



2013 Joint Conference on Health

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SUSTAINABLE FUNDING FOR FOUNDATIONAL PUBLIC HEALTH SERVICES: A PROGRESS REPORT

October 2013

Joint Conference on Health

OUR PUBLIC HEALTH FUNDING SYSTEM IS BROKEN

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- We consider it a legislative success when we don't get cut very much
- Meanwhile, inflation and population growth have steadily undermined our budgets for 15 years or more
- It's not just the **Great Recession**, it's a long term structural defect
- Now, in many local health agencies and at the Department of Health, the most basic public health services are threatened

OUTLINE FOR THIS PRESENTATION

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- Background
- What we've accomplished
 - ▣ Definitions
 - ▣ Cost model
- What are the next steps
 - ▣ Answering funding and policy questions
 - ▣ Formulating a proposal

WHAT DO WE NEED?

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- Stable support for basic public health functions
- Funding that tracks with population growth and inflation
- Enough to assure every community has the basics needed for the public health system to work statewide

What we need everywhere for the system to work anywhere

- Recognizing that the basics aren't all we should do but knowing that the system cannot work if the basics are not in place



We've called this **Foundational Public Health**

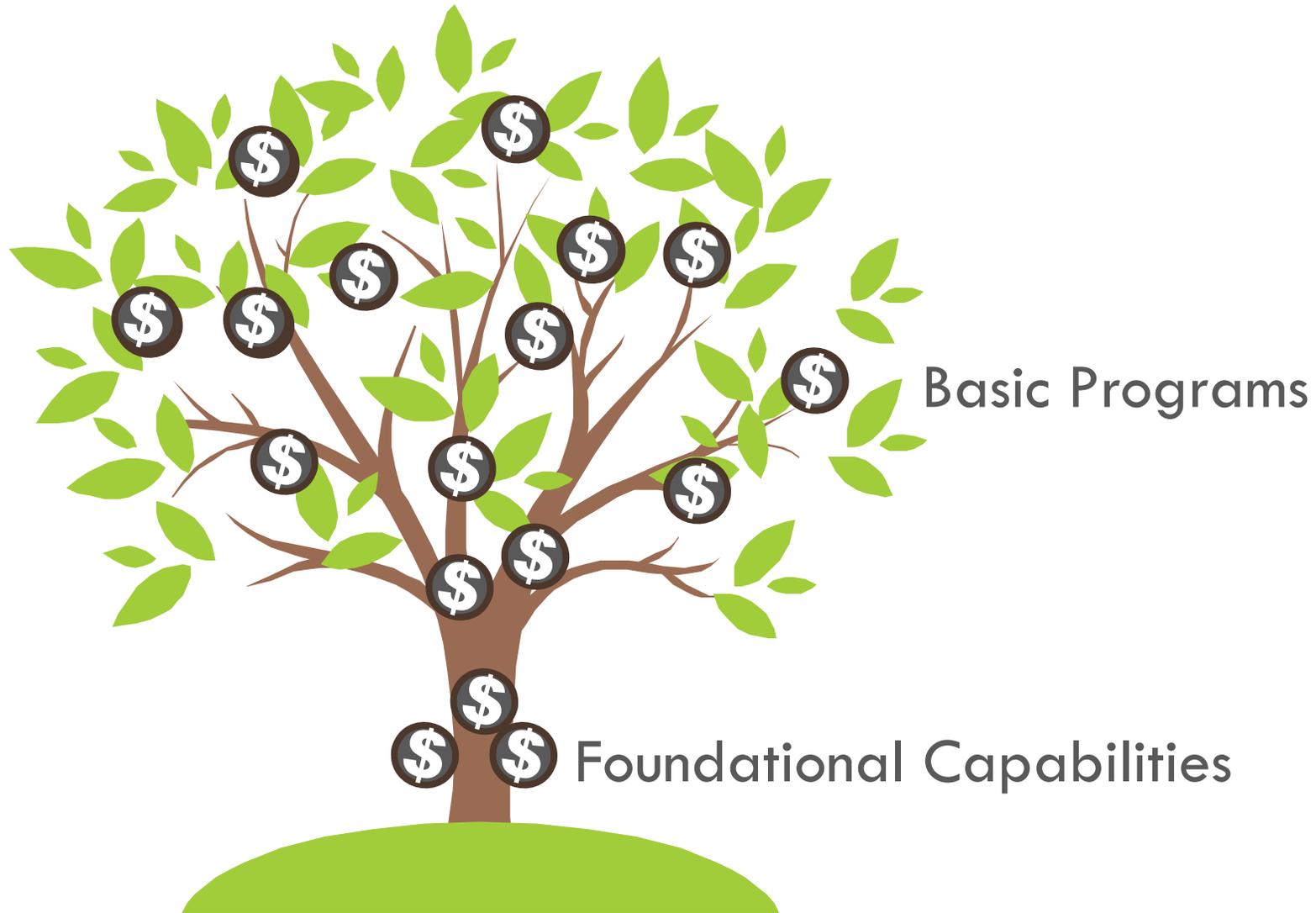
THE QUESTION

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- If you ask decision makers for such funding, they soon ask, **What would we get for the money?**
- If your answer is **Trust Us**, the conversation soon ends
- To have any hope for sustainable funding, we have to answer this question clearly
- This requires a list of boundaries...
- Not a list of everything we could ever do, but an honest list of the things we consider basic, taking into account our responsibility for population based health

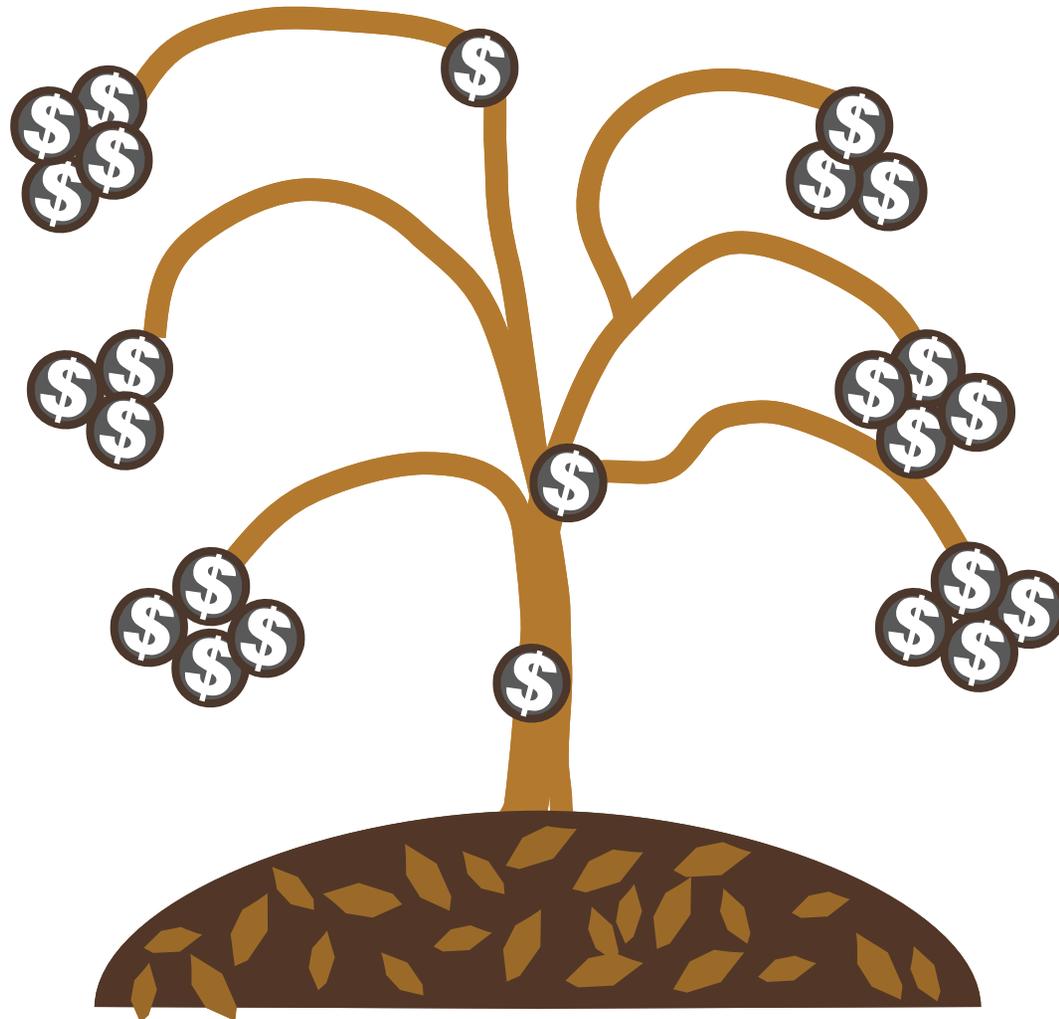
IDEAL PUBLIC HEALTH DEPARTMENT

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ACTUAL PUBLIC HEALTH DEPARTMENT

