**Systems and Innovations Committee Minutes**

Mar 27, 2024 –1 to 2.30 pm

**Attendees:** Alex Coleman, Erin Jolly, Florence Pourtal, Heather Kaisner, Jiancheng Huang, Katie Plumb,

Lindsey Manfrin, Michael Baker, Rebecca Chavez, Sarah Poe, Sarah Zia, Andrew Epstein, Sara Beaudrault, Steven Fiala

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| **Agenda Item** | **Detail** | **Action Item** |
| Welcome, Introductions (as needed), agenda review, and roll call | Quorum is 50% +1 of committee membership* Quorum met
 | Roll callEnsure quorumReview agenda for the day |
| **Committee Agenda Items**  |  |  |
| Approve Minutes | * February minutes approved
 | Approve |
| **Agenda Item**  |  |  |
| PHM funding methodology update | * Conversation about funding methodology update for matching and incentive funds
* Survey or other method
* Opportunities to provide input
* Conversation about funding methodology update for matching and incentive funds
	+ Sara Beaudrault stated that every two years, PHAB updates the public health modernization funding formula that is used to distribute funds to local public health. This update is due by June 30, 2024 and will affect the 2025-27 biennium.
	+ In 2022, as part of the last update to the funding formula, a significant change occurred that increased the floor funding for all LPHAs to $400,000. This was done to an increase of funding going to large and extra-large counties under the previous formula and proportionately less to small and extra-small counties.
	+ PHAB is going to consider:
		- How the $400,000 floor funding affected LPHAs. Did it improve capacity for LPHAs to address program element work?
		- Incentive and matching funds components of the funding formula. Is the methodology established in 2018 still the right approach? What changes may need to be made?
			* 1% of total funds go to incentive payments that are tied to LPHA performance of accountability metrics process measures.
			* 5% of total funds go to matching funding that are tied to LPHA annual expenditure reporting.
		- The PHM funding formula is used for some funding streams other than the state modernization general funds. Where does it work? Where does it not work? If LPHAs want the formula to be used by other programs, the formula needs to be built in a way that makes it easy to use for other funding streams.
* Survey or other method
	+ Sara asked the group how they would prefer to provide feedback to PHAB.
	+ Katie shared that starting with a survey sounded like a good plan and suggested several stages as a way to communicate feedback.
	+ Sara suggested that the survey be introduced at the April CLHO meeting and a discussion can occur in May.
	+ Florence requested that such conversations start earlier in the process for future funding formula conversations.
* Opportunities to provide input
	+ Jiancheng expressed concern over indirect costs increasing faster than funding increases and asked how that would be handled.
	+ Andrew replied that this is an issue across multiple program elements. More information is to come on indirect cost methodology and Danna is leading the development of that.
	+ LPHAs need to demonstrate what their costs are in their budgets which includes a row for indirect costs.
	+ Heather acknowledged that in Deschutes County indirect costs have increased astronomically and that the increase in county general funds have been going to indirect costs. When her county does not receive an increase, they have been having to make funding cuts.
	+ Florence wondered if it could be communicated to the legislature that the maximum indirect that can be charged needs to be limited to a specific percentage of the budget.
	+ Sarah Poe asked if there is a requirement that counties are investing any funds in public health. Malheur County does not charge the LPHA an indirect or provide funding.
	+ Jiancheng shared that state and local government need to function together and each determine what percentage of funds will be provided to the LPHA. While discussing modernization, it also needs to include state and local responsibility.
	+ Sara replied that the modernization statutes were not set up to require that county governments invest in their LPHA in order to get state general funds. The matching funds component acts as an incentive for counties to invest in LPHAs.
	+ Florence asked if counties that do not provide general funds to their LPHAs and do not charge indirect costs, is there a way to consider “no charge” instead of indirect costs so these LPHAs can qualify for matching funds. Could there be a work around?
	+ Andrew stated that an indirect rate cap is not something that state public health can impose on LPHAs. It is a county government issue. The exception would be if there is a federal funding source that mandated a cap.
	+ Sara stated that the matching funds component methodology from 2018 allows for counties to receive matching funds if counties are increasing or maintaining (not decreasing) funding of LPHAs year over year. She added that this topic is currently being considered by PHAB and that survey feedback around this is needed from LPHA staff.
	+ Lindsey shared there is value in knowing which LPHAs are getting county general funds, which are not, and which are receiving in-kind funds.
	+ Sara shared that information is part of the annual expenditures reports but may not tell the full story.
	+ Florence added that her county has not been able to provide in-kind funding information as part of the annual expenditures reporting
	+ Sara suggested partnering on a survey or another mechanism to collect information to provide to PHAB so that the different experiences of LPHAs are taken into account when making decisions.
	+ Florence wondered if the funding formula could be designed to be more simple to include floor funding and funding based on county population. The funding could increase based on cost of living adjustment (COLA) and state investments. She added that Oregon’s modernization formula is very complicated and that she would like this to be communicated to the legislature.
