KENTUCKY PUBLIC HEALTH
TRANSFORMATION UPDATE

Working together for an efficient, sustainable and accountable public health system focused on producing better health outcomes for all Kentuckians.

February 21, 2019

Jeff Howard, MD
Commissioner
• I believe every Kentuckian should have access to high quality public health no matter where they live.
• I firmly believe in accountability at ALL levels.
• I am committed to ensuring that evidence-based and best-practice public health approaches are being implemented.
• My perspective for this transformation is that of a public health system not LHDs v. DPH/state.
• I am committed to the shared-governance structure and preserving local autonomy.
• I believe that both public health problems and solutions are local.
GOALS FOR PH TRANSFORMATION

1. Relieve the fiscal instability of the current system.
2. Introduce a modern, simplified, and focused PH model with clearly defined priorities that is based on PH 3.0 principles.
3. Create accountability at ALL levels of the system.
4. Improve PH leadership capacity at all levels.
5. Prevent duplication of effort, reduce waste and red-tape internally and externally.
6. Support and emphasize data driven decisions to best promote community health outcomes.
Fiscal Instability
- Up 42 Local Health Departments representing 4 Districts are at risk for fiscal default in calendar year 2020.
- Current fiscal analysis shows ~ $40M deficit in 2020.
- Greatest deficits outside of CORE PH = clinical services.
Months of Solvency:
0-12 months:           35%  
13-24 months: 18%
HOW DID WE GET HERE?

• Affordable Care Act

• KY’s pension crisis
Kentucky

OVERALL RANK: 45
DETERMINANTS RANK: 42
OUTCOMES RANK: 47

“Every system is perfectly designed to achieve exactly the results it gets.”

- Earl Conway and Paul Batalden
CHALLENGES

1. Fiscal Instability
   - Up 42 Local Health Departments representing 4 Districts are at risk for fiscal default in calendar year 2020.
   - Current fiscal analysis shows ~ $40M deficit in 2020.
   - Greatest deficits outside of CORE PH = clinical services.

2. Current Programmatic Services are not Reflective of Community PH Needs
   - Federal funding structure is a significant driver of this result.
   - PH system has not adjusted to post-ACA era PH approaches or programs.
   - Bureaucratic layering needs to be removed from the system to achieve operational efficiency and effectiveness.

3. Legislative Issues
   - PH laws are disparate and voluminous → needs consolidation to be more functional.
   - Current statutes and regulations do not allow for proper operational restructuring.

4. Shared Governance
   - Hybrid structure of Public Health makes change difficult.
   - Greater support, structure, and education for LBOHs.
   - Lack of accountability at ALL levels.
That sounds good, but how does that translate to a PH transformation?
CORE PUBLIC HEALTH

FOUNDATIONAL PUBLIC HEALTH

Five focus areas, which includes statutorily and regulatorily defined services:

1. Population Health
2. Enforcement of Regulation
3. Emergency Preparedness & Response
4. Communicable disease control
5. Administrative and organizational infrastructure

Community Health Assessment

WIC

HANDS

HARM REDUCTION & SUD

- Available to every KY citizen.
- 'Do or Assure'
- Okay for community partners to perform on the LHD’s behalf.
- Must agree that these programs are the first priority.
CORE PUBLIC HEALTH

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Community Health Assessment

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HANDS

HARM REDUCTION & SUD

Local Public Health Priorities
How to be a Partner in Implementing the
Washington State Plan for
Healthy Communities

Executive Summary
How to Help
Approaches to Work
Read the Plan

Alliance for Healthier Communities
Alliance pour des communautés en santé

Cultivating Healthy Communities

Healthy Communities

Creating Healthy Communities

Building Healthier Communities
EMERGENT vs. DIRECTED
**FOUNDATIONAL PUBLIC HEALTH**

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**Community Health Assessment**

### Population Health
- Partnership Development • Health Equity • Chronic Disease Management
- Health in All Policy • Education • Community Health Assessment
- Community Health Improvement Plan
  