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WHY FOUNDATIONAL PUBLIC HEALTH?

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To secure sustainable funding for
basic public health services statewide

INSTITUTE OF MEDICINE AGREES

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- In late 2012, the institute of Medicine issued a report on public health funding called
For the Public's Health: Investing in a Healthier Future
- They showed that basic public health funding is a national problem
- And they made the very same connection we did
- You can't be effective pursuing basic funding if you can't clearly state what the basics are
- CDC is also getting involved
- **Public Health Basics** – becoming a national discussion

WHAT'S OUR PLAN?

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- Define **Foundational Public Health Services**
- Cost them out statewide
- Develop practical policy options for sustainable foundational funding
- Develop a broad based coalition of supporters and advocate for the necessary legislation
- Don't quit

FOUNDATIONAL PUBLIC HEALTH SERVICES (FPHS)

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- Chose this term instead of **minimum, basic, or core**
- The idea of a foundation seems right – it's not the whole house, but the rest of the house doesn't work unless the foundation is solid
- A PHIP workgroup began in 2012
- Last spring and summer, the proposed list was widely shared, discussed and modified

DEFINING FPHS

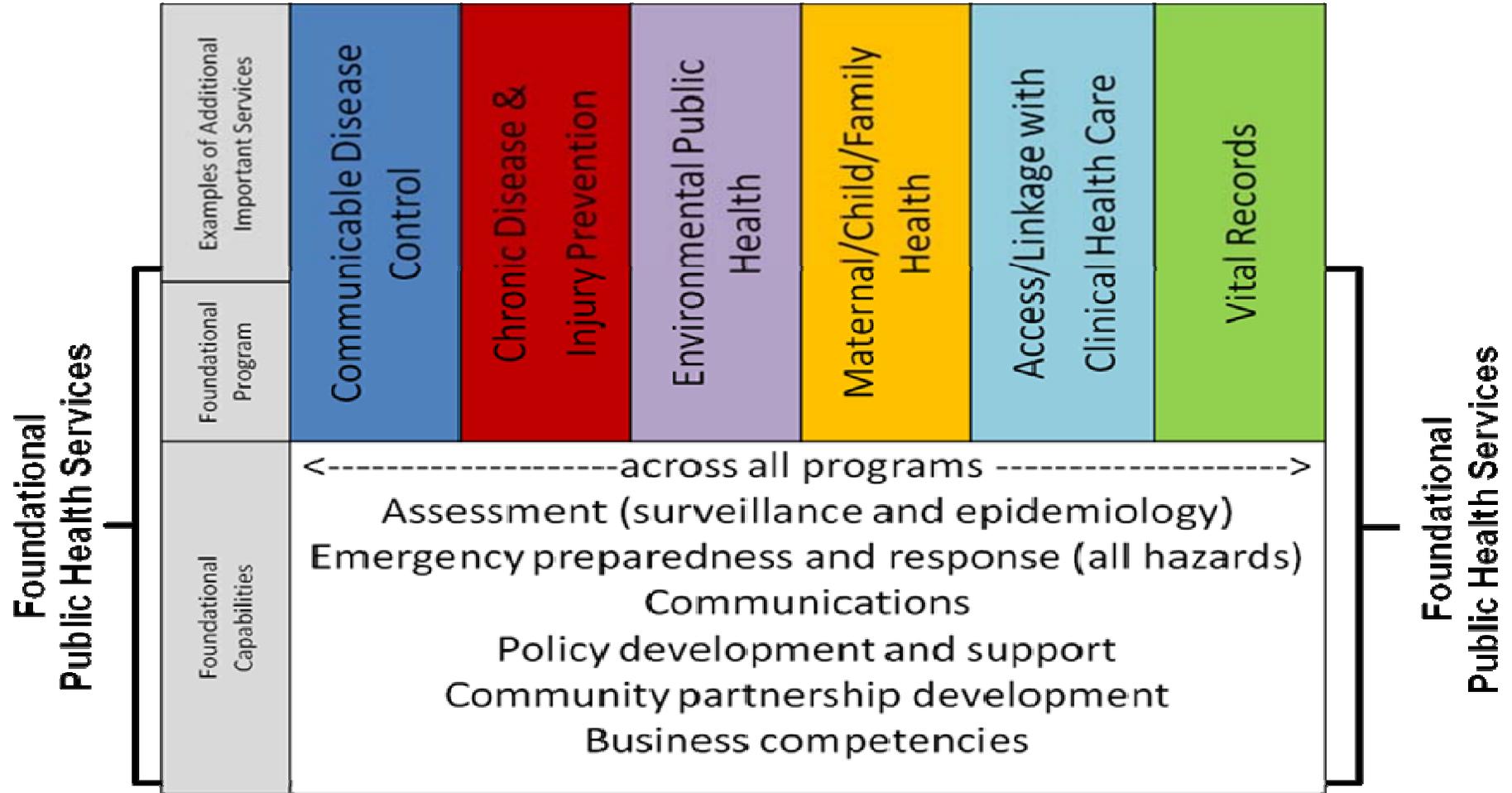
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- What we need to do everywhere for the system to work anywhere
- It's not **everything** we need to do. There are important categorical services that go beyond the basics and which vary according to local needs and priorities.
- The list had to be specific enough to cost it out
- It had to take into account our unique responsibility for population based issues and services

