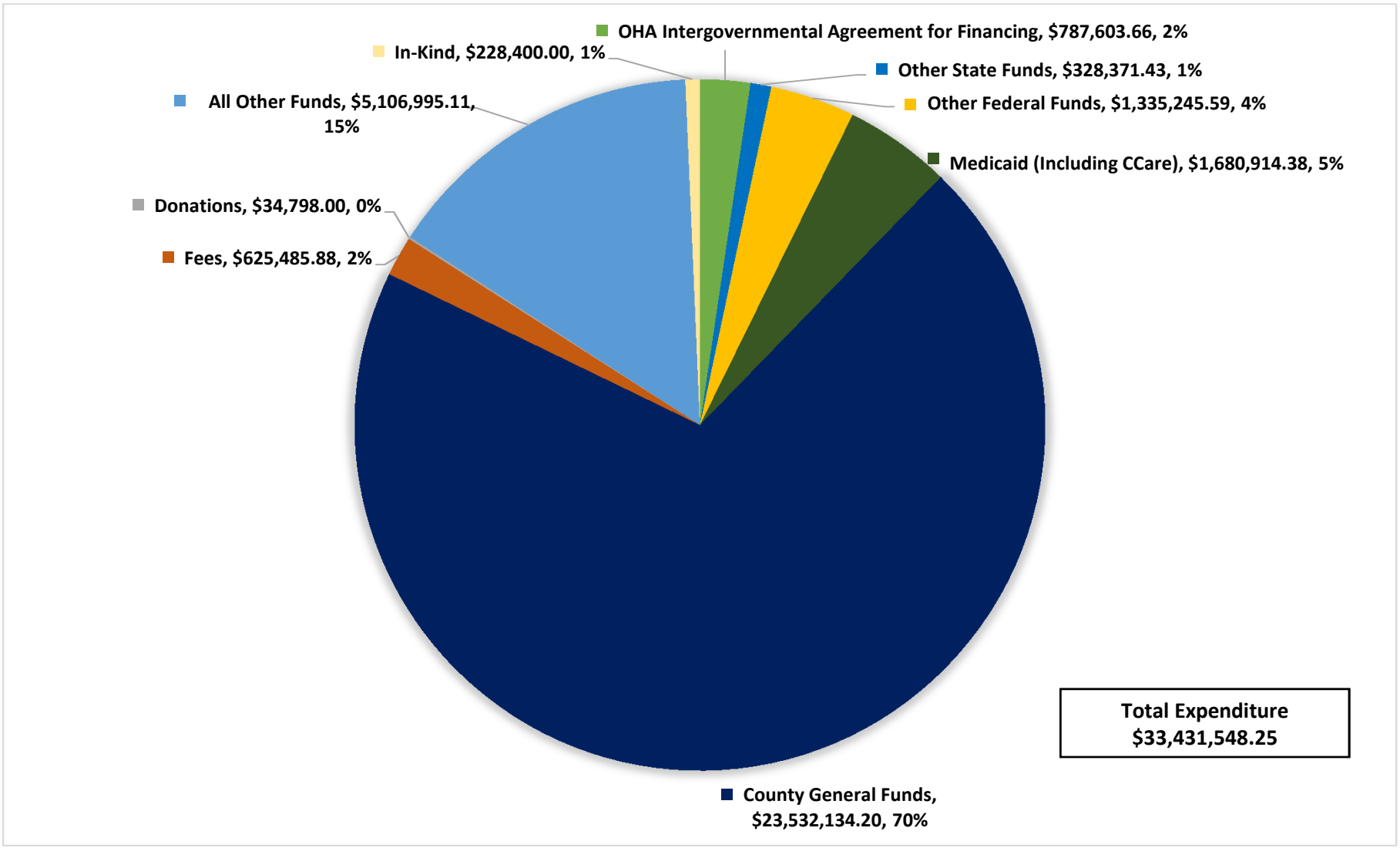
LPHA Emergency Preparedness & Response FY2017



