April 10, 2018

To: CLHO Systems and Innovation Committee

Fr: CLHO Board of Directors

Re: Request to review and develop funding formula guidance for CLHO Committees

*CLHO Board Request*

At the March 19th Conference of Local Health Officials meeting the Board of Director’s asked the CLHO System’s and Innovation Committee to review and develop guidance for CLHO Committees to use when developing new funding formulas or managing funding changes.

This funding formula guidance should operationalize the Public Health Advisory Board “Funding Principles” in a way that is consistent across funding streams. This guidance will be provided to all CLHO Committees so that committees can discuss, review and improve funding formulas as funding ebbs and flows.

*Background*

There has been quite a bit of conversation about different elements of funding formulas. CLHO used to have a specific committee that would review all of the funding formula changes prior to moving the recommendation forward to the CLHO Board. This additional step ensured there was a group of local health officials that were familiar with the funding formulas and could look at the funding streams.

In the last five years the CLHO leadership has worked to streamline that review within other bodies of work, and now returning the formula review to the subject areas committees.

Past / Funding Discussion

In December of 2017 the CLHO Board did pass a recommendation that multi-county jurisdictions would be awarded a base for each county and each funding formula with a base would look at a tiered structure for the bases AND recommend that the larger conversation around funding formulas continue. The CLHO Systems and Innovation Committee should be aware of that position and either include that recommendation within the guidance OR be prepared to discuss with the CLHO Board why the guidance is a moving away from the past and most recent.

Additional Considerations

During the CLHO Board discussion on this request of the Systems and Innovation Committee there was some interest in encouraging the CLHO Systems and Innovation Committee to look “outside the box.” Here are a couple of ideas:

* Look for ideas from other states on how funding is split amongst health jurisdictions.
* Look to the Public Health Modernization funding formula and make recommendations on how that framework could be used in other subject areas/specific committee or funding streams.
* Look to a framework that committees are considering about connecting Program Element work and Funding (this concept comes up EVERY time we have a funding conversation).

Past “Principles”

Acknowledging that not all of the following are actually “principles” here is a list of concepts that have been used over the past ten years. This list is just to spark ideas and innovation not as a requirement to use any of these concepts.

|  | **Principles** | **Priority** |
| --- | --- | --- |
| **PHEP Funding Principles** | |  |
| 1 | Population Size |  |
| 2 | History of Oregon Emergency Declarations |  |
| 3 | Statewide Hazard/Vulnerability Analysis |  |
| 4 | Geographic Factors (ex: urban counties have large # of partners to coordinate/convene, rural/frontier counties have large geography to cover) |  |
| 5 | Funding can support basic staffing/infrastructure |  |
| **JLT Funding Reductions Principles** | |  |
| 6 | Avoid “thinning the soup,” especially when extensive cut is required |  |
| 7 | Cut GF investment if programs could be funded through alternative funding sources, including shifting costs to end users (e.g. through fees) |  |
| 8 | Preserve local flexibility to respond to local public health needs |  |
| 9 | Preserve core public health functions (as previously defined in ORS/OAR) |  |
| 10 | Preserve programs that provide and/or have a statewide impact |  |
| 11 | Preserve enough infrastructure for critical programs so they can be rebuilt should funding be restored |  |
| 12 | Preserve the most effective programs |  |
| 13 | Preserve programs that provide an ability to respond to emerging threats |  |
| **JLT Funding Principles for Additional Resources** | |  |
| 14 | Fund state and local health improvement plan strategies using population health metrics because they promote healthier communities and their associated coordinated care organization partners |  |
| 15 | Fund PHD priorities and themes that emerge statewide |  |
| 16 | Statutorily mandated public health regulatory responsibilities |  |
| **Modernization PHAB Funding Principles** | |  |
| 17 | Public health modernization funding that remains with OHA should be focused on meeting needs of local public health system, especially small local public health departments |  |
| 18 | If funding is to be used for pilot sites, an RFP should be structured so that larger, more resourced counties do not have an advantage over small or less resourced counties |  |
| 19 | Allocate funds for groups of counties who self-identified as working together to improve a need or capability |  |
| 20 | Identify a key capability to focus on and identify which counties need more improvement based on the public health modernization assessment |  |
| 21 | Public health modernization funding formula should advance equity in Oregon, both in terms of health equity and building an equitable public health system |  |
| 22 | Public health modernization funding formula should be designed to drive changes to the public health system intended to increase efficiencies and effectiveness |  |
| 23 | Decisions made about the public health modernization 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 |  |
| **JLT Funding Brainstorm 2017** | |  |
| 24 | Improve transparency about funded work and state and local roles |  |
| 25 | Ensure services are available across Oregon (not necessarily county by county), understanding that some services do not need to be available statewide |  |
| 26 | Align funding with burden of disease and continuously assess how funds are allocated to burden of disease |  |
| 27 | Connection between the work required and funding allocated |  |
| 28 | Funding allocated should be based on work, risks (such as All Hazards risk) or burden of disease |  |
| 29 | Public health system (state and local) should review state or federal requirements as funds increase or decrease and match state or local funding with requirements |  |
| 30 | Tier work expectations with tiered funding |  |