

# Public Health Modernization Funding Formula

Conference of Local Health Officials | June 20, 2024

# PHAB Incentives and Funding Subcommittee

- Current members: Bob Dannenhoffer, Jackie Leung, Veronica Irvin, Nic Powers, Heather Kaisner
- The subcommittee recommends updates to the public health modernization funding formula for LPHAs every two years
- The funding formula provides sufficient funding to all LPHAs and advances health equity through use of social and demographic indicators
- Met four times between April-June to develop recommendations for 2025-27 funding formula

Public Health Modernization LPHA Funding Formula  
Funding Formula Update: May 2023

July 17, 2023  
Public Health Modernization GF for Program Element 51-01  
Funding period 10/1/2023-6/30/2025

Total funds available to LPHAs through the funding formula = \$42,393,933  
(2021-23 LPHA PHM investment \$33,484,623 + 2023-25 additional investment \$16,950,000) - (FY24 Q1 bridge funding \$3,640,690 + PE 51-02 regional funding \$4,400,000) = Total 21-month PE 51-01 awards

		Base component									Matching and Incentive fund components		Total county allocation				
County Group	Population <sup>1</sup>	Floor	Burden of Disease <sup>2</sup>	Health Status <sup>3</sup>	Race/Ethnicity <sup>4</sup>	Poverty 150% FPL <sup>4</sup>	Rurality <sup>5</sup>	Education <sup>4</sup>	Limited English Proficiency <sup>4</sup>	Matching Funds	Incentives	Total Award	Award Percentage	% of Total Population	Award Per Capita	Avg Award Per Capita	
Wheeler	1,436	\$ 400,000	\$ 355	720	\$ 1,048	\$ 2,256	\$ 8,677	\$ 2,039	\$ 577	\$ -	\$ -	\$ 415,671	1.0%	0.0%	\$ 289.46		
Gilliam	2,071	\$ 400,000	\$ 750	575	\$ 1,349	\$ 2,636	\$ 12,514	\$ 1,856	24	\$ -	\$ -	\$ 419,704	1.0%	0.0%	\$ 202.66		
Wallowa	7,541	\$ 400,000	\$ 2,231	1,756	\$ 3,439	\$ 6,478	\$ 45,567	\$ 6,168	\$ 1,254	\$ -	\$ -	\$ 466,892	1.1%	0.2%	\$ 61.91		
Harney	7,640	\$ 400,000	\$ 3,411	2,106	\$ 4,712	\$ 12,388	\$ 20,470	\$ 9,724	\$ 1,745	\$ -	\$ -	\$ 454,557	1.1%	0.2%	\$ 59.50		
Grant	7,337	\$ 400,000	\$ 3,212	1,859	\$ 3,234	\$ 9,768	\$ 44,334	\$ 9,481	\$ 1,906	\$ -	\$ -	\$ 473,793	1.1%	0.2%	\$ 64.58		
Lake	8,246	\$ 400,000	\$ 3,913	3,379	\$ 5,900	\$ 14,105	\$ 31,556	\$ 15,703	\$ 6,217	\$ -	\$ -	\$ 480,773	1.1%	0.2%	\$ 58.30		
Morrow	12,315	\$ 400,000	\$ 4,118	7,754	\$ 18,333	\$ 20,397	\$ 34,133	\$ 37,915	\$ 40,089	\$ -	\$ -	\$ 562,739	1.3%	0.3%	\$ 45.70		
Baker	17,148	\$ 400,000	\$ 7,610	5,814	\$ 8,946	\$ 25,085	\$ 42,490	\$ 21,583	\$ 3,163	\$ -	\$ -	\$ 514,691	1.2%	0.4%	\$ 30.01	\$ 59.45	
Crook	26,162	\$ 400,000	\$ 10,332	11,745	\$ 12,836	\$ 28,723	\$ 75,908	\$ 32,723	\$ 2,705	\$ -	\$ -	\$ 574,971	1.4%	0.6%	\$ 21.98		
Curry	23,897	\$ 400,000	\$ 12,029	7,879	\$ 15,306	\$ 30,850	\$ 55,928	\$ 26,396	\$ 15,947	\$ -	\$ -	\$ 564,336	1.3%	0.6%	\$ 23.62		
Jefferson	25,404	\$ 400,000	\$ 12,611	13,061	\$ 50,538	\$ 34,815	\$ 96,895	\$ 42,170	\$ 29,504	\$ -	\$ -	\$ 679,593	1.6%	0.6%	\$ 26.75		
Hood River	23,894	\$ 400,000	\$ 5,497	6,187	\$ 26,823	\$ 21,023	\$ 75,330	\$ 54,663	\$ 72,955	\$ -	\$ -	\$ 662,479	1.6%	0.6%	\$ 27.73		
Tillamook	27,868	\$ 400,000	\$ 11,606	9,708	\$ 17,007	\$ 32,584	\$ 117,209	\$ 35,516	\$ 28,266	\$ -	\$ -	\$ 651,895	1.5%	0.7%	\$ 23.39		