LPHA Access to Clinical Preventive Services FY2017



LPHA Administrative FY2017



County	Population*	County General Fund (CGF)	In Kind (IK)	Total LPHA Expenditures	Per Capita CGF	PerCapita Total LPHA Expenditures
Oregon	**4,141,100**	**$ 67,839,512**	**$908,340**	**$ 201,896,698**	**$ 16.38**	**$ 48.75**
BAKER	16,750	$ 234,676	$ 12,000	$ 970,972	$ 14.01	$ 57.97
BENTON	92,575	$ 2,090,815	$ -	$ 6,879,081	$ 22.59	$ 74.31
CLACKAMAS	413,000	$ 1,965,745	$ -	$ 9,439,290	$ 4.76	$ 22.86
CLATSOP	38,820	$ 431,075	$ -	$ 1,612,266	$ 11.10	$ 41.53
COLUMBIA	51,345	$ 100,000	$ 44,489	$ 2,297,089	$ 1.95	$ 44.74
COOS	63,310	$ -	$ 52,178	$ 868,650	$ -	$ 13.72
CROOK	22,105	$ 517,139	$105,000	$ 1,994,125	$ 23.39	$ 90.21
CURRY	22,805	$ -	$144,795	$ 699,023	$ -	$ 30.65
DESCHUTES	182,930	$ 2,968,217	$ -	$ 9,312,609	$ 16.23	$ 50.91
DOUGLAS	111,180	$ 671,902	$ -	$ 9,322,364	$ 6.04	$ 83.85
GRANT	7,415	$ 73,636	$ -	$ 649,302	$ 9.93	$ 87.57
HARNEY	7,360	$ 96,952	$ -	$ 349,580	$ 13.17	$ 47.50
HOOD RIVER	25,145	$ 425,848	$396,903	$ 2,125,960	$ 16.94	$ 84.55
JACKSON	216,900	$ 670,465	$ -	$ 6,746,017	$ 3.09	$ 31.10
JEFFERSON	23,190	$ 462,444	$104,500	$ 1,468,431	$ 19.94	$ 63.32
JOSEPHINE	85,650	$ 364,715	$ -	$ 2,473,845	$ 4.26	$ 28.88
KLAMATH	67,690	$ 232,280	$ -	$ 2,214,147	$ 3.43	$ 32.71
LAKE	8,120	$ 151,267	$ -	$ 566,229	$ 18.63	$ 69.73
LANE	370,600	$ 1,716,536	$ -	$ 12,695,596	$ 4.63	$ 34.26
LINCOLN	47,960	$ 307,500	$ -	$ 4,324,367	$ 6.41	$ 90.17
LINN	124,010	$ 651,346	$ -	$ 5,319,620	$ 5.25	$ 42.90
MALHEUR	31,845	$ 468,960	$ 20,075	$ 1,402,813	$ 14.73	$ 44.05
MARION	339,200	$ 2,152,253	$ -	$ 9,697,957	$ 6.35	$ 28.59
MORROW	11,890	$ 613,474	$ 8,000	$ 1,312,682	$ 51.60	$ 110.40
MULTNOMAH	803,000	$ 43,542,723	$ -	$ 82,713,762	$ 54.23	$ 103.01
North Central (Gilliam, Sherman, Wasco)	30,895	$ 545,643	$ -	$ 2,039,667	$ 17.66	$ 66.02
POLK	81,000	$ 251,759	$ -	$ 1,514,098	$ 3.11	$ 18.69
TILLAMOOK	26,175	$ 146,840	$ -	$ 929,912	$ 5.61	$ 35.53
UMATILLA	80,500	$ 386,278	$ -	$ 1,981,086	$ 4.80	$ 24.61
UNION	26,900	$ 145,000	$ -	$ 2,081,900	$ 5.39	$ 77.39
WALLOWA	7,195	$ -	$ -	$ 143,120	$ -	$ 19.89
WASHINGTON	595,860	$ 4,800,731	$ -	$ 13,264,263	$ 8.06	$ 22.26
WHEELER	1,480	$ 2,500	$ 20,400	$ 235,361	$ 1.69	$ 159.03
YAMHILL	106,300	$ 650,791	$ -	$ 2,251,516	$ 6.12	$ 21.18