THE LIST

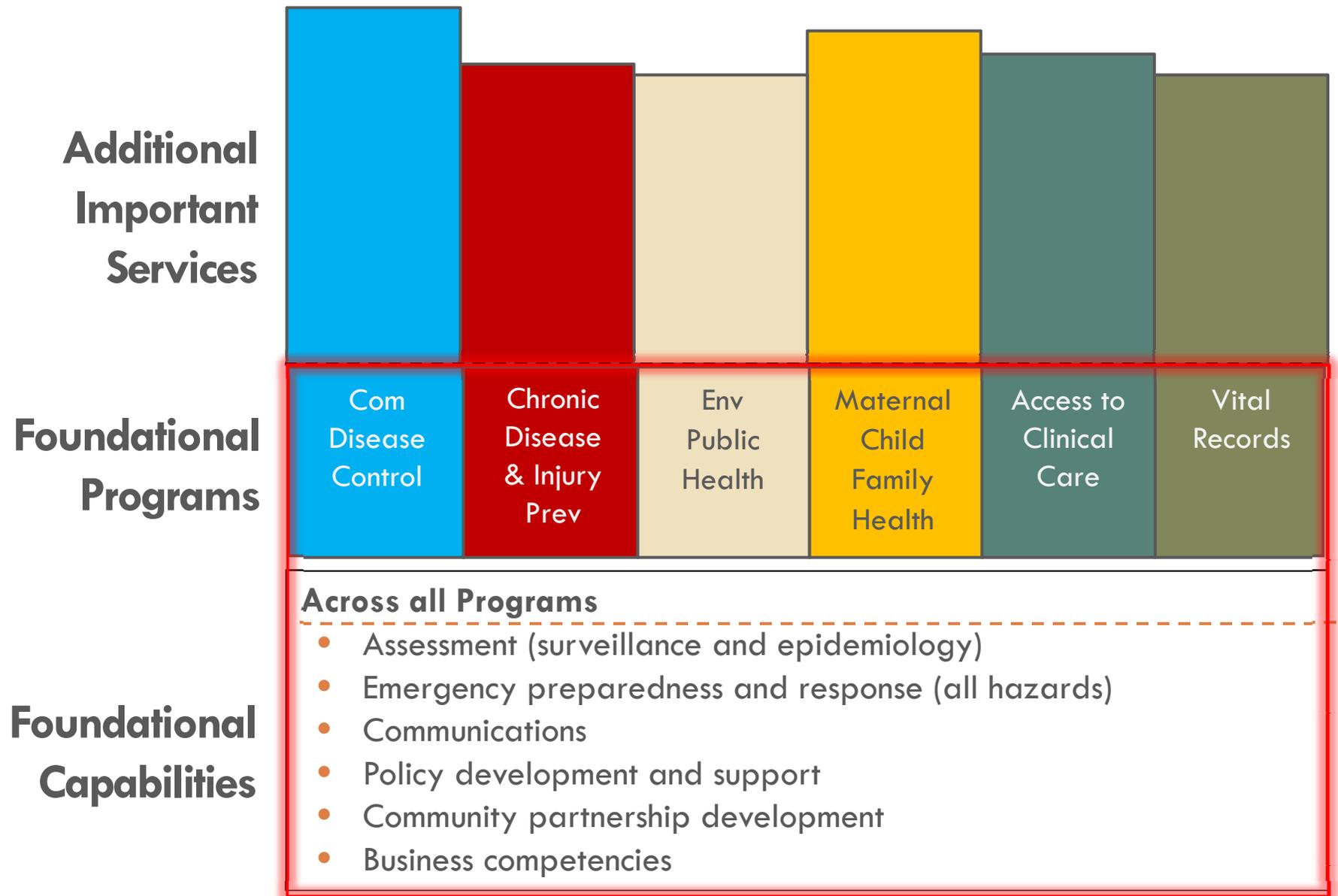
- The **Foundational Public Health Services** include:
Capabilities and **Programs**
- Foundational **capabilities** cut across all program areas
- Foundational **programs** include specific activities such as basic environmental health regulatory programs and communicable disease surveillance and response
- As an appendix we also showed examples of additional important services to demonstrate that there are necessary categorical services that go beyond the basics in response to local needs and priorities

THE DIAGRAM



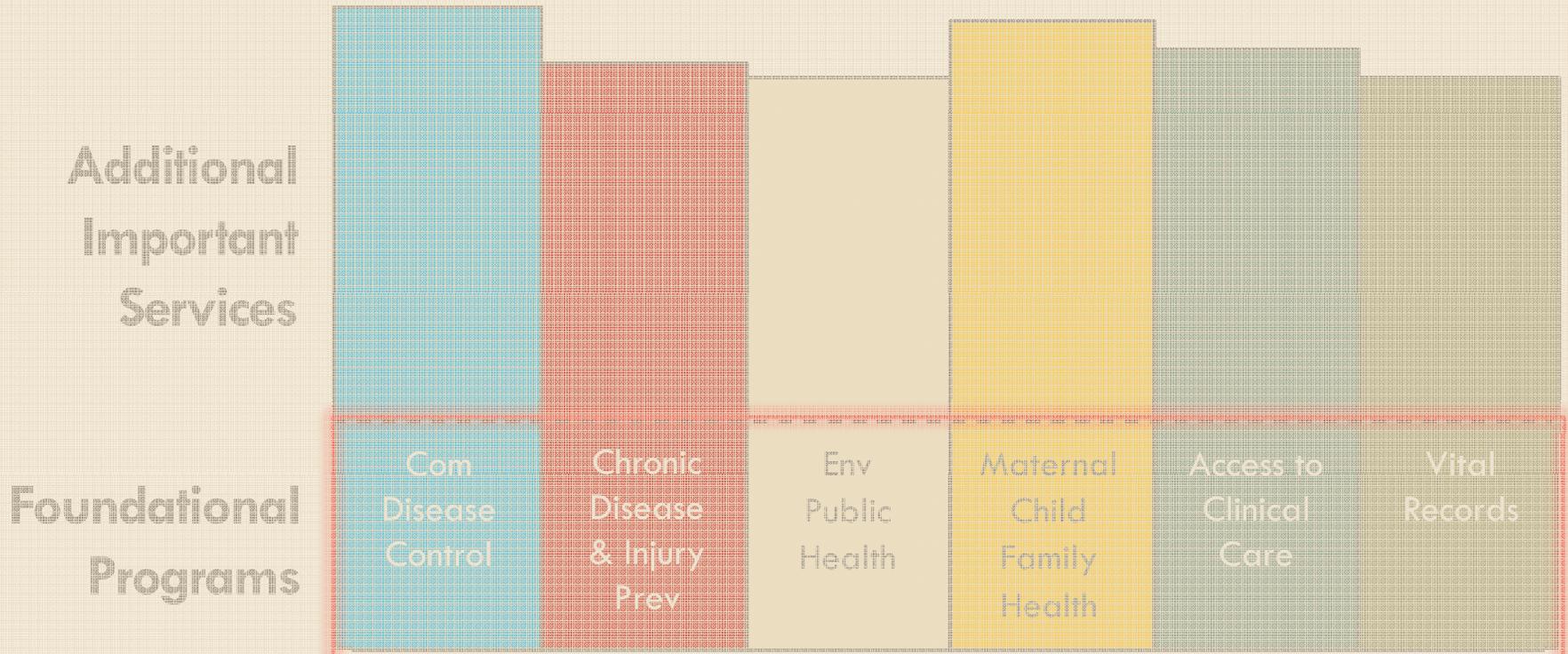
Foundational Public Health Services

FRAMEWORK FOR THE FOUNDATIONAL SERVICES



FOUNDATIONAL PUBLIC HEALTH SERVICES

FRAMEWORK FOR THE FOUNDATIONAL SERVICES



Foundational Capabilities

Across all Programs

- Assessment (surveillance and epidemiology)
- Emergency preparedness and response (all hazards)
- Communications
- Policy development and support
- Community partnership development
- Business competencies

FOUNDATIONAL CAPABILITY - ASSESSMENT

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- Ability to collect, access, and analyze data from 8 specific information sources, such as:
 - ▣ Census data
 - ▣ Vital statistics
 - ▣ Notifiable condition registry
 - ▣ Behavioral risk factor surveillance survey
 - ▣ Key community health indicators