Union	26,673	\$ 400,000	\$ 10,820	8,695	\$ 14,685	\$ 37,739	\$ 67,848	\$ 26,421	\$ 7,105	\$ -	\$ -	\$ 573,313	1.4%	0.6%	\$ 21.49		
Sherman, Wasco	28,733	\$ 800,000	\$ 11,719	10,223	\$ 50,048	\$ 74,058	\$ 231,030	\$ 100,687	\$ 40,916	\$ -	\$ -	\$ 1,318,680	3.1%	0.7%	\$ 45.89		
Malheur	32,095	\$ 400,000	\$ 12,774	13,990	\$ 39,668	\$ 61,210	\$ 93,899	\$ 81,131	\$ 56,615	\$ -	\$ -	\$ 759,288	1.8%	0.8%	\$ 23.66		
Clatsop	41,971	\$ 400,000	\$ 17,052	14,620	\$ 29,993	\$ 47,614	\$ 98,839	\$ 45,092	\$ 20,379	\$ -	\$ -	\$ 673,589	1.6%	1.0%	\$ 16.05		
Lincoln	51,090	\$ 400,000	\$ 24,708	17,892	\$ 43,806	\$ 66,132	\$ 116,044	\$ 50,644	\$ 27,068	\$ -	\$ -	\$ 746,295	1.8%	1.2%	\$ 14.61		
Columbia	53,156	\$ 400,000	\$ 19,185	18,418	\$ 33,571	\$ 52,266	\$ 140,081	\$ 69,287	\$ 5,875	\$ -	\$ -	\$ 738,683	1.7%	1.2%	\$ 13.90		
Coos	65,112	\$ 400,000	\$ 31,083	25,471	\$ 48,776	\$ 100,399	\$ 150,898	\$ 89,293	\$ 18,740	\$ -	\$ -	\$ 864,661	2.0%	1.5%	\$ 13.28		
Klamath	70,848	\$ 400,000	\$ 36,724	24,020	\$ 71,766	\$ 123,846	\$ 160,883	\$ 112,543	\$ 44,516	\$ -	\$ -	\$ 974,298	2.3%	1.7%	\$ 13.75	\$ 19.69	
Umatilla	80,302	\$ 400,000	\$ 31,306	28,122	\$ 100,277	\$ 111,484	\$ 141,037	\$ 183,820	\$ 146,671	\$ -	\$ -	\$ 1,142,718	2.7%	1.9%	\$ 14.23		
Polk	90,593	\$ 400,000	\$ 27,252	33,414	\$ 87,591	\$ 106,402	\$ 109,079	\$ 104,252	\$ 84,168	\$ -	\$ -	\$ 952,157	2.2%	2.1%	\$ 10.51		
Josephine	88,695	\$ 400,000	\$ 43,872	30,566	\$ 55,542	\$ 151,968	\$ 240,981	\$ 111,336	\$ 31,331	\$ -	\$ -	\$ 1,065,596	2.5%	2.1%	\$ 12.01		
Benton	95,594	\$ 400,000	\$ 18,586	21,725	\$ 102,300	\$ 137,691	\$ 108,386	\$ 48,388	\$ 95,399	\$ -	\$ -	\$ 932,475	2.2%	2.2%	\$ 9.75		
Yamhill	108,993	\$ 400,000	\$ 33,634	33,704	\$ 111,252	\$ 110,742	\$ 148,865	\$ 147,127	\$ 118,545	\$ -	\$ -	\$ 1,103,869	2.6%	2.5%	\$ 10.13		
Douglas	111,716	\$ 400,000	\$ 55,557	47,240	\$ 66,481	\$ 154,085	\$ 277,971	\$ 144,252	\$ 25,490	\$ -	\$ -	\$ 1,171,076	2.8%	2.6%	\$ 10.48		
Linn	131,194	\$ 400,000	\$ 50,418	45,945	\$ 97,160	\$ 169,229	\$ 250,811	\$ 175,898	\$ 76,841	\$ -	\$ -	\$ 1,266,301	3.0%	3.1%	\$ 9.65	\$ 10.80	
Deschutes	207,561	\$ 400,000	\$ 54,686	60,317	\$ 113,552	\$ 205,932	\$ 346,705	\$ 160,713	\$ 98,377	\$ -	\$ -	\$ 1,440,282	3.4%	4.9%	\$ 6.94		
Jackson	224,013	\$ 400,000	\$ 83,844	78,034	\$ 166,102	\$ 299,960	\$ 271,433	\$ 279,320	\$ 155,847	\$ -	\$ -	\$ 1,734,540	4.1%	5.2%	\$ 7.74		
Marion	348,616	\$ 400,000	\$ 112,702	142,869	\$ 529,113	\$ 482,207	\$ 275,823	\$ 682,122	\$ 763,577	\$ -	\$ -	\$ 3,388,413	8.0%	8.1%	\$ 9.72	\$ 8.41	
Lane	383,958	\$ 400,000	\$ 134,322	123,021	\$ 363,410	\$ 567,841	\$ 406,548	\$ 372,984	\$ 194,352	\$ -	\$ -	\$ 2,562,479	6.0%	9.0%	\$ 6.67		
Clackamas	430,421	\$ 400,000	\$ 121,764	119,467	\$ 422,978	\$ 318,926	\$ 470,195	\$ 332,908	\$ 383,311	\$ -	\$ -	\$ 2,569,550	6.1%	10.1%	\$ 5.97		
Washington	606,378	\$ 400,000	\$ 131,233	177,342	\$ 1,053,383	\$ 471,368	\$ 204,823	\$ 580,158	\$ 1,085,038	\$ -	\$ -	\$ 4,103,345	9.7%	14.2%	\$ 6.77		
Multnomah	810,242	\$ 400,000	\$ 258,779	252,058	\$ 1,267,988	\$ 946,702	\$ 65,715	\$ 844,593	\$ 1,354,394	\$ -	\$ -	\$ 5,390,229	12.7%	18.9%	\$ 6.65	\$ 6.56	
Total	4,278,913	\$ 14,400,000	\$ 1,399,697	\$ 1,399,697	\$ 5,038,908	\$ 5,038,908	\$ 5,038,908	\$ 5,038,908	\$ 5,038,908	\$ -	\$ -	\$ 42,393,933	100.0%	100.0%	\$ 9.91	\$ 9.91	