* Population figures from Portland State University

Public health modernization funding formula

- Review methodology
- Understand mechanisms built into funding formula to ensure stable funding approach at different funding levels
  - How the funding formula works for small counties compared to large counties
  - Per capita vs. total award
  - Proportional changes to floor payments based on total funding amount
  - Minimum threshold for floor payments
- Discuss how funding principles apply to the modernization funding formula
- Discuss indicators and data sources

PHAB Funding and Incentives Subcommittee

Subcommittee Members: Carrie Brogoitti, Bob Dannenhoffer, Jeff Luck, Alejandro Queral, Akiko Saito

February, 2018

Local public health funding formula model: This model includes a floor payment for each county. Awards for each indicator (burden of disease, health status, racial and ethnic diversity, poverty, income inequality, and limited English proficiency) are tied to each county's ranking on the indicator and the county population. This funding formula assumes an annual allocation to LPHAs of $10 million. This is an example only.

County Group	Population[6]	Floor	Burden of Disease[2]	Health Status[3]	Race/ Ethnicity[1]	Poverty[1]	Education[1]	Limited English Proficiency[1]	Matching Funds[4]	Incentives[5]	Total Award	Award Percentage	% of Total Population	Award Per Capita	Avg Award Per Capita
County 33	1,480	$ 30,000	$ 575	$ 1,068	$ 144	$ 374	$ 243	$ 10	$ -	$ -	**$ 32,415**	**0.3%**	**0.0%**	**$ 21.90**	
County 31	7,195	$ 30,000	$ 3,385	$ 2,080	$ 775	$ 1,315	$ 958	$ 380	$ -	$ -	**$ 38,893**	**0.4%**	**0.2%**	**$ 5.41**	
County 12	7,360	$ 30,000	$ 4,789	$ 4,602	$ 1,611	$ 1,511	$ 1,499	$ 825	$ -	$ -	**$ 44,838**	**0.4%**	**0.2%**	**$ 6.09**	
County 11	7,415	$ 30,000	$ 2,949	$ 3,207	$ 1,014	$ 1,383	$ 1,510	$ 391	$ -	$ -	**$ 40,455**	**0.4%**	**0.2%**	**$ 5.46**	
County 18	8,120	$ 30,000	$ 4,189	$ 2,539	$ 1,999	$ 1,789	$ 2,560	$ 1,339	$ -	$ -	**$ 44,415**	**0.4%**	**0.2%**	**$ 5.47**	
County 24	11,890	$ 30,000	$ 4,721	$ 6,959	$ 7,889	$ 2,263	$ 5,798	$ 12,547	$ -	$ -	**$ 70,178**	**0.7%**	**0.3%**	**$ 5.90**	
County 1	16,750	$ 30,000	$ 8,295	$ 5,237	$ 2,463	$ 3,167	$ 3,149	$ 1,105	$ -	$ -	**$ 53,415**	**0.5%**	**0.4%**	**$ 3.19**	**$ 5.39**
County 7	22,105	$ 45,000	$ 10,714	$ 12,367	$ 4,309	$ 4,899	$ 5,368	$ 1,021	$ -	$ -	**$ 83,677**	**0.8%**	**0.5%**	**$ 3.79**	
County 8	22,805	$ 45,000	$ 15,199	$ 12,705	$ 4,953	$ 4,340	$ 4,600	$ 1,805	$ -	$ -	**$ 88,602**	**0.9%**	**0.6%**	**$ 3.89**	
County 15	23,190	$ 45,000	$ 12,965	$ 10,302	$ 15,822	$ 5,895	$ 7,493	$ 7,036	$ -	$ -	**$ 104,514**	**1.0%**	**0.6%**	**$ 4.51**	
County 13	25,145	$ 45,000	$ 7,835	$ 11,703	$ 15,264	$ 4,187	$ 9,701	$ 24,047	$ -	$ -	**$ 117,738**	**1.2%**	**0.6%**	**$ 4.68**	
County 28	26,175	$ 45,000	$ 12,924	$ 11,936	$ 6,669	$ 5,047	$ 5,229	$ 4,143	$ -	$ -	**$ 90,948**	**0.9%**	**0.6%**	**$ 3.47**	
County 30	26,900	$ 45,000	$ 11,983	$ 9,105	$ 4,738	$ 6,265	$ 3,898	$ 2,484	$ -	$ -	**$ 83,474**	**0.8%**	**0.6%**	**$ 3.10**	