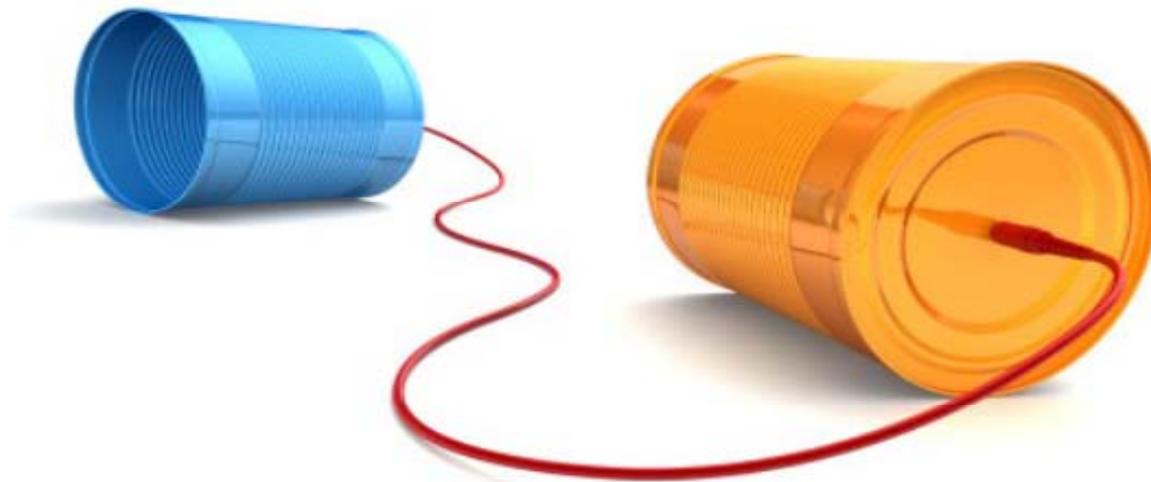
- Ability to prioritize and respond to data requests and to translate data into basic information and reports that are valid, statistically accurate, and readable

- Ability to conduct a basic community health assessment and identify health priorities arising from that assessment

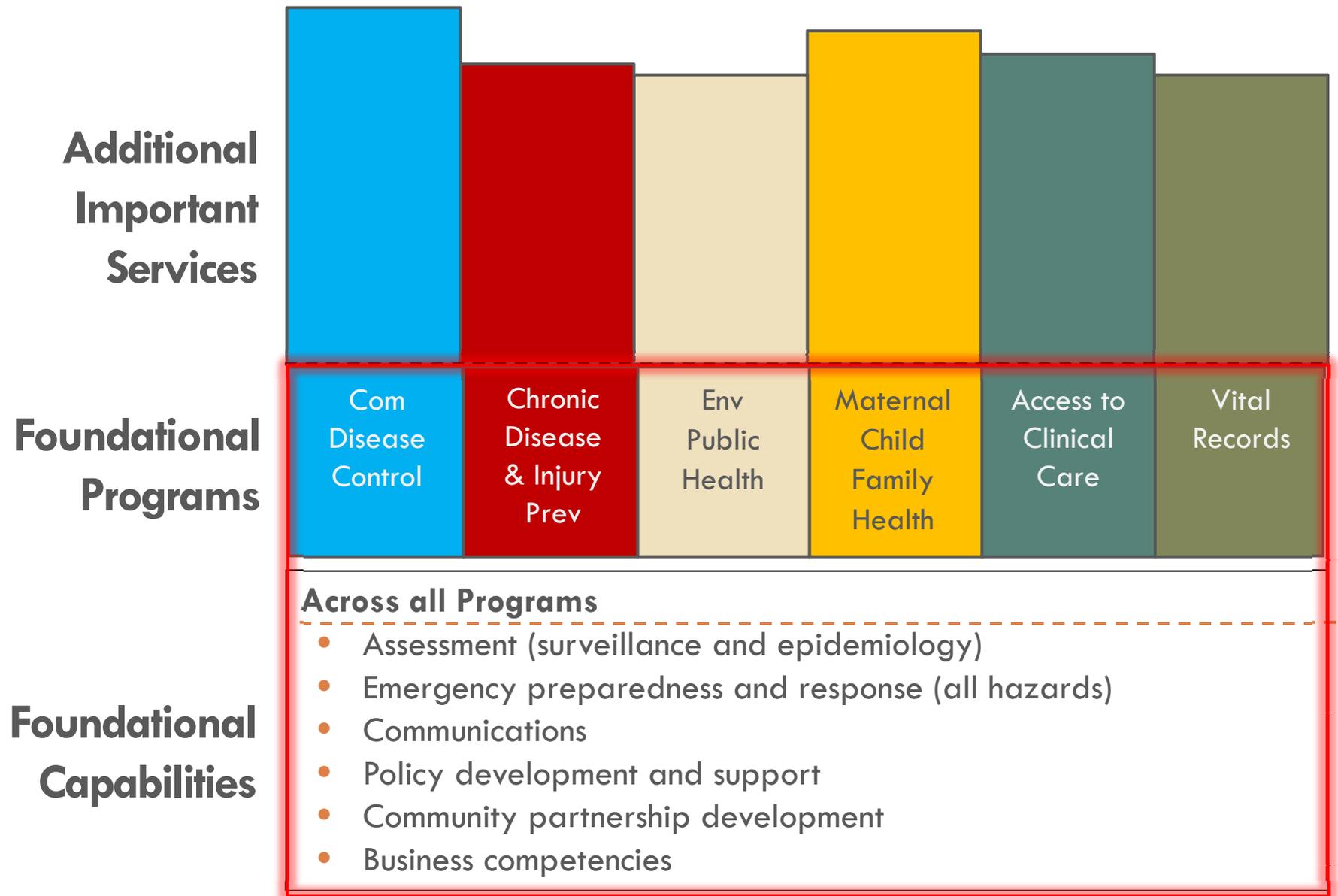
FOUNDATIONAL CAPABILITY - COMMUNICATIONS

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- Ability to write a press release, conduct a press conference, and maintain ongoing relations with media
- Ability to develop communications strategies to increase visibility of specific public health issues
- Ability to communicate basic health risks to target audiences



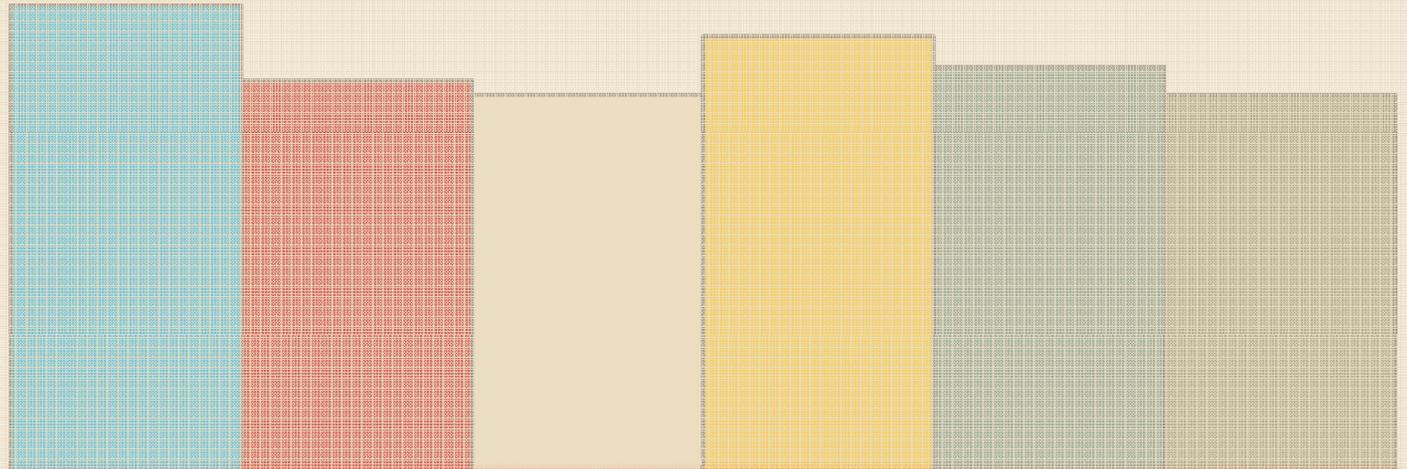
FRAMEWORK FOR THE FOUNDATIONAL SERVICES



FOUNDATIONAL PUBLIC HEALTH SERVICES

FRAMEWORK FOR THE FOUNDATIONAL SERVICES

Additional
Important
Services



**Foundational
Programs**

Com
Disease
Control

Chronic
Disease
& Injury
Prev

Env
Public
Health

Maternal
Child
Family
Health

Access to
Clinical
Care

Vital
Records

**Foundational
Capabilities**

Across all Programs

- Assessment (surveillance and epidemiology)
- Emergency preparedness and response (all hazards)
- Communications
- Policy development and support
- Community partnership development
- Business competencies

FOUNDATIONAL PUBLIC HEALTH SERVICES

COMMON ELEMENTS OF FOUNDATIONAL SERVICES

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- Provide timely, locally relevant and accurate [program] information to the community, including strategies to improve [program] outcomes
- Identify local [program] community assets, develop and implement prioritized plans, and advocate and seek funding for high priority policy initiatives
- Coordinate and integrate other categorically-funded [programs]



EXAMPLES OF FOUNDATIONAL SERVICES

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COMMUNICABLE DISEASE

- Provide timely, locally relevant and accurate communicable disease information to the community...
- Identify local community communicable disease assets, develop and prioritize plans...
- Coordinate and integrate other categorically-funded programs....