<sup>1</sup> Source: Portland State University Certified Population estimate July 1, 2022

<sup>2</sup> Source: Premature death: Leading causes of years of potential life lost before age 75. OHA, CHS, Oregon Death Certificate data, 2017-2021.

<sup>3</sup> Source: Quality of life: OHA, Oregon Behavioral Risk Factor Surveillance System (BRFSS), county file 2016-2019

<sup>4</sup> Source: U.S. Census Bureau, American Community Survey (ACS), 5-year estimates, Table B02001, B15002, C16001, C17002, 2017-2021.

<sup>5</sup> Source: U.S. Census Bureau, Decennial Census, SF1 Table P2, 2010

County Size Bands				
Extra Small	Small	Medium	Large	Extra Large
up to 20,000	20,000-75,000	75,000-150,000	150,000-375,000	above 375,000

## Base component (floor + indicator funding)

### Recommendation

No changes to base component of funding formula for 2025-27

### Rationale

- Increasing floor funding to \$400,000 for all LPHAs in 2023-25 appears to have been effective in ensuring that extra small/small LPHAs receive enough funding to hire staff and fulfill requirements.
- Since there was a significant increase in funds to LPHAs in 2023-25, this shift did not result in any LPHAs receiving less funds than in the previous biennium

# Matching funds

## Recommendations

- Implement matching if funding increases by 5% (\$2.35M)
- County receives matching funds if able to maintain local investment (increase not required)
- May include a buffer for small decreases in funding to account for standard budget fluctuations over time (e.g., 3% window)
- Counties that qualify receive matching funds proportional to county population among counties that qualified to receive matching funds

## Rationale

- Given current state budget projections that indicate relatively stable funding, want to avoid reductions in base funding to LPHAs.
- Those who would not qualify for matching funds due to lack of county investments would be hardest hit by a reduction of base funding.
- Given the current national, state and local funding landscape, sufficient to incentivize maintenance of funds

# Incentive funds

## Recommendations

- Maintain at 1% of total funds (about \$470K at current funding level)
- Proportion of total incentive funds available to each county will be based on population size
- Allocation of available incentive funds to each county is proportional to the number of incentive metrics met (e.g., if County A meets 4 of 6 process measures, they receive 2/3 of their available incentive funding)
- Incentive funding “left on the table” (e.g., from a county not meeting all process measures) is redistributed
- To redistribute funds, we will calculate the average number of process measures met across all counties
- Counties that were above this average qualify to receive a portion of incentive funds that were “left on the table”
- The “left on the table” funds are allocated to qualifying counties based on the proportion of the population among qualifying counties