County 26	30,895	$ 105,000	$ 15,515	$ 11,402	$ 11,936	$ 5,598	$ 8,138	$ 11,312	$ -	$ -	**$ 168,900**	**1.7%**	**0.7%**	**$ 5.47**	
County 22	31,845	$ 45,000	$ 14,137	$ 21,483	$ 20,693	$ 9,889	$ 12,411	$ 19,323	$ -	$ -	**$ 142,935**	**1.4%**	**0.8%**	**$ 4.49**	
County 4	38,820	$ 45,000	$ 20,086	$ 14,144	$ 9,161	$ 6,805	$ 6,158	$ 7,425	$ -	$ -	**$ 108,779**	**1.1%**	**0.9%**	**$ 2.80**	
County 20	47,960	$ 45,000	$ 28,852	$ 23,223	$ 14,024	$ 11,170	$ 10,050	$ 9,806	$ -	$ -	**$ 142,125**	**1.4%**	**1.2%**	**$ 2.96**	
County 5	51,345	$ 45,000	$ 22,630	$ 23,294	$ 9,307	$ 8,615	$ 9,653	$ 4,741	$ -	$ -	**$ 123,239**	**1.2%**	**1.2%**	**$ 2.40**	
County 6	63,310	$ 45,000	$ 37,153	$ 32,740	$ 15,589	$ 14,348	$ 13,762	$ 6,263	$ -	$ -	**$ 164,856**	**1.6%**	**1.5%**	**$ 2.60**	
County 17	67,690	$ 45,000	$ 38,334	$ 34,209	$ 23,960	$ 15,765	$ 16,438	$ 13,393	$ -	$ -	**$ 187,099**	**1.9%**	**1.6%**	**$ 2.76**	**$ 3.36**
County 29	80,500	$ 60,000	$ 33,327	$ 41,629	$ 44,875	$ 18,143	$ 27,431	$ 55,217	$ -	$ -	**$ 280,624**	**2.8%**	**1.9%**	**$ 3.49**	
County 27	81,000	$ 60,000	$ 29,195	$ 27,608	$ 28,671	$ 15,721	$ 14,277	$ 23,506	$ -	$ -	**$ 198,978**	**2.0%**	**2.0%**	**$ 2.46**	
County 16	85,650	$ 60,000	$ 50,843	$ 38,454	$ 18,015	$ 20,913	$ 18,786	$ 6,779	$ -	$ -	**$ 213,789**	**2.1%**	**2.1%**	**$ 2.50**	
County 2	92,575	$ 60,000	$ 24,709	$ 30,900	$ 28,811	$ 24,922	$ 9,065	$ 23,812	$ -	$ -	**$ 202,220**	**2.0%**	**2.2%**	**$ 2.18**	
County 34	106,300	$ 60,000	$ 38,390	$ 47,725	$ 39,990	$ 20,897	$ 24,981	$ 37,859	$ -	$ -	**$ 269,843**	**2.7%**	**2.6%**	**$ 2.54**	
County 10	111,180	$ 60,000	$ 66,423	$ 61,154	$ 21,293	$ 25,894	$ 23,733	$ 8,799	$ -	$ -	**$ 267,296**	**2.7%**	**2.7%**	**$ 2.40**	
County 21	124,010	$ 60,000	$ 54,918	$ 55,093	$ 29,476	$ 26,863	$ 25,014	$ 17,176	$ -	$ -	**$ 268,541**	**2.7%**	**3.0%**	**$ 2.17**	**$ 2.36**
County 9	182,930	$ 75,000	$ 61,838	$ 49,020	$ 37,850	$ 31,838	$ 25,077	$ 24,130	$ -	$ -	**$ 304,753**	**3.0%**	**4.4%**	**$ 1.67**	
County 14	216,900	$ 75,000	$ 99,315	$ 93,812	$ 66,020	$ 48,886	$ 47,150	$ 50,070	$ -	$ -	**$ 480,252**	**4.8%**	**5.2%**	**$ 2.21**	
County 23	339,200	$ 75,000	$ 130,225	$ 156,276	$ 191,990	$ 73,053	$ 98,978	$ 237,142	$ -	$ -	**$ 962,663**	**9.6%**	**8.2%**	**$ 2.84**	
County 19	370,600	$ 75,000	$ 153,971	$ 140,253	$ 107,099	$ 91,416	$ 64,594	$ 68,440	$ -	$ -	**$ 700,773**	**7.0%**	**8.9%**	**$ 1.89**	**$ 2.21**
County 3	413,000	$ 90,000	$ 142,025	$ 142,708	$ 118,646	$ 47,576	$ 54,190	$ 119,853	$ -	$ -	**$ 714,998**	**7.1%**	**10.0%**	**$ 1.73**	
County 32	595,860	$ 90,000	$ 158,997	$ 186,284	$ 329,110	$ 82,817	$ 107,357	$ 373,349	$ -	$ -	**$ 1,327,913**	**13.3%**	**14.4%**	**$ 2.23**	
County 25	803,000	$ 90,000	$ 309,593	$ 305,781	$ 396,833	$ 171,935	$ 146,250	$ 455,471	$ -	$ -	**$ 1,875,862**	**18.8%**	**19.4%**	**$ 2.34**	**$ 2.16**
Total	**4,141,100**	**$ 1,845,000**	**$ 1,631,000**	**$ 1,631,000**	**$ 1,631,000**	**$ 815,500**	**$ 815,500**	**$ 1,631,000**	**$ -**	**$ -**	**$ 10,000,000**	**100.0%**	**100.0%**	**$ 2.41**	**$ 2.41**