 | Update / Discuss |
| Contractor for Cost and Capacity Assessment | * Update the group on status of contractor and timeline
	+ In April, the Rede Group contractor will be working with the Technical Workgroup to adapt the language for a modified foundational public health services cost and capacity assessment tool to reflects Oregon’s modernization framework. They will be using the Public Health Accreditation Board, Center for Innovation’s national tool as a guide.
	+ The end of April is the goal for the modified tool and related training and technical assistance materials to be made available.
	+ Training and technical assistance opportunities will be available to complete the tool during May, June and July.
	+ At the end of July, all data collection should be completed.
	+ In August, the contractor will collect, aggregate, clean, and analyze data across the assessments to provide data analysis.
	+ In September, the contractor will work with the group to determine the most appropriate reporting products. Reporting the summary of assessment findings will take place at this time.
	+ Florence added that the workgroup has discussed technical assistance being released all at once and placed on the website so LPHAs can view training videos as needed rather than waiting for the specific module to be released. The group is working on fine-tuning the tool so that it makes sense for everyone.
	+ Andrew shared that in 2015 OHA had received the individual LPHA assessment results that were submitted to the previous contractor, Berk. OHA saved them but did not share them with others, except for sharing with new LPH Administrators who may not have previously seen the assessment results. He asked if there were any concerns with OHA holding onto the forthcoming assessment results and added that having the assessment results would allow OHA to aggregate the data to be used for statewide reporting. No one objected.
 | Update / Discuss |
| Outline workgroup | * Update on current status of work
* Presentation of work completed so far
* Update on current status of work
	+ LPHA modernization plans are due December 2025.
	+ The Outline workgroup working with the Assessment Workgroup to use the assessment information to create a crosswalk. The crosswalk will help in creating the planning tools and planning processes and guidance the Outline workgroup is working on.
* Presentation of work completed so far
	+ Katie shared her screen to show the group the modernization planning tool which will help LPHAs plan and consider the required components of the modernization plan due at the end of 2025. The tool includes:
		- Part 1: Applying Foundational Capabilities
		- Part 2: Implementing Foundational Programs
		- Part 3: Any other work that has been identified as a need
		- Part 4: Partnering with Coordinated Care Organizations and Early Learning Hubs
* Questions and Discussion
	+ Erin stated that she can see the modernization planning tool being used by counties to create templates or reports and asked if the Outline workgroup envisioned counties using the tool as their plan?
	+ Katie replied that yes, the tool meets all the requirements. She shared that she personally does not want to create another standalone plan and will likely use the modernization plan as her department’s strategic plan.
	+ Erin asked for clarification of the text within the tool, “Provide a brief summary of plans for applying leadership and organizational competencies”. She asked if this applied to past or future work.
	+ Florence replied that she would capture the work that has previously been done and would want to sustain that work and expand upon it to include the rest of the foundational capabilities and programs.
	+ Heather shared that it is important to show what has already been accomplished with the modernization funds counties already have, to note any gaps, and what is needed to reach full implementation.
	+ Katie shared that this tool was designed with all LPHAs in mind. Some counties may need to explain the steps they need to take to meet foundational capabilities, others will explain how they will maintain the work.
	+ Florence added that Erin’s question regarding the clarification of “a brief summary of plans…” should be brought back to the Outline workgroup to consider.
	+ Florence suggested that this tool could be used every 3-5 years for LPHAs to redo an assessment and redo a plan based on the new findings to continually improve how LPHAs delivers public health services.
	+ Katie shared that she is hearing that there is value in capturing the recurring work and work that happens in cycles and wonders how that can be reflected in the plan as well as making sure there are good performance management systems in place.
	+ Heather asked if the Outline workgroup is using the Modernization Manual to help guide the summary of plans.
	+ Florence replied that yes, the Outline workgroup grounded itself in the statutes and the Modernization Manual when creating the tool and guidance materials.
	+ Sarah Poe asked what full implementation means and does it relate to staffing.
	+ Steven shared that Sarah Poe’s question can be brought to the Technical workgroup to consider as they adapt the national tool. As implementation occurs there will be trainings for each part of the assessment on how to complete the work.
	+ Florence stated that full implementation of modernization would show that LPHAs are fulfilling all roles and deliverables that have been identified across foundation capabilities and programs. She shared that the cost and capacity assessment tool will help identify LPHA staff expertise and capacity and the workforce calculator will help identify what full-time equivalent (FTE) each LPHA should ideally have for each capability.
	+ Steven suggested discussing the need for technical assistance around context and what full implementation means in the next Technical workgroup meeting.
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| **Next meeting: April 24, 2024 – 1 to 2.30pm** |

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