

PHAB Incentives and Funding subcommittee

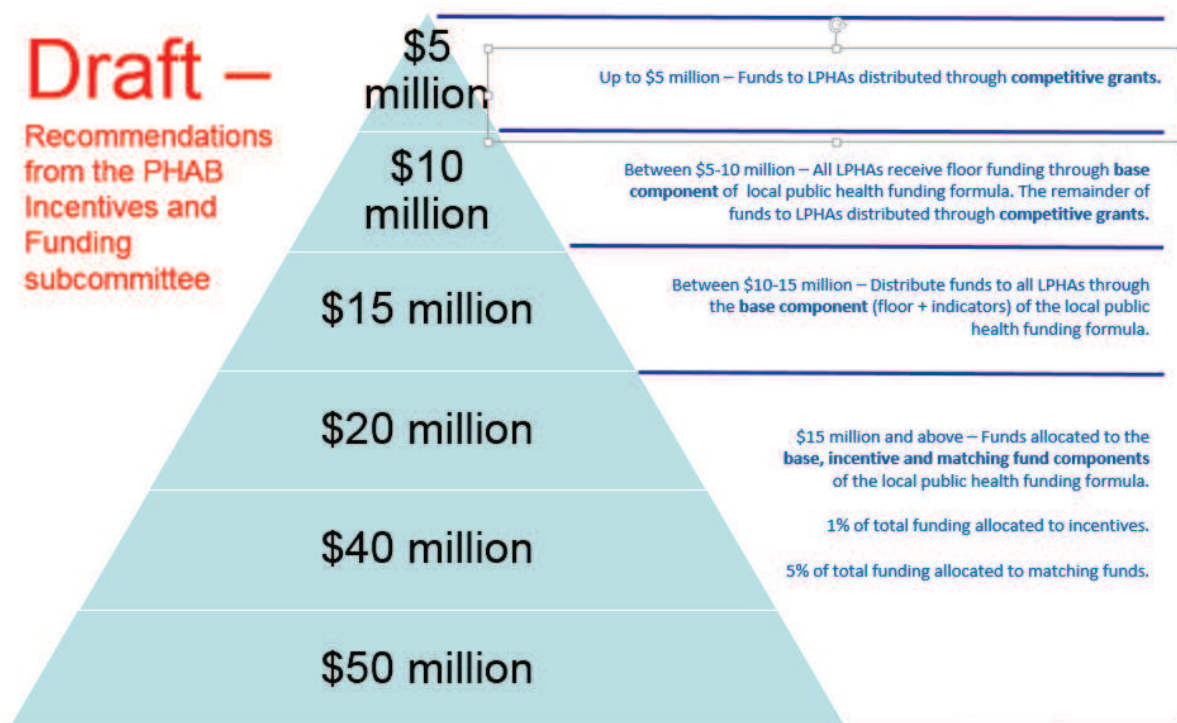
Local public health funding formula description and methodology

May 14, 2018

Three components to the local public health funding formula

1. Base funds awarded for population, health status, burden of disease, and ability of LPHA to invest in local public health. Includes floor payments (based on five tiers of county size bands);
2. Matching funds for county investment in local public health services and activities above the base funding amount;
3. Incentive funds for achieving accountability metrics.

Allocations to funding formula components at a range of funding level for the 2019-21 biennium*. Based on recommendations from the PHAB Incentives and Funding subcommittee.



* Funding levels reflect total allocations to LPHAs (two years)

A 30,000 foot view of the local public health funding formula

This is a model for how funds would be allocated through the funding formula in 2019-21. This subcommittee will convene in 2019 to review the funding formula model when actual funding levels for 2019-21 are known.

- Each component includes a floor payment, plus an additional method for allocating funds to LPHAs.
- Floor payments favor extra-small and small counties. Additional methods are tied to county population and favor large and extra-large counties.
- In all components, extra-small and small counties receive a proportionally larger per capita allocation, and large and extra-large counties receive a proportionally larger dollar amount.
 - This is consistent with the resource gaps identified in the 2016 public health modernization assessment.
- The funding formula advances health equity by directing funds to a set of indicators that measure health outcomes and county demographics.