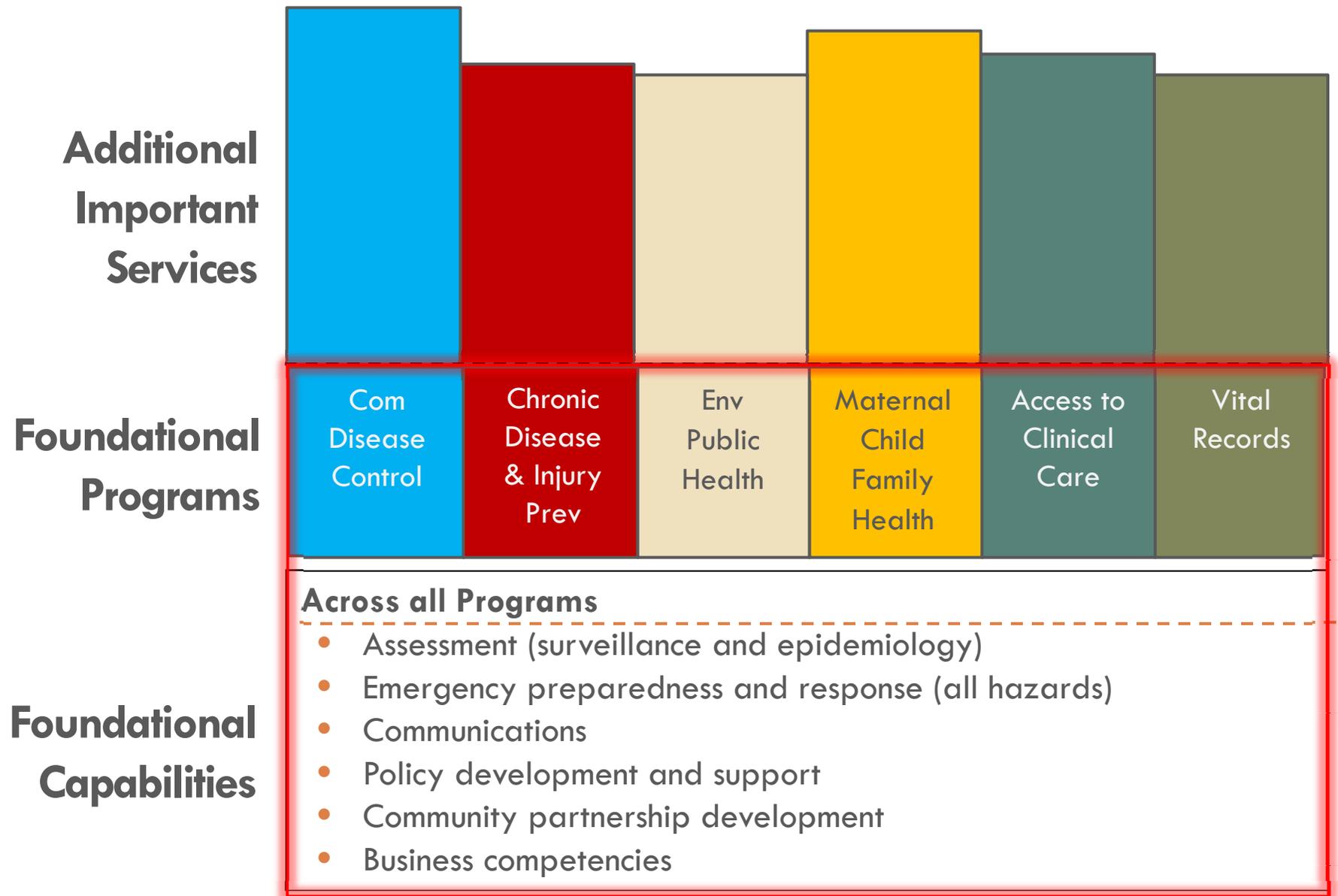
EXAMPLES OF FOUNDATIONAL SERVICES

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COMMUNICABLE DISEASE

- Provide timely, locally relevant and accurate CD information to the community...
- Identify local community CD assets, develop and prioritize plans...
- Coordinate and integrate other categorically-funded programs...
- Receive notifiable disease reports, conduct disease investigations, and identify and respond to disease outbreaks in accordance with state and national guidelines
- Assure the availability of partner notification services for newly diagnosed cases of syphilis, gonorrhea, and HIV according to CDC guidelines
- Assure the appropriate treatment of individuals who have active tuberculosis, including the provision of directly-observed therapy according to CDC guidelines

