

County Health Executives Association of California (CHEAC)

Simplified Funding and Claiming System for Public Health Programs

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Brief Background

California's fifty-eight county and three city health departments have a basic legal responsibility to protect the public's health. In addition, on behalf of the state, local health departments administer a myriad of state and federal categorical public health programs. Collectively these critical programs have been integrated into the overall mission of California's state and local health departments.

Historically the State and federal public health programs administered by counties target specific problems or populations and come with their own categorical funding streams. Instead of focusing on core public health functions using sound public health principles, and encouraging local health departments to maximize outcomes and services, the current system forces them to navigate a labyrinth of contracts and administrative requirements. Each public health program has its own contract, reports, training and staffing – with little consistency in program or administrative requirements.

The County Health Executives Association of California (CHEAC) conducted a survey in 2000 that found many local health departments are required to submit over 100 fiscal and narrative reports to the State Department of Health Services (DHS). Local health department staff spend many hours of their time on administrative activities and interacting with state staff on these administrative requirements instead of public health activities. The California Performance Review Committee in their 2004 report validated these findings, noting that "the state should streamline administrative processes for funding local public health programs, reduce processing times for execution of agreements, and consolidate multiple public health funding sources where appropriate".

The creation of the new State Department of Public Health (DPH) provides an excellent opportunity to focus on development of a comprehensive and integrated system for delivering public health services. Creation of a simplified process of contracting with local health departments can play an important role in this effort. Reducing the administrative paperwork required of local health departments would allow counties to focus on developing a system for the delivery of comprehensive and coordinated public health services to their communities. The new DPH would also benefit by (1) maximizing its ability to use federal funding, (2) eliminating the staff time necessary to set up unique program structures and contracts, and (3) providing a less cumbersome method to get service funding out through an amendment process rather than through the development of new contracts.

Fortunately, considerable groundwork has already been laid with the steps already taken toward simplification of administrative processes by two counties: Placer and Alameda. The Placer model, which is currently operational and called the "Consolidated Health Contract", created a single contract for sixteen programs with a scope of work based upon a nationally approved public health framework, a single claiming/invoicing process, standardized administrative definitions and a single report. This single contract reduces and standardizes administrative requirements, consolidates program reporting requirements and significantly improves accountability through outcome and

performance measures. The result is better utilization of local health department staff and increased services.

Alameda's project also involves the development of a consolidated contract and scope of work that is tied to measurable objectives. Additionally, they have created a uniform individual time card (UITC) which provides a unique tool for local staff to capture a thorough and accurate recording of their time dedicated to providing public health services. Alameda County contends that if allowed to utilize this contract and scope of work, using data collected from the UITC, they will reduce, by half, the approximately 300 hours their staff currently spends on preparing claims for 20 various state-funded programs. To date, DHS has approved only the consolidated invoice portion of Alameda's proposal.

Key Principles

CHEAC is committed to working with the new DPH to develop a simplified and more unified approach to contracting for, administering and most importantly delivering public health services at the local level. Building on the work already done in Placer and Alameda and identifying key elements that could be replicated should be part of this process.

The following key principles should guide this work:

- **A simplified administrative framework for managing categorical funding for the delivery of public health programs administered by DPH should be established.** One approach might be the creation of a single allocation/contract between DPH and each local health department that incorporates the programs unique to that agency.
- **Program administrative requirements should be standardized.** Consistent definitions of allowable expenses (including indirect costs and allowable operating expenses), and uniform formats for budget and other documents across DPH programs should be developed.
- **Public health program invoicing should be standardized and simplified.** A standard invoice format should be developed for use by all programs.
- **The use of public health resources (local and state) should be maximized through the reduction of the administrative burden, more effective use of staff across programs to address complex inter-related issues and focusing on outcomes not process.** Reporting to DPH by classification rather than individual staff name (on file for audit purposes) should be considered.
- **Program information reported to DPH should be standardized and consolidated into an accessible format assuring strict accountability to meet funding requirements.** This would provide useful data at both the local and state level to make policy decisions and guide program needs. Local agencies would still be responsible for meeting state audit requirements and maintaining all necessary documentation.