The base component

- Includes a floor payment for each county and additional allocations based on a set of indicators¹.
- Floor payments are based on five tiers of county size bands. At the \$10 million level, floor payments range from \$30,000-90,000 and total \$1.845 million.
 - Intended to ensure stable funding, and maintain staffing and stability.
- Floor payments increase proportionally at funding levels above \$10 million (remaining at 18.45% of total base component funds).
- All remaining base component funding is distributed through the indicator pool.

Methodology

Base funding = floor payment + indicator pool payment

Floor payment = based on county size band

¹ Indicators include health status, burden of disease, racial and ethnic diversity, poverty, educational attainment, population density, and limited English proficiency.

Indicator pool payment = all remaining base component funds

Indicator pool payment = (LPHA weight/sum of all LPHA weights) * Total indicator pool

LPHA weight = LPHA population * LPHA indicator percentage

Floor payments

- Floor payments are based on five tiers of county size bands. At the \$10 million level, floor payments range from \$30,000-90,000 and total \$1.845 million.
- Floor payments are proportionally increased at funding levels above \$10 million.

Total funds	Range of floor payments	Floor payment total	Indicator pool total
\$10 million	\$30,000-90,000	\$1,845,000	\$8,155,000
\$15 million	\$45,000-135,000	\$2,767,500	\$11,332,500
\$20 million	\$60,000-180,000	\$3,690,000	\$15,110,000

The matching funds component

- Matching funds will be awarded for sustained or increased county general fund investments over time.
- Five percent of funds will be allocated to matching funds at or above the \$15 million level. (At the \$15 million, \$750,000 would be allocated to matching funds.
- Matching funds include a floor payment for sustained county investments. All counties are eligible to receive the same floor payment (i.e. no tiers for matching fund floor payments).
- Counties that demonstrate increased investment will receive an additional allocation. Allocations for increased investment are determined based on the available pool, percent funding increase, and county population.

Methodology

Compares county general fund investment over two years².

² If funding for matching funds is available in 2019-21, OHA may recommend an initial matching funds award based on one year of county general fund data.

Matching funds = floor payment for sustained investment + additional allocation for increased investment

Floor payment = All counties eligible to receive the same floor payment.

Additional allocation = Based on percent county funding increase, county population and total funds available to counties with funding increases

Additional allocation = (LPHA weight/sum of all LPHA weights) * total available pool for counties with funding increases

LPHA weight = LPHA population * percent county funding increase

Floor payments

Currently the floor payment is set at 0.003% of total matching funds.

Total funds	Total matching funds	Floor payments at 0.003%	Maximum floor payout ³
\$10 million	\$0	\$0	\$0
\$15 million	\$750,000	\$2,250	\$81,000
\$20 million	\$1,000,000	\$3,000	\$108,000

Subcommittee recommendation requested: At the \$15 million level, what proportion of matching funds should go to floor payments?

The incentive funds component

- Includes a floor payment for achieving an accountability metric.
 - All counties are eligible to receive the same floor payment (i.e. no tiers for incentive fund floor payments)
- Remaining pot of incentive funds are allocated to LPHAs that met the accountability metric(s) based on county population.
- One percent of funds will be allocated to incentive funds at or above the \$15 million level. (At the \$15 million, \$150,000 would be allocated to incentive funds.)

³ Maximum floor payout assumes all counties sustain investment.

- Available funds will be split across incentivized accountability metrics

Methodology

Incentive funds = floor payment plus additional payment based on county population

Floor payment = All counties eligible to receive the same floor payment.

Population allocation = Based on county population

All LPHAs that meet an accountability metric will receive both the floor payment and the population allocation.

Floor payments

Currently the floor payment is set at 0.003% of total incentive funds.