FRAMEWORK FOR THE FOUNDATIONAL SERVICES



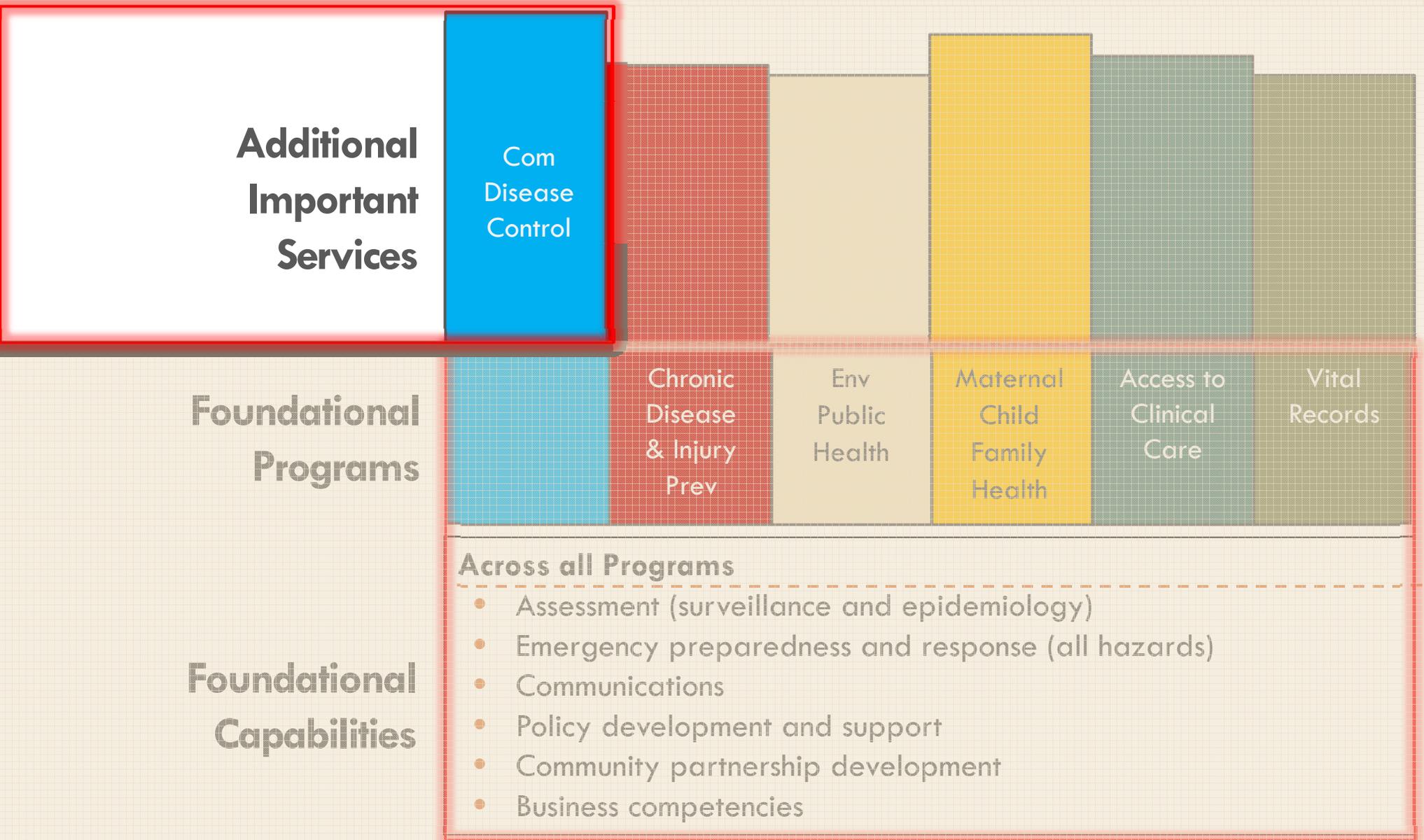
FOUNDATIONAL PUBLIC HEALTH SERVICES

FRAMEWORK FOR THE FOUNDATIONAL SERVICES



FOUNDATIONAL PUBLIC HEALTH SERVICES

FRAMEWORK FOR THE FOUNDATIONAL SERVICES



FOUNDATIONAL PUBLIC HEALTH SERVICES

EXAMPLES OF ADDITIONAL IMPORTANT PUBLIC HEALTH PROGRAMS AND SERVICES

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COMMUNICABLE DISEASE CONTROL

- Federal and state HIV prevention and clinical services in accordance with state and federal regulations for these programs (e.g. Ryan White)
- Treatment of latent tuberculosis infection
- Partnership notification services for chlamydia infections
- Other examples
 - ▣ WIC
 - ▣ Clinical care services
 - ▣ Breast and cervical cancer programs
 - ▣ Nurse Family Partnership
 - ▣ Community Transformation Grant
 - ▣ Public health research activities

DEFINING FOUNDATIONAL PUBLIC HEALTH SERVICES

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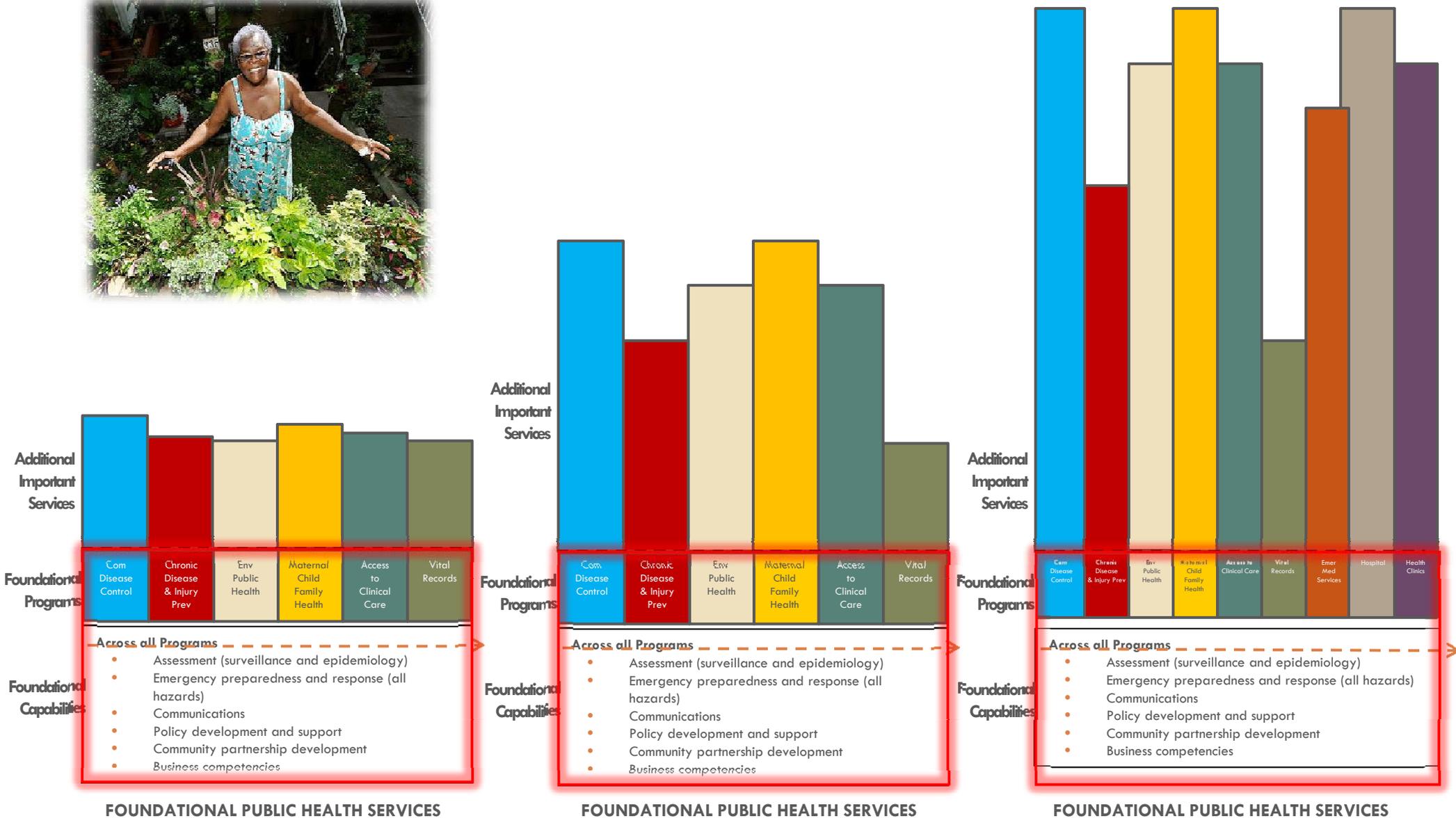
EXAMPLES OF OTHER IMPORTANT PUBLIC HEALTH SERVICES

- Examples of services that may be provided depending on the local situation and availability of funding
- Specific identification of services deemed ‘not foundational’

KEY POINT

- We want to draw a clear line between what is ‘foundational’ and what is ‘additional’ and ‘important’

HEALTHY DEPARTMENTS DO MORE THAN THE FOUNDATIONAL SERVICES



FOUNDATIONAL PUBLIC HEALTH SERVICES

FOUNDATIONAL PUBLIC HEALTH SERVICES

FOUNDATIONAL PUBLIC HEALTH SERVICES

BUILDING A MODEL TO ESTIMATE COST

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GENERAL APPROACH

- Through PHIP (with Department of Health dollars), retained Berk & Associates as consultants to help develop the cost model
- Establish a model that allows for further exploration of options for increasing funding and reducing costs
- We are not building a Swiss watch... but we need enough precision to inform the funding/cost discussion
- Basis for costing: Foundational Public Health Services
 - ▣ Detailed definitions for 'capabilities'
 - ▣ Detailed definitions for 'programs'
 - ▣ Common 'assumptions' for each definition element
 - ▣ Common definitions of overhead and indirect costs

