

PUBLIC HEALTH IMPROVEMENT PARTNERSHIP

FOUNDATIONAL PUBLIC HEALTH SERVICES

SEPTEMBER 5, 2013

PURPOSE

The purpose of the Foundational Public Health Services Workgroup is to develop and help implement a long-term strategy for provision of the foundational public health services needed to assure a functional public health system statewide. To accomplish this, the workgroup is focusing on:

- Producing a model to estimate system-wide costs of foundational public health services
- Providing the technical information on options, the pros and cons of each, and recommendations for which option to pursue
- Providing technical support to policy makers in designing sustainable funding models

BACKGROUND

Similar to other public safety and infrastructure services, foundational public health services must be in place everywhere to protect and improve the overall health of the state. No matter where they live, residents of our state should be able to rely on the governmental public health network to deliver foundational services that protect all Washingtonians.

Health insurance plans describe their minimum benefits package – defining the services available to everyone who has that plan. Similarly, the foundational public health services define the public health services that no community should be without, regardless of how the services are provided.

In the 2012 report, *For the Public's Health: Investing in a Healthier Future*, the Institute of Medicine recommended the development of a 'minimum package of public health services', paralleling the health insurance idea and language.

In Washington, in order to develop and implement a long-term strategy for predictable funding, we first answered the question 'funding for what' by defining foundational public health services. We believe that the word 'foundational' appropriately conveys the concepts of minimum and something to build upon – a minimum package or common core set of public health services that no community should be without and that must be present everywhere for the public health system to function anywhere.

Defining the Foundational Public Health Services

A Foundational Public Health Services Workgroup was established in 2012 and it developed a framework which included foundational capabilities that cut across and support all other services and foundational programs that identify some basic level of service necessary in each program area.

In developing the definitions for each capability and program, the following principles were used:

- Include both local and state public health services because they are interdependent
- Define what is core and draw a line; don't include everything that public health could or should do
- Include only services that government should do and fund, including via fees
- Assume that some federal and other categorical grant funds will continue to be available and will continue to be used for very specific activities
- Be clear that foundational services are just that, foundational; alone, they are not sufficient or all that public health should do

The definition for most of the capabilities and each of the programs follow a pattern that includes:

- Provide information
- Identify assets and partners
- Develop and implement a plan
- Coordinate and integrate with categorically-funded and other programs
- Calls out a few specific governmental public health priorities such as:
 - Assure partner notification for newly diagnosed cases of syphilis, gonorrhea, and HIV; assure treatment for active TB cases
 - Reduce rates of tobacco use; increase rates of health eating and active living
 - Food, water recreations, drinking water, liquid and solid waste; priority zoonotics; radiation; land use planning
 - Focus on Adverse Childhood Experiences
 - Patient safety, including licensing and disciplining health professionals

The workgroup also provided examples of 'other important public health services' deemed 'not foundational' or that may be provided depending on local priorities and availability of funding.

A Model for Estimating the Cost of Delivering Foundational Public Health Services

Under the direction of the workgroup, the contractor developed a model for estimating the cost of delivering foundational public health services. This tool is flexible and can be used to explore different scenarios based on different assumptions, variables, and inputs. During Phase I, the workgroup developed a set of assumptions and inputs to run through the tool and get a feel for how it works. This included:

- 9 local health agencies (varying in size and structure) as well as the Department of Health submitted cost estimates using current costs as a basis to estimate the cost of providing the defined foundational services
- Various cost drivers (denominators) were explored and used, and estimates were translated into per-unit costs

- Overhead and indirect cost were explored, defined, estimated and factored in
- A range of elasticity factors (percent of fixed and variable costs) were explored and applied
- Per-unit costs were then scaled to all agencies statewide; agencies were grouped in different ways and different scaling factors were applied to explore different scenarios

We have more work to do on refining the tool, assumptions and inputs in order to confidently estimate the cost of delivering foundational public health services.

NEXT STEPS

In the next year, the Foundational Public Health Services Workgroup will engage a contractor to improve, refine and use the cost model and to map out the following policy issues and options:

1. Current spending –
 - How much money is currently in the system (for the Department of Health and the 35 local health agencies)?
 - What is it being spent now (total and by fund source)?
 - What is being spent on foundational public health services (by fund source)?
 - What is being spent on ‘additional important public health services’ (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?
2. Confidently estimate the cost of delivering the foundational public health services –

Building on Phase I, improve and refine the cost estimation model to confidently estimate the total cost of delivering foundational public health services statewide, assuming the current public health structure (35 local health agencies and Department of Health). The contractor will facilitate the workgroup in reviewing the assumptions, variables, and inputs used in Phase I, exploring alternatives, validating the data and reaching consensus on a set of assumptions, variable and inputs and the cost of delivering foundational public health services statewide.
3. Policy development –

Explore, identify the pros and cons of different options and reach conclusions on the following key policy questions:

 - Fees and categorical funding
 - Which foundational public health services and how much of the estimated cost of delivering these should be funded by things like 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 funding

- Identify who (local or state) should deliver specific foundational public health services
 - 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
 - How much of the dollars needed to deliver foundational public health services should be paid by local governments and how much by state government
4. Report and communication materials –
Final report for public health professionals and communication materials for other audiences

QUESTIONS FOR THE PARTNERSHIP

1. The work described above will assume the existing public health structure (35 local health agencies and the Department of Health). Is that a reasonable approach?
2. Are these the right elements of the work, right focus, level and scope, sequence?
3. Should the following topics be addressed and if so, by whom, how and when?
 - System governance structure
 - Accountability
 - Chart of Accounts (the way we track financial data)
 - Engaging the political process
4. Are there other policy issues that need to be addressed?

RELATED PROJECTS

RWJ Cost Study

RWJ has awarded a *Costs and Cost-drivers of Providing Foundational Public Health Services in Washington State and Relationship with Structural and Community Factors* grant. The principle investigators are: Betty Bekemeier, Martin Mueller and Justin Marlowe (from the UW Evans School Public Affairs with expertise in local government financing). The grant period begins July 15, 2013 and runs for 18 months, through January 2015. The project will build on current foundational public health services cost model work to enhance and refine the foundational services cost estimate by:

- Collecting data from 8 more local health agencies
- Asking a couple of local health agencies to keep activity logs for one service area
- Exploring what can be learned about costs for foundational public health services from BARS data

WSAC Financial Sustainability Project

Eric Johnson, WSAC Executive Director, presented this project at the June WSALPHO meeting. It is still in the stages of development and we hope to hear more soon.