Total funds	Total incentive funds	Floor payment	Floor payment total ⁴
\$10 million	\$0	\$0	\$0
\$15 million	\$150,000	\$450	\$15,300
\$20 million	\$200,000	\$600	\$24,000

Subcommittee recommendation requested: At the \$15 million level, what proportion of matching funds should go to floor payments?

⁴ assumes all counties meet accountability metric

PHAB Funding and Incentives Subcommittee

Local public health funding formula model - \$15 million example

Subcommittee Members: Carrie Brogoitti, Bob Dannenhoffer, Jeff Luck, Alejandro Queral, Akiko Saito
May, 2018

Total available funds for LPHAs: \$15 million

Base component: \$14.1 million

Matching funds component: \$750,000

Incentive funds component: \$150,000

Local public health funding formula model: At the \$15 million level, the majority of funds are allocated to the base component of the funding formula, with 5% allocated to matching funds and 1% allocated to incentive funds. The data are matching and incentive funds are not based on actual LPHA data. This is an example of how the funding formula model will allocate funds to LPHAs at the \$15 million level.

County Group	Population ⁶	Floor	Burden of Disease ²	Health Status ³	Race/ Ethnicity ¹	Poverty 150% FPL ¹	Rurality	Education ¹	Limited English Proficiency ¹	Matching Funds ⁴	Incentives ⁵	Total Award	Award Percentage	% of Total Population	Award Per Capita	Avg Award Per Capita
Wheeler	1,480	\$ 45,000	\$ 799	\$ 1,484	\$ 200	\$ 519	\$ -	\$ 338	\$ 14	\$ 2,858	\$ 498	\$ 51,710	0.3%	0.0%	\$ 34.94	
Wallowa	7,195	\$ 45,000	\$ 4,703	\$ 2,891	\$ 1,077	\$ 2,006	\$ -	\$ 1,331	\$ 528	\$ -	\$ 684	\$ 58,220	0.4%	0.2%	\$ 8.09	
Harney	7,360	\$ 45,000	\$ 6,656	\$ 6,395	\$ 2,239	\$ 2,289	\$ -	\$ 2,083	\$ 1,147	\$ 3,761	\$ 689	\$ 70,258	0.5%	0.2%	\$ 9.55	
Grant	7,415	\$ 45,000	\$ 4,098	\$ 4,457	\$ 1,410	\$ 2,306	\$ -	\$ 2,099	\$ 544	\$ -	\$ 691	\$ 60,604	0.4%	0.2%	\$ 8.17	
Lake	8,120	\$ 45,000	\$ 5,821	\$ 3,528	\$ 2,779	\$ 2,927	\$ -	\$ 3,558	\$ 1,861	\$ 5,583	\$ 714	\$ 71,770	0.5%	0.2%	\$ 8.84	
Morrow	11,890	\$ 45,000	\$ 6,561	\$ 9,671	\$ 10,963	\$ 3,417	\$ -	\$ 8,057	\$ 17,436	\$ 12,012	\$ 837	\$ 113,953	0.8%	0.3%	\$ 9.58	
Baker	16,750	\$ 45,000	\$ 11,527	\$ 7,277	\$ 3,423	\$ 4,975	\$ -	\$ 4,376	\$ 1,535	\$ -	\$ 995	\$ 79,108	0.5%	0.4%	\$ 4.72	\$ 8.40
