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TO: Felicia Brabec
Chair, Ways & Means Committee

THROUGH: Verna J. McDaniel
County Administrator

FROM: Richard M. Fleece
Health Officer

DATE: September 4, 2013

SUBJECT: 2013/2014 Comprehensive Planning, Budgeting and Contracting
(CPBC) Agreement, 2013/14 Budget, Position Eliminations &
Reclassifications

BOARD ACTION REQUESTED:

It is requested that the Board of Commissioners authorize the signature of the County Administrator on the 2013/2014 Comprehensive Planning, Budgeting and Contracting (CPBC) agreement, approve the 2013/2014 Public Health Budget, authorize the County Administrator to sign delegate contracts, approve service fees, and approve position eliminations / reclassifications.

BACKGROUND:

The 2013/2014 Public Health budget is submitted with uncertainty over final appropriations from the State of Michigan and impacts due to Federal Sequestration. Assumptions have been made in the preparation of this budget that may result in the need for future budget amendments as MDCH's budget is finalized.

Since 1987, the Michigan Department of Community Health (MDCH) has funded local public health programs through the Comprehensive Planning, Budgeting and Contracting (CPBC) agreement, which includes Essential Local Public Health Services (ELPHS) funding for General Communicable Disease Control, Drinking Water Supply*, Hearing Screening, Immunizations, On-Site Sewage Treatment Management*, Sexually Transmitted Diseases, Vision Screening, and Food Service Sanitation. (*Services funded under a separate agreement with the Michigan Department of Environmental Quality, but reimbursed through the CPBC.)

ELPHS currently falls short of the 50/50 State Cost Sharing contained in the Michigan Public Health Code. Ongoing advocacy efforts by local health departments, through the Michigan Association for Local Public Health, to ensure that the State fully funds its share of ELPHS and covers the additional core public health functions have been unsuccessful to date.

Various other state and federal categorical grants are also allocated to local health departments by MDCH through the CPBC. These include AIDS/HIV Prevention, Children's Special Health Care Services (CSHCS), Emergency Preparedness Planning and Coordination, Immunizations, Sexually Transmitted Disease (STD), Tuberculosis Control (TB), Women Infants and Children (WIC), and other competitive grants that vary from year to year. One umbrella program is the Healthy Michigan Fund. This fund has been subject to significant Executive Order cuts over the past few years. Funding for such programs as Building Healthy Communities was cut under the 11/12 fiscal year. This year, local Tobacco reduction revenues will be cut by \$20,000 (40%). This reduction is on top of the Cigarette Tax revenue declining over the past several years to a point of nearly \$0 projected for the 14/15 fiscal year.

The State CPBC requires electronic submission of a signed agreement no later than September 27th, 2013. The Board resolution authorizing this signed agreement also establishes the Public Health operating budget for the new fiscal year (October 1st through September 30th) and any related position modifications needed.

DISCUSSION:

Fiscal year 2013/2014 funding and program requirements specified in the annual CPBC Agreement have been incorporated into this proposed budget. The total net operating budget for Public Health will be \$10,796,193 for the period of October 1, 2013, through September 30, 2014. This is \$271,136 less than our starting budget for fiscal 2012/2013.

This budget includes a general fund appropriation of \$3,553,575. This represents the minimum general fund appropriation necessary to continue to receive State funding and maintain the Medical examiner Program and Local Emergency Preparedness Coordination.

To receive what has traditionally been called State Cost Sharing, the Department must meet maintenance of effort (MOE) level of funding. That funding level was established in 1992-93 and is based on County General Fund expenditures in 1992-93. That floor established for Washtenaw County General Fund allocation to the Health Department is \$2,993,523 and is exclusive of any funds dedicated to the Medical Examiner Program or Emergency Preparedness Coordination. The County provides \$548,052 to the Medical Examiner Program and \$12,000 for Local Emergency Preparedness Coordination. The Department is assessed a cost allocation amount of \$1,299,985. This leaves a net general fund of \$1,693,538 available to operate the Health Department.

The budget also includes proposed fund balance use of \$243,226 of its projected fund balance of \$2,051,795. For fiscal year 11/12 the Department budgeted to use \$312,530 in fund balance and ended that cycle with \$64,354 use of fund balance. It is important to note that in fiscal year 12/13, Public Health budgeted to use \$154,706 in fund balance. As the fiscal year is nearing its close, we are projecting to use \$143,000 in fund balance. This is significant given the unbudgeted 1.5% lump sum adjustment, \$96,165 for Public Health, provided to employees in December 2012. The Health Department did not receive additional general fund to cover the compensation adjustment. We continue to monitor grants and federal funds that may be available to local health departments through the Affordable Care Act beginning 2014.

