

PHIP Update

April 11, 2014

Foundational Public Health Services

For more than a decade PHIP finance committees have tackled this issue more than once. Approaches have included estimating the costs of delivering public health services in compliance with the Public Health Standards; developing white papers that explained how public health funding is structured and how it is underfunded; and in response to the 4410 Joint Select Committee on Public Health Funding, identifying and prioritizing where to spend any new investments in public health and what types of services would be provided at different investment levels. This later work was used with legislative advocacy and resulted in an additional investment of \$20 million / biennium of state general fund dollars in local public health. This revenue stream was later reduced to \$10 million / biennium.

The latest PHIP effort on funding was initiated by concerns that the erosion of public health funding was threatening the most basic public health services. The initiative is called Foundational Public Health Services (FPHS) and aims to develop and help implement a long-term strategy for predictable and appropriate levels of financing to provide a uniform level of Foundational Public Health Services statewide. What is unique about the approach this time is the focus on basic public health services and the fact that policy makers will be included in the process.

FPHS Technical Workgroup

The FPHS Technical Workgroup began in 2012 by defining a core set of services, foundational public health services, that must be present everywhere in order to function anywhere. They include:

- Foundational Capabilities – cross-cutting services that support all other services
- Foundational Programs – a defined basic level of service that is necessary in each program area

These foundational public health services are not everything that public health should and could do to keep the public healthy, but provide a solid foundation onto which additional important services can be added depending on local needs and priorities and availability of funding.

- With the aid of consultants, the Technical Workgroup developed a cost model that is flexible and can be used to explore the cost of different scenarios for providing a uniform level of Foundational Public Health Services statewide. Steps included:
 - Estimating what it would cost to provide a uniform level of FPHS statewide
 - Estimate how much money is currently spent on foundational and non-foundational public health services and the revenue sources
 - Estimate the difference between current spending and the estimated cost of providing a uniform level FPHS statewide and identify the “net need.”

In April and May, the Technical Workgroup will explore pros and cons to options for assuring appropriate funding to provide a uniform level of FPHS statewide, including:

- Distribution of service responsibility
 - Review summary of current service provision structure
 - Which categories of services could benefit from a shared service or regional delivery model?
 - Which categories of services could benefit from more local control?
- Discuss: given responsibilities for service provision and current funding structures:
 - What are potential sources for “new” money? State or local?
 - What are potential opportunities to re-allocate existing money to support FPHS?
- Develop options for policy group to consider
 - Service Delivery Options
 - Funding Options

The Technical Workgroup will remain available throughout the calendar year to respond to request from the FPHS Policy Workgroup as they designing a sustainable funding model for providing a uniform level of Foundational Public Health Services statewide.

FPHS Policy Workgroup

The Policy Workgroup is being convened and co-chaired by the Secretary of Health. The two other co-chairs are Todd Mielke, Spokane County Commissioner and Marilyn Scott, Vice Chairman, Upper Skagit Tribe. Membership is by invitation of the Secretary and is comprised of elected officials from municipal, county and tribal governments. State legislators will be briefed periodically throughout the process. Membership also includes representatives from the Governor's Health Policy Office, the Office of Financial Management, public health officials from county, state and tribal and key associations.

The purpose of the Policy Workgroup is to propose governance and financing solutions that ensures appropriate funding for FPHS statewide. Some of the concepts we expect to come up include, but are not limited to, the following:

1. Identify a reasonable share of state and local responsibility for funding a uniform level of FPHS statewide
2. Re-prioritize or reallocate current state and local funding that is being used for "other important" / non-foundational services to FPHS.
3. Identify additional or other governance/organizing or shared services principles and options for the delivery of a uniform level of FPHS statewide.
4. New funding options
 - a) Identify new sources of public funds
 - b) Identify other new or non-traditional sources of funds (e.g., funds from capital markets; reallocation of health care savings from health care reform)
5. Some combination of the above or other approaches

The Policy Workgroup will meet monthly from April – December 2014. The focus of the first meeting on April 9th was primarily providing background on the governmental public health system (federal, tribal, state, and local), the Public Health Improvement Partnership, the Agenda for Change and Foundational Public Health Services, including the definition of the services.

In May & June, the meetings will cover the Technical Workgroups findings specific to foundation capabilities, foundational programs, and non-foundational public health services and aim to develop statements about foundational public health services with which Policy Workgroup Members agree.

Meetings over the summer will focus on developing different potential funding scenarios and cross walking them against the ideas about what is foundational to public health. Agenda will include an overview of Technical Group findings specific to the cost of foundation capabilities, foundational programs, and non-foundational public health services; presentation and discussion of the current funding model, other existing funding models, and potential future funding scenarios

In autumn the focus will be to draft and finalize a recommendations package based on the findings and scenarios developed in previous meetings.

Meeting Schedule

2014	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Technical Workgroup	3 1/10 10-11	4 2/21 10-11	5 3/26 10-12:30	6 4/18 10-12:30	7 5/29 1-3:30	8 6/18 10-11	9 7/23 2-3	10 8/25 2-3	11 9/29 2-3	12 10/30 2-3	13 11/2 10-11	14 12/12 2-3
Policy Workgroup				1 4/9 West	2 5/8 West	3 6/18 Spokane	4 7/30 West	5 8/20 Spokane	6 9/17 West	7 10/15 Wenatchee	8 11/5 West	9 12/17 West