Crook	22,105	\$ 67,500	\$ 14,888	\$ 17,185	\$ 5,988	\$ 7,280	\$ -	\$ 7,460	\$ 1,418	\$ 11,324	\$ 1,169	\$ 134,212	0.9%	0.5%	\$ 6.07	
Curry	22,805	\$ 67,500	\$ 21,122	\$ 17,655	\$ 6,882	\$ 6,798	\$ -	\$ 6,392	\$ 2,508	\$ 2,250	\$ 1,192	\$ 132,299	0.9%	0.6%	\$ 5.80	
Jefferson	23,190	\$ 67,500	\$ 18,017	\$ 14,317	\$ 21,987	\$ 7,986	\$ -	\$ 10,413	\$ 9,777	\$ 7,010	\$ 1,204	\$ 158,212	1.1%	0.6%	\$ 6.82	
Hood River	25,145	\$ 67,500	\$ 10,888	\$ 16,263	\$ 21,212	\$ 6,684	\$ -	\$ 13,481	\$ 33,417	\$ -	\$ 1,268	\$ 170,713	1.1%	0.6%	\$ 6.79	
Tillamook	26,175	\$ 67,500	\$ 17,960	\$ 16,587	\$ 9,268	\$ 7,718	\$ -	\$ 7,266	\$ 5,758	\$ 12,995	\$ 1,301	\$ 146,353	1.0%	0.6%	\$ 5.59	
Union	26,900	\$ 67,500	\$ 16,653	\$ 12,653	\$ 6,584	\$ 9,582	\$ -	\$ 5,417	\$ 3,452	\$ 24,336	\$ 1,325	\$ 147,501	1.0%	0.6%	\$ 5.48	
Gilliam, Sherman, Wasco	30,895	\$ 157,500	\$ 21,560	\$ 15,844	\$ 16,586	\$ 8,645	\$ -	\$ 11,309	\$ 15,719	\$ -	\$ 1,455	\$ 248,619	1.7%	0.7%	\$ 8.05	
Malheur	31,845	\$ 67,500	\$ 19,645	\$ 29,854	\$ 28,756	\$ 13,229	\$ -	\$ 17,246	\$ 26,852	\$ 15,323	\$ 1,486	\$ 219,890	1.5%	0.8%	\$ 6.91	
Clatsop	38,820	\$ 67,500	\$ 27,912	\$ 19,655	\$ 12,730	\$ 10,821	\$ -	\$ 8,557	\$ 10,318	\$ 2,250	\$ 1,713	\$ 161,456	1.1%	0.9%	\$ 4.16	
Lincoln	47,960	\$ 67,500	\$ 40,095	\$ 32,272	\$ 19,488	\$ 15,484	\$ -	\$ 13,966	\$ 13,627	\$ 12,094	\$ 2,010	\$ 216,536	1.4%	1.2%	\$ 4.51	
Columbia	51,345	\$ 67,500	\$ 31,447	\$ 32,370	\$ 12,933	\$ 12,930	\$ -	\$ 13,414	\$ 6,588	\$ -	\$ 2,120	\$ 179,303	1.2%	1.2%	\$ 3.49	
Coos	63,310	\$ 67,500	\$ 51,629	\$ 45,496	\$ 21,664	\$ 21,803	\$ -	\$ 19,125	\$ 8,704	\$ 28,241	\$ 2,509	\$ 266,670	1.8%	1.5%	\$ 4.21	
Klamath	67,690	\$ 67,500	\$ 53,270	\$ 47,538	\$ 33,296	\$ 23,676	\$ -	\$ 22,843	\$ 18,612	\$ 57,825	\$ 2,652	\$ 327,212	2.2%	1.6%	\$ 4.83	\$ 5.25
Umatilla	80,500	\$ 90,000	\$ 46,313	\$ 57,850	\$ 62,361	\$ 25,817	\$ -	\$ 38,119	\$ 76,732	\$ -	\$ 3,068	\$ 400,260	2.7%	1.9%	\$ 4.97	
Polk	81,000	\$ 90,000	\$ 40,570	\$ 38,365	\$ 39,843	\$ 21,183	\$ -	\$ 19,839	\$ 32,665	\$ 35,502	\$ 3,085	\$ 321,052	2.1%	2.0%	\$ 3.96	
Josephine	85,650	\$ 90,000	\$ 70,653	\$ 53,437	\$ 25,034	\$ 32,907	\$ -	\$ 26,106	\$ 9,420	\$ 2,250	\$ 3,236	\$ 313,043	2.1%	2.1%	\$ 3.65	
Benton	92,575	\$ 90,000	\$ 34,337	\$ 42,940	\$ 40,037	\$ 30,188	\$ -	\$ 12,597	\$ 33,091	\$ 21,252	\$ 3,461	\$ 307,902	2.1%	2.2%	\$ 3.33	