[1] Source: American Community Survey population 5-year estimate, 2012-2016.

[2] Source: Premature death: Leading causes of years of potential life lost before age 75. Oregon death certificate data, 2012-2016.

[3] Source: Quality of life: Good or excellent health, 2012-2015.

[4] Matching funds will not be awarded until 2019 or thereafter.

[5] Funds will not be awarded for achievement of accountability metrics until 2019 or thereafter.

[6] Source: Portland State University Certified Population estimate July 1, 2017

County Size Bands

Extra Small | Small | Medium | Large | Extra Large

Local public health authority funding formula

Legislative requirements

ORS 431.380 requires OHA 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 equitably distribute monies made available to fund implementation of foundational capabilities and programs.

Baseline funds

Awarded based on county population health status and burden of disease

State matching funds

For local investment in foundational capabilities and programs

Performance-based incentives

To encourage the effective and equitable provision of services

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 poorer 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 programs and capabilities by LPHAs.

OHA submitted an initial framework for the funding formula to the 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.

PHAB has formed an incentives and funding subcommittee to develop the local public health funding formula. This subcommittee has met monthly since May 2016.

Guiding principles

The incentives and funding subcommittee has applied these 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 programs.

Funding formula recommendations

The incentives and funding subcommittee makes the following recommendations:

1. All monies initially made available for implementing foundational capabilities and programs 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 LPHAs for the other two components of the funding formula (state matching funds and performance-based incentives) will be incorporated into the funding formula in future biennia.
2. This funding formula dictates how funds will be distributed to LPHAs and does not inform how funds are split between state and local public health authorities. OHA Public Health Division and PHAB intend for the majority of funds to be distributed to LPHAs to address gaps and priorities locally. Dollars that remain with OHA Public Health Division will be specifically used to address statewide requirements to support local improvements, and to monitor implementation and accountability.
3. The funding formula must provide for the equitable distribution of monies. 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

[‡] Counties were divided into five size bands based on county population in the public health modernization assessment report. County size bands are as follows: extra small = fewer than 20,000 residents; small = 20,000–75,000 residents; medium = 75,000–150,000 residents; large = 150,000–375,000 residents; extra large = greater than 375,000 residents.

consistent with the financial resource gaps identified in the public health modernization assessment.