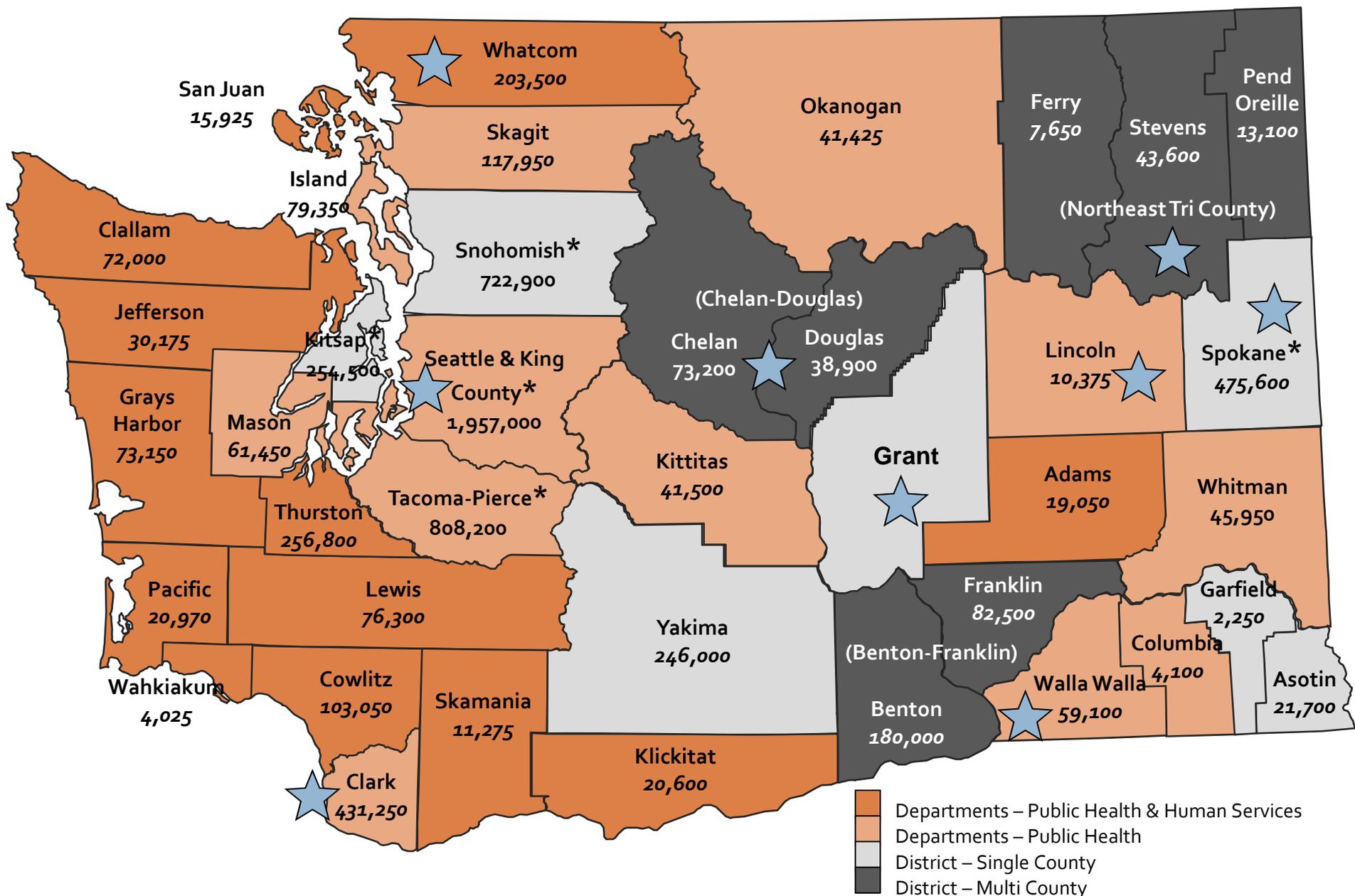
BUILDING A MODEL TO ESTIMATE COST

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METHOD – COLLECTING COST ESTIMATES

- Piloted by collecting cost estimates for 2 foundational programs from 2 LHJs and DOH; refined data collection process; improved definitions and documented assumptions
- Collected cost estimates from DOH and 9 LHJs on spreadsheets; in-depth interviews to refine and validate the estimates with each participant. (from Lincoln County to Public Health – Seattle & King County)
- Identified cost drivers – primarily population, but also disease rates
- Model is based on estimates: what would it take for you to deliver the defined service; NOT what you are doing right now

LOCAL HEALTH JURISDICTIONS IN WASHINGTON



Washington State Total Population, 6/2012 – 6,817,770
 Source: Office of Financial Management

* Agency is lead by full-time physician health officer
 ★ LHJs Contributing Estimates to the FPHS Cost Model

BULDING A MODEL TO ESTIMATE COST

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METHOD – VARIABLES

- Identified cost drivers – primarily population, but also disease rates
- Per-unit costs were established
- Elasticity factors (percent of fixed and variable costs)
- Scaled / extrapolated for statewide estimates

BUILDING A MODEL TO ESTIMATE COST

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LEARNINGS THUS FAR.....

- The model is flexible and can be used with different assumptions and variables to test different scenarios
- Variability in interpreting and applying the definitions impact the cost estimates
- Definitional challenges remain around indirect and overhead; this most impacts estimates for foundational capabilities, especially business competencies
- There were some significant cost differences between like-sized local health agencies; can we refine the definitions or model to address or account for this?
- Fixed versus incremental costs for small local health agencies; can/should the model account for this?

COST MODEL – PRELIMINARY OUTPUT

Exhibit 4
Estimated Statewide Foundational Costs by Service

Services Ranked By Cost	Total Estimated Cost of FPHS		State Dept. of Health		Local Health Jurisdictions	
Foundational Capabilities	75,700,000	23%	27,750,000	17%	47,945,000	29%
F. Business Competencies	40,265,000	12%	15,995,000	10%	24,270,000	15%
A. Assessment	11,350,000	3%	5,410,000	3%	5,935,000	4%
B. Emergency Preparedness and Response	10,825,000	3%	3,620,000	2%	7,205,000	4%
E. Community Partnership Development	4,885,000	1%	860,000	1%	4,025,000	2%
D. Policy Development and Support	4,415,000	1%	1,115,000	1%	3,300,000	2%
C. Communication	3,960,000	1%	750,000	0%	3,210,000	2%
Foundational Programs	252,290,000	77%	134,890,000	83%	117,405,000	71%
C. Environmental Public Health	95,800,000	29%	33,760,000	21%	62,045,000	38%
E. Access/Linkage with Clinical Health Care	65,585,000	20%	62,145,000	38%	3,440,000	2%
A. Communicable Disease Control	33,760,000	10%	9,010,000	6%	24,750,000	15%
D. Maternal/Child/Family Health	25,175,000	8%	13,765,000	8%	11,410,000	7%
B. Chronic Disease and Injury Prevention	24,855,000	8%	12,590,000	8%	12,265,000	7%
F. Vital Records	7,115,000	2%	3,620,000	2%	3,495,000	2%
Total Cost	327,990,000		162,640,000		165,350,000	

Source: DOH, 2013; Participating LHJs, 2013; and BERK, 2013.

COST MODEL – PRELIMINARY OUTPUT

Exhibit 3
Estimated Cost of Providing Foundational Public Health Services Statewide

Services Ranked By Cost	Total Estimated Cost of FPHS	State Dept. of Health	Local Health Jurisdictions	■ State DOH ■ LHJs	
				State DOH	LHJs
Foundational Capabilities	75,700,000	27,750,000	47,945,000	37%	63%
A. Assessment	11,350,000	5,410,000	5,935,000	48%	52%
B. Emergency Preparedness and Response	10,825,000	3,620,000	7,205,000	33%	67%
C. Communication	3,960,000	750,000	3,210,000	19%	81%
D. Policy Development and Support	4,415,000	1,115,000	3,300,000	25%	75%
E. Community Partnership Development	4,885,000	860,000	4,025,000	18%	82%
F. Business Competencies	40,265,000	15,995,000	24,270,000	40%	60%
Foundational Programs	252,290,000	134,890,000	117,405,000	53%	47%
A. Communicable Disease Control	33,760,000	9,010,000	24,750,000	27%	73%
B. Chronic Disease and Injury Prevention	24,855,000	12,590,000	12,265,000	51%	49%
C. Environmental Public Health	95,800,000	33,760,000	62,045,000	35%	65%
D. Maternal/Child/Family Health	25,175,000	13,765,000	11,410,000	55%	45%
E. Access/Linkage with Clinical Health Care	65,585,000	62,145,000	3,440,000	95%	5%
F. Vital Records	7,115,000	3,620,000	3,495,000	51%	49%
Total Cost	327,990,000	162,640,000	165,350,000	50%	50%

Source: DOH, 2013; Participating LHJs, 2013; and BERK, 2013.

