

Public Health Modernization:
Report to Legislative Fiscal Office
healthoregon.org/modernization

In 2015, the legislature passed House Bill 3100, which creates changes to increase the efficiency and effectiveness of Oregon's public health system and ensure a basic level of public health services is available for every person in Oregon. This report provides an update on the progress of the Oregon Health Authority (OHA) toward fulfilling the requirements of House Bill 3100 and outlines OHA's strategy for modernizing the governmental public health system in the coming years.

VISION FOR A HEALTHY OREGON

Add vision statement after completion in June.

BACKGROUND

Oregon is a leader in its innovative approach to health system transformation, which aims to provide better health and better care at a lower cost. The vision for how public health should support Oregon's health system in shifting its focus to prevention of disease was outlined in the 2010 *Oregon's Action Plan for Health*:

We need a health system that integrates public health, health care and community-level health improvement efforts to achieve a high standard of overall health for all Oregonians, regardless of income, race, ethnicity or geographic location. To achieve this, we must stimulate innovation and integration among public health, health systems and communities to increase coordination and reduce duplication.¹

In order for Oregon's governmental public health system to meet this charge, it must be modernized to focus on new health challenges, which include emerging infectious diseases, climate change, threats from man-made and natural disasters, and growing rates of chronic diseases.

The governmental public health system was built to provide a social safety net for uninsured individuals. However, as Oregon's health system transformation has achieved success, the role of governmental public health in providing safety net services has changed over time. At the same time, there has also been a growth in the volume of new and emerging health threats has exposed the need for a governmental public health system that can systematically collect and report on population health risks and health disparities; implement needed policy changes that

¹ Oregon Health Authority. (2010). Oregon's Action Plan for Health. Available at <https://www.oregon.gov/oha/action-plan/rpt-2010.pdf>.

can improve health and protect the population from harms; and leverage partnerships across the health system to ensure maximum efficiency and effectiveness of services delivered.

Although there is broad recognition that Oregon's governmental public health system must modernize in order to fulfill its role as a critical part of the health system, Oregon's governmental public health system has been hindered by its resources being derived primarily from county general funds and federal categorical grants, which are limited in flexibility and not always responsive to local needs. At the same time, federal spending on public health has remained below pre-recession levels.² Oregon currently ranks 31st in state investment in public health at \$26.60 per capita, compared to Washington (23rd, \$38.20 per capita), California (10th, \$56.20 per capita), and Idaho (7th, \$94.70 per capita).³ As a result, Oregon's governmental public health system is often challenged to focus strategically on the types of public health programs and services that can help everyone in Oregon to achieve optimal health.

In 2013, the Oregon legislature recognized the need for significant changes to the governmental public health system as a foundational component of health system transformation. The Task Force on the Future of Public Health Services, created by House Bill 2348 (2013), developed a set of recommendations to modernize Oregon's governmental public health system the needs of the population in years to come. Specifically, the Task Force recommended that:

- A set of foundational capabilities and programs be adopted to ensure a core set of public health services is available in every area of the state;
- Significant and sustained state funding be allocated to support implementation of the foundational capabilities and programs;
- Implementation of the foundational capabilities and programs should occur in waves over a set timeline;
- Local public health authorities should have the flexibility to determine the best method to implement the foundational capabilities and programs in order to meet each community's unique needs;
- A set of accountability metrics should be developed to ensure improvements and progress toward established goals.

The 2015 legislature passed House Bill 3100 (2015), which operationalized the Task Force recommendations and established a set of planning activities to be completed during the 2015-17 biennium.

² Trust for America's Health. (2016). Investing in America's Health: A State-by-State Look at Public Health Funding and Key Facts. Available at <http://healthyamericans.org/assets/files/TFAH-2016-InvestInAmericaRpt-FINAL.pdf>.

³ Ibid.

TIMELINE

- June 2013: House Bill 2348 passed Oregon legislature
- January-September 2014: Task Force on the Future of Public Health Services meets monthly
- September 2014: *Modernizing Oregon's Public Health System* report submitted to Oregon legislature
- July 2015: Oregon legislature passed House Bill 3100
- December 2015: Public Health Modernization Manual published; Public Health Advisory Board appointed
- January 2016: Public Health Advisory Board begins meeting monthly
- April 2016: State and local public health authorities complete individual public health modernization assessment
- June 2016: Public Health Modernization Assessment Report, funding formula framework and framework for accountability metrics submitted to Legislative Fiscal Office
- September 2016: Report on estimated health outcomes and cost savings attributable to public health modernization released
- December 2016: Initial statewide public health modernization plan adopted

KEY MILESTONES AND DELIVERABLES

Define foundational capability and programs – completed, December 2015

From June-December 2015, state and local public health authorities collaboratively developed measurable definitions for each foundational capability and program for governmental public health. These definitions are included in the Public Health Modernization Manual, published in December 2015.