Yamhill	106,300	\$ 90,000	\$ 53,349	\$ 66,321	\$ 55,571	\$ 28,257	\$ -	\$ 34,715	\$ 52,611	\$ -	\$ 3,908	\$ 384,731	2.6%	2.6%	\$ 3.62	
Douglas	111,180	\$ 90,000	\$ 92,304	\$ 84,981	\$ 29,590	\$ 34,579	\$ -	\$ 32,980	\$ 12,228	\$ 47,891	\$ 4,066	\$ 428,620	2.9%	2.7%	\$ 3.86	
Linn	124,010	\$ 90,000	\$ 76,317	\$ 76,560	\$ 40,961	\$ 38,169	\$ -	\$ 34,761	\$ 23,868	\$ 104,065	\$ 4,484	\$ 489,185	3.3%	3.0%	\$ 3.94	\$ 3.74
Deschutes	182,930	\$ 112,500	\$ 85,933	\$ 68,119	\$ 52,598	\$ 44,689	\$ -	\$ 34,848	\$ 33,532	\$ -	\$ 6,400	\$ 438,620	2.9%	4.4%	\$ 2.40	
Jackson	216,900	\$ 112,500	\$ 138,012	\$ 130,364	\$ 91,744	\$ 68,394	\$ -	\$ 65,521	\$ 69,579	\$ 91,291	\$ 7,505	\$ 774,910	5.2%	5.2%	\$ 3.57	
Marion	339,200	\$ 112,500	\$ 180,966	\$ 217,167	\$ 266,796	\$ 108,054	\$ -	\$ 137,544	\$ 329,541	\$ 2,250	\$ 11,483	\$ 1,366,301	9.1%	8.2%	\$ 4.03	
Lane	370,600	\$ 112,500	\$ 213,964	\$ 194,900	\$ 148,829	\$ 121,646	\$ -	\$ 89,762	\$ 95,107	\$ 78,318	\$ 12,505	\$ 1,067,532	7.1%	8.9%	\$ 2.88	\$ 3.29
Clackamas	413,000	\$ 135,000	\$ 197,363	\$ 198,312	\$ 164,875	\$ 67,560	\$ -	\$ 75,305	\$ 166,552	\$ -	\$ 13,884	\$ 1,018,851	6.8%	10.0%	\$ 2.47	
Washington	595,860	\$ 135,000	\$ 220,948	\$ 258,867	\$ 457,344	\$ 118,634	\$ -	\$ 149,187	\$ 518,819	\$ 2,250	\$ 19,832	\$ 1,880,881	12.5%	14.4%	\$ 3.16	
Multnomah	803,000	\$ 135,000	\$ 430,223	\$ 424,925	\$ 551,454	\$ 222,097	\$ -	\$ 203,234	\$ 632,940	\$ 167,071	\$ 26,570	\$ 2,793,513	18.6%	19.4%	\$ 3.48	\$ 3.14
Total	4,141,100	\$ 2,767,500	\$ 2,266,500	\$ 2,266,500	\$ 2,266,500	\$ 1,133,250	\$ -	\$ 1,133,250	\$ 2,266,500	\$ 750,000	\$ 150,000	\$ 15,000,000	100.0%	100.0%	\$ 3.62	\$ 3.62

¹ Source: American Community Survey population 5-year estimate, 2012-2016.

² Source: Premature death: Leading causes of years of potential life lost before age 75. Oregon death certificate data, 2012-2016.

³ Source: Quality of life: Good or excellent health, 2012-2015.

⁴ Matching funds will not be awarded until 2019 or thereafter.

⁵ Funds will not be awarded for achievement of accountability metrics until 2019 or thereafter.

⁶ Source: Portland State University Certified Population estimate July 1, 2017

County Size Bands				
Extra Small	Small	Medium	Large	Extra Large