  Applicable Kentucky Revised Statutes:
  KRS 212.240, KRS 212.245, KRS 212.370

### Enforcement of Regulations
- Food & Water Safety • Waste Management • Nuisance Investigation
  
  Applicable Kentucky Revised Statutes:
  KRS 212.210, KRS 212.245, KRS 212.370, KRS 212.715

### Emergency Preparedness & Response
- Mitigation of Disease Threat • Mass Vaccination • Disaster Response
  
  Applicable Kentucky Revised Statutes:
  KRS 212.240, KRS 212.370

### Communicable Disease Control
- Sexually Transmitted Disease Control • Tuberculosis Control
- Epidemiology • Adult and Child Vaccinations • Surveillance
  
  Applicable Kentucky Revised Statutes:
  KRS 212.240, KRS 212.245, KRS 212.370

### Administrative/Organizational Infrastructure
- Finance • Governance • IT • Communications • Human Resources
- Performance Management • Quality Improvement
  
  Applicable Kentucky Revised Statutes:
  KRS 212.245, KRS 212.432, KRS 212.436, KRS 212.540, KRS 212.570
FOUNDAIONAL PUBLIC HEALTH

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Community Health Assessment

- Health education
- Partnership development
- Policy/advocacy
FOUNDATIONAL PUBLIC HEALTH

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Community Health Assessment

How can we preserve local autonomy while creating accountability at ALL levels?
Local Health Assessment

Is someone already meeting this need or could someone meet this need?

YES

Support and complement

NO

Review “package” and submit plan with needs, justification, funding, monitoring, goals and exit strategy to the PH Advisory Board

Local PH Priorities

Environmental scan
The Public Health Advisory Board will review evidence-based and best practices to develop PH Service Packages and make them available to every LHD.

The Advisory Board will also review local priorities with plans as described.

The Advisory Board may request revision, clarification, approve or deny submitted plans.
PURPOSE OF THE BOARD

• Accountability and oversight (DPH, LHD, and LBOH)
• Create, review, and disseminate evidence-based, best practice packages for common PH issues in KY
• Pursuant to the statute, regulations, and strictly drafted by-laws, the board will review and approve Local Health Priorities, as described
• Identify and connect potential partners for funding, sharing, and economy of scale opportunities
FIVE COMPONENTS OF LOCAL HEALTH PRIORITY REVIEW

- Data-driven need
- Evidence-based solution (program or service)
- Adequate funding identified
- Performance and quality management plan
- Exit strategy
THE BOARD IS NOT...

- It is **NOT** a “state” board
- It is **NOT** a public health policy board
- It is **NOT** associated with funding allocations
Okay, but how will this system be funded?
## CORE PH – Projected FY20

<table>
<thead>
<tr>
<th>Available Funding</th>
<th>LHDs excluding Louisville</th>
<th>Louisville</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foundational PH Cost</td>
<td>(90,189,624)</td>
<td>(12,716,879)</td>
<td>(102,906,503)</td>
</tr>
<tr>
<td>WIC Cost</td>
<td>(30,297,204)</td>
<td>(2,424,350)</td>
<td>(32,721,554)</td>
</tr>
<tr>
<td>HANDS Cost</td>
<td>(37,921,316)</td>
<td>(1,284,834)</td>
<td>(39,206,150)</td>
</tr>
<tr>
<td>Harm Reduction Cost</td>
<td>(7,999,809)</td>
<td>(1,230,666)</td>
<td>(9,230,474)</td>
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<td></td>
<td></td>
<td></td>
<td>(184,064,681)</td>
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</tbody>
</table>

| Foundational PH Revenue    | 92,827,575                 |            |           |
| WIC Revenue                | 32,868,157                 |            |           |
| HANDS Revenue              | 37,810,990                 |            |           |
| Harm Reduction             | 9,230,474                  |            |           |

|                               | 172,781,296                |            |           |

*Doesn't include other potential revenue streams or efficiencies outside of HANDS or WIC*
## Total Funding for KY’s PH System