NEXT STEPS

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TECHNICAL WORK AND DEVELOPING FUNDING POLICY OPTIONS

- FPHS Workgroup Phase II
 - ▣ Determine current spending
 - ▣ Confidently estimate the cost of delivering FPHS
 - ▣ Identify the ‘funding needed’
 - ▣ Address funding policy questions and propose policy options

POLICY AND ADVOCACY

- FPHS Policy Group – comprised of elected officials, WSAC, AWC and other policy makers and stakeholders

GOAL: VIABLE PROPOSAL FOR 2015 SESSIONS

CURRENT SPENDING

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- How much money is currently in the system (Department of Health and 35 local health agencies)?
- What is being spent on? (total and by fund source)
- How much local funding are local health agencies receiving and what are these funds spent on?
- How much state funding are local health agencies receiving and what are these funds spent on?
- How much is currently being spent for **foundational public health services**? For **additional important** public health services? (total and by fund source)

FUNDING NEEDED

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FEE AND CATEGORICAL GRANTS

- Which foundational public health services and how much of the estimated cost of delivering these should be funded by fees and categorical grants?
- Which fees and categorical grants can/should we assume will continue?
- Should we set an expected level for cost recovery for fee supported services?
- Determine the **dollars needed**' from local and state to fund foundational public health services
- Identify the **gap** between dollars needed for foundational public health services and current local & state funding

FUNDING POLICY QUESTIONS AND OPTIONS

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- Identify who (local or state) should **deliver** specific foundational public health services – for example:
 - ▣ Which foundational public health services should be delivered locally and which should be delivered centrally?
 - ▣ Are there low demand/infrequent services or highly specialized or technical services that should be delivered centrally or regionally in order to maintain expertise most efficiently? (i.e. TB investigation and management)
 - ▣ Which foundational public health services should be funded by local government and which by state government?

- Determine the appropriate division between local and state governments for **funding** foundational public health services

POLICY AND ADVOCACY

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□ FPHS Policy Group

- Receive and consider technical information and funding policy options from the workgroup
- Consider and determine solutions for providing adequate sustainable funding for foundational public health services statewide
- Work to implement solutions

GOAL: VIABLE PROPOSAL FOR 2015 SESSIONS

REVIEW: OVERARCHING POLICY QUESTIONS

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- ✓ Funding for what? (Foundational Public Health Services are defined)
- ✓ How much funding? (Can make estimate based on various assumptions)
- What is the right mix of revenue
 - Who should pay how much for what?
 - Should there be a local match for state dollars? Or vice versa?
 - Should there be an expected/minimum % of cost recovery for fee-based services?
- How should funds be distributed across the state?
Across services? What is fair/equitable?
- How should payers/funders monitor the impact of the funds
(e.g. accountability, Return on Investment)?

REVIEW: WHERE WE'VE BEEN AND WHAT WE NEED TO DO

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- ✓ Defined **Foundational Public Health Services**
- ✓ Estimate the cost of delivering the FPHS statewide
- Develop practical policy options for sustainable foundational funding
- Develop a broad based coalition of supporters and advocate for the necessary legislation
- Don't quit

DON'T QUIT

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- Odds are it won't pass the first time
- It took 8 years of struggle to get a separate state department of health
- If this takes that long, it will be worth it
- We need to have the staying power to see this through

QUESTONS AND DISCUSSION

THANK YOU

[www.doh.wa.gov/PublicHealthandHealthcareProviders/PublicHealthSystemResourcesandServices
/PublicHealthImprovementPartnership.aspx](http://www.doh.wa.gov/PublicHealthandHealthcareProviders/PublicHealthSystemResourcesandServices/PublicHealthImprovementPartnership.aspx)

PUBLIC HEALTH
ALWAYS WORKING FOR A SAFER AND
HEALTHIER WASHINGTON

NEXT STEPS: SUSTAINING OUR WORK THROUGH THE PUBLIC HEALTH IMPROVEMENT PLAN

Reshape Public Health

Agenda for Change

Agenda for Change Action Plan

Agenda for Change Implementation

<h3>An Agenda for Change</h3> <p>PUBLIC HEALTH IN A TIME OF CHANGE</p> <p>Public health in Washington State is at a crossroads. After a century of effectively preventing death and illness and increasing the quality of life of our residents, today we face the dual challenges of a severe funding crisis and a change in the nature of preventable disease and illness in our state. These new realities must lead to a rethinking of how we do our work if we are to:</p> <ul style="list-style-type: none"> Sustain our past successes – protect the capabilities of our communicable disease response, public health laboratory services, core environmental public health work, and emergency preparedness and response. Confront our emerging challenges – address chronic diseases such as diabetes and heart disease, resulting from underlying causes such as tobacco use, poor nutrition and physical inactivity, as well as address preventable injuries, and giving everyone a chance to live a healthy life regardless of their income, education, racial or ethnic background. Use our available resources most efficiently and effectively – forge new partnerships and use technology to shape a better, more effective public health system. <p>In short, we need an agenda for change as we move forward, even during these tough times.</p> <p>Public health has profoundly improved the lives of people in our state for over a hundred years. In the early 1900s, the average life expectancy in the U.S. was 49 years. Today it is approximately 80 years. While clinical health care is valued, most of this increase is due to public health actions – for example, the dramatic drop in infant mortality and deaths from infectious diseases resulting from improved hygiene, sanitation, immunization, and communicable disease control efforts. While they remain hidden because they are successful, the public health efforts that provide safe drinking water, safe food, and safe living conditions are active and on-going today and require resources and trained public health professionals to assure continuing effectiveness.</p> <p>The current economic crisis threatens these resources and, therefore, these programs and our citizens' overall health and well being. Local and state funding for public health is rapidly eroding, resulting in the loss of trained public health professional staff ranging from 25-40% in some jurisdictions and compromising our overall public health system's ability to respond to critical health issues.</p> <p>As importantly, new challenges confront us. While public health has made great strides in combating infectious disease, a new set of preventable illnesses has emerged. Although Washingtonians are living longer, they are still dying early from preventable causes, often following years of preventable illness and disability. Chronic diseases such as diabetes and heart disease, resulting from underlying causes such as tobacco use, poor nutrition, and physical inactivity, continue to cause long-term illnesses and disability and are cutting lives short.</p>	<p>October 2010</p> <p>Reshaping Governmental Public Health in Washington State</p> <p>Co-Chairs Greg Grunzfelder John Wiseman</p> <p>Members Susan Allan Joan Brewster Carlos Carrera Dennis Demini Joe Fishbeiner David Fleming Karen Jencies Barry King Mary Looker Joel McCullough Patrick O'Connell Jane Palner David Svirak Jude Van Buren Mary Wendt</p> <p>DOH Staff Allene Mares Marie Plaza</p>
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Reshaping Governmental Public Health in Washington State
An Agenda for Change, October 2010 Version Page 1 of 5

Agenda for Change Action Plan

SUMMARY

2012



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- Partners are Essential
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Public Health Improvement Plan

2012



PUBLIC HEALTH
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2013 PHIP ORGANIZATIONAL STRUCTURE

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Strategic Priorities

Foundational Public Health Services

Transforming Business Practices