Establish the Public Health Advisory Board – completed, January 2016

The Public Health Advisory Board has oversight for Oregon's governmental public health system and reports to the Oregon Health Policy Board. Board members were appointed in December 2015 and onboarded by OHA in January 2016. The board continues to meet monthly in 2016 in order to provide oversight and guidance for public health modernization activities and to fulfill specific deliverables as outlined in House Bill 3100. The Board has established two subcommittees: the Incentives and Funding Subcommittee, which is charged with informing the development of an equitable funding formula for local public health authorities; and the Accountability Metrics Subcommittee, which is leading the development of a suite of measures to track the progress of state and local public health authorities in meeting population health goals over time. These measures are designed to align with CCO, hospital and early learning measures and encourage these systems to work collaboratively toward similar objectives.

Conduct statewide public health modernization assessment – completed, April 2016

Each state and local public health authority completed a public health modernization assessment between January-April 2016. The modernization assessment included three components: an assessment of each authority's current ability to meet the foundational capabilities and programs as defined in the Public Health Modernization Manual, the public health authority's current spending on foundational capabilities and programs, and the estimated need to fully meet each foundational capability and program. The findings from this assessment will be used to identify the timing and sequence of events to fully modernize Oregon's governmental public health system, as well as what resources are required. For detail on the findings of the public health modernization assessment, see the Public Health Modernization Assessment Summary Report.

Develop public health modernization funding formula – draft complete June 2016

The Public Health Advisory Board has made recommendations on the components of a funding formula for local public health authorities for monies available to the Oregon Health Authority for the purpose of funding foundational capabilities and programs, as outlined in House Bill 3100, Section 28. The funding formula will continue to undergo external vetting, particularly with local governments, and will be updated as necessary based on availability of funds.

Establish metrics to ensure accountability and improved health outcomes: measurement framework completed; measure selection to be completed in early 2017

The Public Health Advisory Board has developed a framework for accountability metrics for state and local public health authorities and measure selection criteria, which aligns with the criteria used for CCO incentive measures. Over the coming months, the Public Health Advisory Board will utilize its framework and selection criteria to establish metrics to ensure accountability and improved health outcomes for everyone in Oregon. The Public Health Advisory Board will align metrics for the public health system with other OHA measurement strategies to the extent possible.

Expanded statewide public health modernization plan – anticipated date for completion: December 2016

The statewide public health modernization plan will include key components for implementation of public health modernization:

- Process and criteria to approve local public health modernization plans;
- Established waves for local public health authorities to implement local modernization plans.

Successes to date:

- The public health modernization assessment process created opportunities for local public health authorities to engage in discussions about cross-jurisdictional sharing and other methods to gain efficiencies.
- Oregon was one of three states to be invited to apply for and subsequently receive a Robert Wood Johnson Foundation grant administered through the Public Health National Center for Innovations at the Public Health Accreditation Board. Oregon received a two-year grant totaling \$250,000 in March 2016 to advance work to implement public health modernization. The Coalition of Local Health Officials is the fiscal agent for the grant, with OHA serving in a co-Principal Investigator role. The Robert Wood Foundation Grant will:
 - Convene 10 regional meetings across Oregon to engage stakeholders in discussions about how to structure local public health systems so that public health modernization is implemented efficiently and effectively.
 - Provide technical assistance to state and local public health authorities with the goal of working toward fulfillment of the local public health modernization plan submission requirements included in House Bill 3100.
- Oregon has continued to receive national recognition for its efforts to modernize the public health system; Oregon was invited to participate in the Public Health National Center for Innovations National Advisory Group to build a national knowledge base for foundational public health work. Charlie Fautin, Public Health Administrator for Benton County and Future of Public Health Task Force member, represents Oregon on the National Advisory Group. As a part of the Robert Wood Johnson Foundation grant, Oregon will provide technical assistance to ten new jurisdictions that will be brought on over the next year to explore implementation of the foundational capabilities and programs for governmental public health.

PROCESS FOR IMPLEMENTING PUBLIC HEALTH MODERNIZATION

Based on the findings of the public health modernization assessment, OHA and the Public Health Advisory Board recommend that the following actions take place over the next several biennia in order to efficiently and effectively implement public health modernization. These actions have been broken out into the following phases:

Year	Actions
2017	<ul style="list-style-type: none">• Finalize accountability measures for state and local public health authorities.• Finalize process for distributing funds to local public health authorities.• Enhance statewide public health modernization plan.• Identify effective and efficient public health governance structures.• Based on the public health modernization assessment findings, state and local public health authorities develop initial public health modernization plans.