4. The subcommittee recommends implementing 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.
5. The subcommittee recommends incorporating a floor, or base, payment per county into the funding formula. This floor payment ensures each LPHA has the resources needed to implement the modernization framework, gain efficiencies and improve health outcomes. The subcommittee recommends using a tiered floor amount, based on county population.
6. The subcommittee recommends allocating all remaining funds across the six indicators included in the baseline funds component.

These initial recommendation will continue to be developed by the PHAB Incentives and Funding subcommittee in 2017.

See Appendix C for a funding formula example and methodology.

Key activities to complete the funding formula:

- Finalize indicators and data sources for 2017–19 funding formula
- Develop method to collect standardized information on county expenditures; establish method to validate expenditures data
- Develop funding formula components for state matching funds and performance-based incentives
- Submit revised funding formula to Legislative Fiscal Office

Appendix C: Local public health funding formula model

Funding formula methodology

Purpose:

Method with which to distribute funds to local public health authorities.

Formulas:

Total funding = baseline + matching funds + incentives

Baseline = county floor payments + burden of disease pool + health status pool + race/ethnicity pool + poverty pool + education pool + limited English proficiency pool

County indicator pool payment = (LPHA weight/sum of all LPHA weights) * Total indicator pool

Indicator	Allocation
Burden of disease	20%
Health status	20%
Race/ethnicity	20%
Poverty	10%
Education	10%
Limited English proficiency	20%
Total indicator pool	**100%** of available funds to be distributed across funding formula indicators

LPHA weight = LPHA population * LPHA indicator metric percentage

Explanations:

The county floor payments are broken into five tiers based on LPHA sizing established in the Public Health Modernization Assessment Report.

All remaining baseline funding, after county floor payments have been established, is to be distributed among the baseline indicator pools (burden of disease, health status, race/ethnicity, poverty, education, and limited English proficiency). Every baseline indicator pool is tied to a metric that every LPHA reports on.

All indicator pools are calculated using a weighted average taken by multiplying the individual LPHA population and the individual LPHA indicator metric percentage. To solve for the payment for each LPHA, multiply the total indicator pool by the individual LPHA weight divided by the sum of all LPHA weights.

PHAB Incentives and Funding subcommittee
February 12, 2018
Public health modernization funding formula: review of indicators

Objectives:

1. Review indicators that were added by PHAB in 2016; decide whether changes are needed for these indicators.
2. Discuss measures and data sources for health status and poverty.

Indicator	Measure	Required indicator?	Data Source
County population		Yes	Portland State University Certified Population estimate
Burden of disease	Premature death: Leading causes of years of potential life lost before age 75.	Yes	Oregon death certificate data
Health status	Quality of life: Good or excellent health.	Yes	Behavioral Risk Factor Surveillance System In 2016 the PHAB Incentives and Funding subcommittee agreed to continue to explore alternative measures of health status.
Racial and ethnic diversity	Percent of population not categorized as "White alone".	No	U.S. Census Bureau, American Community Survey population five-year estimate
Poverty	Percent of population living below 100% of the federal poverty level in the past 12 months.	No	U.S. Census Bureau, American Community Survey population five-year estimate In 2016 the PHAB Incentives and Funding subcommittee agreed to continue to explore alternative measures of poverty.
Education	Percent of population age 25 years and over with less than a high school graduate education level.	No	U.S. Census Bureau, American Community Survey population five-year estimate
Limited English proficiency	Percent of population age 5 years and over that speaks English less than "very well".	No	U.S. Census Bureau, American Community Survey population five-year estimate