# Incentive funds

## Rationale

- Focus on demonstrating improvements with current investments
- Previous recommendation from PHAB to start with small amount of incentive funding as proof of concept given limited to no evidence base for pay-for-performance for public health outcomes
- Do not want “all or nothing” approach to incentives

Total biennial funding available to LPHAs through the funding formula = \$46,976,092

Reserving 1% of total for incentive funds = **\$469,761**

County Group	Population <sup>1</sup>	Total county allocation 2023-25 (estimate)		Total county allocation with 1% reduction in base funds		
		Total Award	Award Percentage	Total Award	Award Percentage	Actual amt. reduction
Wheeler	1,533	\$ 417,918	0.9%	\$ 417,660	0.9%	\$ 258
Gilliam	2,062	\$ 425,950	0.9%	\$ 425,575	0.9%	\$ 374
Wallowa	7,631	\$ 480,795	1.0%	\$ 479,630	1.0%	\$ 1,165
Harney	7,600	\$ 462,346	1.0%	\$ 461,447	1.0%	\$ 899
Grant	7,418	\$ 488,491	1.0%	\$ 487,215	1.0%	\$ 1,276
Lake	8,562	\$ 515,019	1.1%	\$ 513,361	1.1%	\$ 1,659
Morrow	13,010	\$ 652,956	1.4%	\$ 649,308	1.4%	\$ 3,648
Baker	16,927	\$ 526,891	1.1%	\$ 525,061	1.1%	\$ 1,830
Crook	26,583	\$ 603,877	1.3%	\$ 600,937	1.3%	\$ 2,940
Curry	24,439	\$ 615,159	1.3%	\$ 612,057	1.3%	\$ 3,103
Jefferson	25,878	\$ 729,490	1.6%	\$ 724,739	1.6%	\$ 4,751
Hood River	24,406	\$ 701,919	1.5%	\$ 697,565	1.5%	\$ 4,354
Tillamook	28,000	\$ 676,862	1.4%	\$ 672,869	1.4%	\$ 3,992
Union	26,335	\$ 601,550	1.3%	\$ 598,644	1.3%	\$ 2,906
Sherman, Wasco	28,969	\$ 1,206,346	2.6%	\$ 1,200,486	2.6%	\$ 5,860
Malheur	32,981	\$ 852,901	1.8%	\$ 846,370	1.8%	\$ 6,531
Clatsop	42,095	\$ 718,401	1.5%	\$ 713,810	1.5%	\$ 4,591
Lincoln	51,930	\$ 824,946	1.8%	\$ 818,818	1.8%	\$ 6,128
Columbia	53,143	\$ 787,248	1.7%	\$ 781,664	1.7%	\$ 5,584
Coos	66,945	\$ 959,903	2.0%	\$ 951,829	2.0%	\$ 8,074
Klamath	71,919	\$ 1,050,865	2.2%	\$ 1,041,479	2.2%	\$ 9,386
Umatilla	81,842	\$ 1,257,228	2.7%	\$ 1,244,866	2.7%	\$ 12,362
Polk	90,553	\$ 1,029,374	2.2%	\$ 1,020,298	2.2%	\$ 9,076
Josephine	88,814	\$ 1,155,479	2.5%	\$ 1,144,585	2.5%	\$ 10,894
Benton	99,355	\$ 1,037,992	2.2%	\$ 1,028,792	2.2%	\$ 9,200
Yamhill	109,743	\$ 1,286,532	2.7%	\$ 1,273,748	2.7%	\$ 12,784
Douglas	113,748	\$ 1,291,121	2.7%	\$ 1,278,271	2.7%	\$ 12,850
Linn	131,984	\$ 1,426,892	3.0%	\$ 1,412,084	3.0%	\$ 14,808
Deschutes	212,141	\$ 1,640,750	3.5%	\$ 1,622,857	3.5%	\$ 17,892
Jackson	222,762	\$ 1,923,195	4.1%	\$ 1,901,230	4.1%	\$ 21,965
Marion	352,249	\$ 4,000,705	8.5%	\$ 3,948,782	8.5%	\$ 51,924
Lane	384,374	\$ 2,916,239	6.2%	\$ 2,879,954	6.2%	\$ 36,285
Clackamas	424,043	\$ 2,822,032	6.0%	\$ 2,787,105	6.0%	\$ 34,927
Washington	610,245	\$ 4,813,212	10.2%	\$ 4,749,571	10.2%	\$ 63,640
Multnomah	801,306	\$ 6,075,508	12.9%	\$ 5,993,665	12.9%	\$ 81,843
<b>Total</b>	<b>4,291,525</b>	<b>\$ 46,976,092</b>	<b>100.0%</b>	<b>\$ 46,506,331</b>	<b>100.0%</b>	<b>\$ 469,761</b>