	<ul style="list-style-type: none"> • Distribute available funding to local public health authorities. • Report on baseline accountability metrics.
2018	<ul style="list-style-type: none"> • Identify effective and efficient public health governance structures. • Implement phase one of public health modernization. • Collect and report on year one accountability metrics.
2019	<ul style="list-style-type: none"> • Identify effective and efficient public health governance structures. • Implement phase one of public health modernization. • Collect and report on year two accountability metrics.
2020	<ul style="list-style-type: none"> • Conduct public health modernization assessment. • Implement phase two of public health modernization. • Collect and report on year three accountability metrics.
2021	<ul style="list-style-type: none"> • Implement phase two of public health modernization. • Collect and report on year four accountability metrics.
2022	<ul style="list-style-type: none"> • Implement phase three of public health modernization. • Collect and report on year five accountability metrics.
2023	<ul style="list-style-type: none"> • Implement phase three of public health modernization. • Collect and report on year six accountability metrics.
2024	<ul style="list-style-type: none"> • Conduct public health modernization assessment. • Implement phase four of public health modernization. • Collect and report on year seven accountability metrics.

DRAFT FUNDING FORMULA

House Bill 3100 requires OHA to submit a funding formula to the Public Health Advisory Board and the Legislative Fiscal Office which provides for the equitable distribution of funds to local public health authorities. The OHA shall:

- Establish a baseline amount to be invested in public health activities and services by the state;
- Establish a method for awarding matching funds to a local public health authority that invests in public health activities and services above the baseline amount established by OHA for that local public health authority;
- Consider the population of each local public health authority, burden of diseases, total overall health status and the ability of each local public health authority to invest in public health activities and services in its baseline amount; and
- Adopt by rule incentives to encourage the effective and equitable provision of public health services by local public health authorities.

Formula for the equitable distribution of funds to local public health authorities

The Public Health Advisory Board has drafted the following funding formula for the distribution of state funds to local public health authorities for the purposes of implementing the

foundational capabilities and programs.

Three components to the public health modernization funding formula

Baseline amount	Matching funds	Incentives
<ul style="list-style-type: none">- population- disease burden- overall health status	<ul style="list-style-type: none">- for local investment in public health activities and services	<ul style="list-style-type: none">- to encourage the effective and equitable provision of services

*The Public Health Advisory Board is currently working to identify the measure set for which state and local public health authorities will be accountable. The funding formula allocates a percentage of funding to be held back and paid to local public health authorities based on their performance. The Public Health Advisory Board will be considering how decisions made about the funding formula impact equity. The final set of accountability measures will be selected in early 2017.

ACCOUNTABILITY MEASUREMENT FRAMEWORK

The Public Health Advisory Board is charged with developing a set of accountability metrics for state and local public health authorities. These measures will align with the foundational capabilities and programs adopted in House Bill 3100 for state and local public health:

- Communicable disease control
- Environmental health
- Prevention and health promotion
- Access to clinical preventive services
- Leadership and organizational competencies
- Health equity and cultural responsiveness
- Community partnership development
- Assessment and epidemiology
- Policy and planning
- Communications
- Emergency preparedness and response

When selecting appropriate measures for each of the above-listed categories, the Public Health Advisory Board will apply the following criteria:

- Ability to improve health equity
- Flexibility
- Transformative potential
- Community member engagement
- Relevance
- Consistency with state and national quality measures, with room for innovation
- Attainability
- Accuracy
- Feasibility of measurement
- Reasonable accountability
- Range and diversity of measures

The initial list of measures to select from within each foundational capability and program area has been developed using current CCO, hospital and early learning measure sets, such that public health can align with and contribute to shared objectives.

NEXT STEPS

OHA and the Public Health Advisory Board will be working diligently between now and summer 2017 to achieve the deliverables for public health modernization set forward in House Bill 3100. Activities include:

- Implementation of the Robert Wood Johnson Foundation grant;
- Support for the development of local public health modernization plans;
- Finalization of the report to quantify estimated health outcomes and cost savings attributable to public health modernization;
- Updating of the statewide public health modernization plan;
- Selection of accountability metrics for the governmental public health system; and
- Finalization of the local public health funding formula.

FOR MORE INFORMATION

Oregon Health Authority
Public Health Division
800 NE Oregon St., Suite 930
Portland, OR 97232
(971) 673-1222
publichealth.policy@state.or.us
healthoregon.org/modernization