CLHO Systems and Innovation

Public health modernization funding formula indicators

May 2022

**Background on funding formula indicators**

The indicators are built into the funding formula to allocate funds based on a set of health and demographic indicators, in addition to population size. The indicators are intended to direct funds to areas of the state where there may be greater need for the community to access public health services or the complexity of providing public health services to the community.

There are two indicators that are statutorily required to be included: health status and burden of disease. Other indicators were added by PHAB. All indicators are currently weighted equally, with two measures - for poverty and education – combined into one indicator for socioeconomic status.

**PHAB Incentives and Funding subcommittee 5/13 discussion**

1. Does the PHAB subcommittee recommend changing indicators or reducing the number of indicators?

* Consider adding an indicator for seasonal workers. <https://www.oregon.gov/oha/HPA/HP-PCO/Documents/2018%20Updates%20to%20MSFW%20Enumberation%20Studies%20Report.pdf>
* Consider adding an indicator for access to health care.
* Recommendation for OHA staff to look for Oregon data sources that are more sensitive or timely than national data sources.
* Could PHAB substitute the percent of the population eligible for SNAP or Medicaid in place of “% of population living below 150% of FPL”
* Rurality indicators: <https://ruralstudies.oregonstate.edu/>

1. Does the PHAB subcommittee recommend weighting certain indicators more heavily?

* Consider emphasizing socioeconomic status, but not sure what to de-emphasize.
* Changing weights likely won’t make a significant difference in funding to any LPHA.
* Consider weighting the two required indicators lower. (5% for required indicators, 18% for all others).

**Questions for CLHO Systems and Innovation**

1. Suggestions for Oregon data sources?
2. What is the committee’s input on whether PHAB should consider adding indicators?
3. What is the committee’s input on whether PHAB should weight certain indicators more heavily? Which would the committee recommend prioritizing?
4. Has the input provided by LPHA administrators through the funding formula survey been sufficiently addressed? Are there other things PHAB Incentives and Funding should address?

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| --- | --- | --- | --- | --- |
|  | Measure | Indicator required by statute? | Data source | Percent allocation |
| Burden of disease | Premature death: Leading causes of years of potential life lost before age 75. | Yes | Oregon death certificate data | 16.67%% |
| Health status | Quality of life: Good or excellent health. | Yes | Behavioral Risk Factor Surveillance System | 16.67% |
| Racial and ethnic diversity | Percent of population not categorized as “White alone”. | No | U.S. Census Bureau, American Community Survey population five-year estimate | 16.67% |
| Poverty\*\* | Percent of population living below 150% of the federal poverty level in the past 12 months. | No | U.S. Census Bureau, American Community Survey population five-year estimate | 8.33% |
| Education\*\* | Percent of population age 25 years and over with less than a high school graduate education level. | No | U.S. Census Bureau, American Community Survey population five-year estimate | 8.33% |
| Limited English proficiency | Percent of population age 5 years and over that speaks English less than “very well”. | No | U.S. Census Bureau, American Community Survey population five-year estimate | 16.67% |
| Rurality | Percent of population living in a rural area | No | U.S. Census Bureau Population estimates | 16.67% |
| Total |  |  |  | 100% |

\*PHAB recommended including two measures of socioeconomic status for a single indicator

Methodology  
Base funding = floor payment + indicator pool payment  
Floor payment = based on county size band  
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