<table>
<thead>
<tr>
<th>Available Funding</th>
<th>DPH</th>
<th>LHD</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>DPH General Fund</td>
<td>39,729,500</td>
<td>36,630,500</td>
<td>76,360,000</td>
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<tr>
<td>DPH Federal</td>
<td>137,899,300</td>
<td>52,481,000</td>
<td>190,380,300</td>
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<tr>
<td>DPH Restricted (agency – fees)</td>
<td>54,447,300</td>
<td>32,431,100</td>
<td>86,878,400</td>
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<tr>
<td>DPH Tobacco</td>
<td>19,199,400</td>
<td>6,810,900</td>
<td>26,010,300</td>
</tr>
<tr>
<td></td>
<td>251,275,500</td>
<td>128,353,500</td>
<td>379,629,000</td>
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<tr>
<td>Local Public Health Tax (Collection)</td>
<td></td>
<td></td>
<td>*87,205,670</td>
</tr>
<tr>
<td>Fiscal court (7 counties do not have tax)</td>
<td></td>
<td></td>
<td>*19,864,749</td>
</tr>
<tr>
<td>Local Fees (eg., Medicaid, environmental, etc.)</td>
<td></td>
<td></td>
<td>74,406,098</td>
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<td></td>
<td></td>
<td></td>
<td><strong>181,476,517</strong></td>
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<td></td>
<td></td>
<td></td>
<td><strong>Total Funding:</strong> 561,105,517</td>
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*Local tax contributions rates are 94,156,122 total.*
• SIMPLIFY, FOCUS, PRIORITIZE
• Emergent vs. Directed
• Up to 42 LHDs face default in FY20
• DPH’s model will change
• LHDs will be doing less than they are today, but it will be more focused
• We canNOT be afraid to be innovative
• Accountability will be equally distributed
• This plan is budget neutral
• DPH will have to find new partners to execute many federally funded programs → we will need local support
HOME HEALTH
PUBLIC HEALTH TRANSFORMATION UPDATES
1. Legislation
   • HB 308, HB 358
   • ? Senate alternative

2. DPH

3. Advisory Committee work products
   • HANDS – Scott Lockard
   • WIC – Randy Gooch
   • Environmental – Matt Rhodes and Dr. Crystal Miller
   • Administration/CHA/Accreditation – Dr. Angie Carman and Dennis Chaney
   • LBOH – Allison Adams and Dr. Georgia Heise
   • Preparedness – Shawn Crabtree and Dr. Kraig Humbaugh
   • Clinical services – Dr. Sarah Moyer and Andrea Renfro
CHA SUPPORT
1. PH Block Grant repurpose
   • CHA TA
   • Data Support

2. Three Rivers District pilot
Commonwealth of Kentucky Department for Public Health

Mandated Services of Local Health Departments

Kentucky Public Health Department Services

<table>
<thead>
<tr>
<th>Mandated Services Required of All Public Health Departments</th>
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<tbody>
<tr>
<td>Seven Core Services Required by Statute or Regulation</td>
</tr>
<tr>
<td>Enforcement of Public Health Regulations</td>
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<tr>
<td>Surveillance of Public Health</td>
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<tr>
<td>Communicable Disease Control</td>
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<tr>
<td>Public Health Education</td>
</tr>
<tr>
<td>Public Health Policy</td>
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<tr>
<td>Families and Children Risk Reduction</td>
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<tr>
<td>Disaster Preparedness</td>
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The services listed above are required for all health departments. The authority for core activities exists in the Commonwealth of Kentucky’s statutes or regulations. The authority for preventive services is found in state budget language and in grants and contracts with agencies of the United States Public Health Service. These preventive patient services were added as state and federal governments appropriated the funds.

Local Option Services Provided after Mandated Services are Assured

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<tr>
<th>Other Population-Based Services (Negotiated Services)</th>
<th>Other Services for Individuals (Negotiated Services)</th>
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Local health departments at their discretion offer Local Option Services. Statute or regulation permits but does not mandate these services. Health departments participating in these activities are expected to be able to compete in the medical marketplace without requiring support from state-appropriated funds. If a community elects to subsidize these services after mandated services have been adequately funded, that is the community’s prerogative.

August 1999
Rice C. Leach, M.D.
Commissioner