

## Public Health Advisory Board

### Incentives and Funding Subcommittee meeting minutes

October 18<sup>th</sup>, 2016

2:00-4:00 pm

#### Welcome and roll call

Meeting Chair: Alejandro Queral

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

OHA staff: Sara Beaudrault, Chris Curtis, Angela Rowland

Members of the public: Kelly McDonald, Morgan Cowling, Dr. Joseph Eusterman

The September 13<sup>th</sup> PHAB Incentives and Funding meeting minutes were approved. Tricia made a recommendation to edit a statement made on page 2 of the minutes. The group agreed to approve the edited minutes.

#### Funding formula purpose and goals

OHA staff provided an overview of three funding formula components from Section 28 from HB 3100: baseline, matching funds and incentive payments.

The subcommittee discussed whether state matching funds could be used for grants or other local funding mechanisms outside of county investments. Section 28(1)(B) references local investments. The intent of state matching funds is to incentivize sustainable investments over limited duration grants or one-time funding.

Tricia recommends a joint meeting for the two PHAB subcommittees to ensure alignment across each subcommittee's work. OHA will work on setting up a joint meeting.

This subcommittee has previously recommended that an initial investment in 2017-19 go toward the baseline component of the funding formula, and roll in local public health payments for matching funds and incentive payments in future biennia. The subcommittee needs to determine a formula for awarding baseline payments and think about a method or model for increasing county investments. Alejandro pointed out Section 28(3). Silas questioned whether this is the right body to make decisions around matching funds and encouraged broadening this discussion to include commissioners and AOC. Since these components of the funding formula will not be included in the 2017-19 funding formula, it gives this subcommittee time to think about process for broadening this discussion.

Subcommittee members asked what needs to be submitted to the legislature in January. OHA staff stated that the funding formula will be included in the statewide modernization plan. The plan will state why matching fund and incentive payments will be deferred until a later date, as articulated by subcommittee members.

Subcommittee members asked the purpose of including matching funds in the funding formula. Sara stated the goal is to encourage additional funding for public health from different sources, and not just from state general funds. Subcommittee members discussed that matching funds do not have to be 1:1; there are other ways to incentivize local investments. This group also needs to focus on how to use matching funds and incentives to encourage the equitable provision of public health.

Alejandro asked if the subcommittee should define equity as it's used in the funding formula. The baseline component must take into account the equitable provision of public health services by local public health authorities. Tricia questioned whether equity is being conflated with equality. Equity recognizes the cost of doing business as a county health department as well as other factors such as burden of disease, complexity of the systems that public health is expected to work across and other factors that have been discussed. An equitable approach may not be an equal approach. She feels that the subcommittee is working toward an equitable approach.

Silas requested that OHA staff draft a statement regarding an equal or equitable funding formula. Jeff has been thinking about equity across counties and for individuals within a county. The base payment per county gets at equity across counties. The additional indicators for burden of disease, health status and others gets at equity across individuals within each county. He feels that the subcommittee is concretely aiming to be equitable. A good next step would be for OHA staff to try to write this up.

## Funding formula methodology

OHA staff Chris Curtis walked through the methodology for the funding formula models.

Each funding formula starts with a floor or base payment. The total amount for base payments is pulled out of the total amount available. The next step is to establish percent allocations for each indicator. Percentages are used to ensure that 100% of available funds are spent. The same allocations are used in all three models provided to the subcommittee. The thing that is different among these models is whether the indicators are tied to county population, whereby a large county would receive more funding than a small county with the same ranking on an indicator.

Subcommittee members asked for clarification on the data source for indicators and additional information on how years of potential life lost is being ranked. Subcommittee members requested to see county-level indicators for YPLL.

## Funding formula models, discussion and initial recommendation

Subcommittee members questioned whether the models that don't link the indicators to county population are inequitable because small or extra small counties receive proportionally larger payments per capita. Model 3, which does not link indicators to county population is the "equal" model whereas Model 1, which does link indicators to county population is the "equitable" approach. Some subcommittees stated that they cannot support Model 3 as it appears to disadvantage larger counties.

Tricia proposed that the subcommittee look at tiered base payments. This may narrow the difference in average per capita award while also providing enough of a base to implement modernization and incentivize more regional coordination.

Alejandro requested that OHA staff update the three models as discussed by the subcommittee to look at different weighting across the indicators and a tiered base payment. This can be shared at the Oct 20, 2016 PHAB meeting. This is an opportunity to gather reactions to inform upcoming subcommittee decisions. PHAB can do a deeper dive on the details at the November meeting.

Subcommittee members also requested a geographic look at award per capita. Can these models be mapped? The funding formula should also be tied to findings from the BERK report (i.e., magnitude of gaps in communicable disease and environmental health).

## Subcommittee business

Jeff will present at the November PHAB meeting.

Tricia asked that the subcommittee look at data sources for indicators at the next meeting. Specifically, is ACS the best data source for county population or should the committee look at other data sources?

Tricia requested that meeting minutes be captured at a higher level and that formative thoughts or areas of discussion are not presented as facts.

Sara will ask whether Silas can Chair the November 8<sup>th</sup> meeting.

## Public Comment

Morgan Cowling, Executive Director of CLHO

CLHO members have met with many legislators and are being asked, what are we buying and what will this look like on the ground and with the accountability structure. Morgan questions whether these questions can be answered with just one funding formula and wonders how it can be connected to the assessment results or to improving health outcomes. The CLHO legislative committee is putting together a group to consider these questions in order to inform and support LPHA administrators that serve on this subcommittee.

Alejandro agrees that the connection to the public health modernization assessment report is critical. And emphasizes the need for a joint meeting between PHAB subcommittees.