Major / Projected funding changes reflected in this budget and the impact on the community is as follows:

- **Washtenaw Health Plan (WHP)**

The continuation of the WHP Personnel Lease Agreement is represented in the Public Health budget with personnel and operating expenses plus indirect costs. The total budget is \$734,042, offset by equivalent revenue from WHP. In addition, General Fund appropriations to Public Health make up the largest portion (totaling over \$1.9 million) of the intergovernmental transfer to the State that leverages Medicaid matching dollars to support indigent care in the community.

Community Impact: WHP provides health coverage to over 10,000 members annually.

In July 2013, Public Health and WHP received a Coverage Counts grant from the Centers for Medicare and Medicaid Services to work on 'Connecting Teens, Immigrants and Homeless Families to Insurance.' The grant will bring together key partner organizations from the health and education sectors in Washtenaw and Livingston Counties. Partner agencies are – Washtenaw Intermediate School District (WISD), Livingston Educational Services Agency (LESA), the Livingston Public Health Department (LPHD), and the Livingston Health Plan (LHP). The group will work together to focus on bridging health coverage disparities by reaching out to subgroups of children that exhibit lower than average health coverage rates.

- **Public Health Emergency Preparedness (PHEP)**

Due to Sequestration, our allocation for PHEP has been cut by \$17,538. This is a 10% reduction from fiscal 12/13. The program implements strict federal requirements for planning and preparing for environmental or public health emergencies. The program is also required to update several plans annually, including the Strategic National Stockpile (SNS) plan, the Crisis and Emergency Response (CERC) plan, and the Emergency Operation Plan (EOP). Along with

updating plans annually, the program is mandated to exercise and train staff to do the same.

Community Impact: With a decrease in funds, it is becoming increasingly difficult to keep staff trained and exercised to plan particulars. This reality makes for a less prepared work force. Additionally, the time necessary to negotiate and maintain memorandums of understanding and identify resources available to meet community needs during a Public Health emergency are strained.

- **Environmental Health**

Environmental Health has seen significant reductions in staff over the past three budget cycles. The Division has been able to maintain service delivery primarily due to relatively low construction activity, and partnerships with the private sector to perform activities, such as the time of sale inspections and indoor swimming pool sampling, and asking the remaining experienced work force to do more. Grant funding has been obtained to allow bathing beach sampling to continue and technology and new ways of doing business have helped staff be more efficient. GIS capabilities have sped up parcel look ups and water and septic system locations. Restaurant operators have been allowed to submit verification of correction of a violation via email or fax rather than staff having to make site visits where appropriate and relying on State partners for engineering assistance. These efforts have not been without some negative impacts, including delays due to our reliance on State partners to perform review of subdivisions and swimming pool construction plans.

Environmental Health faces new challenges during this budget cycle, including the loss of over 65 years of experience between retirements in two key positions, the Health Officer and an Environmental Health Program Administrator. These positions will likely be filled with internal candidates and the current proposal does not budget for backfilling the vacancies created. Additionally, programmatic changes are also creating challenges. Michigan adopted the 2009 Food Code, which dramatically increases the violations that require a follow up inspection to verify correction to better reflect the importance those items have in a safe and sanitary food establishment. Quality assurance, as required under accreditation, has been reduced with diminished resources. Construction activities and home sales have increased dramatically resulting in additional demand for services

Community Impact: Fewer staff, changes and reduction in leadership positions will likely result in diminished ability to respond to emerging environmental health issues, and delayed responses to our routine work.

- **Health Promotion/Disease Prevention**

General fund reductions have required that the Health Department not fill 1.5 FTE Health Educator I/II positions during fiscal 2012/2013. The program focuses

on information, policies and environments in which every resident of the County can achieve their maximum state of health and well-being. Health Promotion / Disease Prevention makes credible, evidence-based information available via our website, through social media (Facebook and twitter), and through face to face dissemination with community stakeholders and residents with whom we work on many coalitions and special projects. The program collects data every five years through the Health Improvement Plan and works to identify those at most risk in our community and connect them to programs, services and resources some of which come through our mandated services and some through special projects that are funded with grant funds. The division works across community systems with community partners in education, health care and social services to impact the root causes of health disparities such as poverty, transportation, and lack of access to healthy food and create sustainable improvements.

Community Impact: The 0.50 FTE Health Educator position is devoted to policy/environmental change for chronic disease prevention, we have decreased capacity to participate in coalition building and mobilizing action for chronic disease prevention and working with community groups to create policy change such as non-motorized transportation ordinances etc. The program has also lost capacity to work with schools on important programs like Coordinated School Health Teams and to do ongoing Healthy School Action Team assessments (HSAT) with the 1.0 health education position. There is also less time/capacity to address substance abuse prevention in the schools.

- **Clinical Services**

Reduced State / Federal funding for clinical programs have required that we continually review services provided by the Health Department. We have optimized resources where we can in order to meet our State mandates. However, it is rare that State mandates align with community need. In order to not reduce services beyond what our minimum program requires, as established in our State Accreditation guidance, the Health Department will be placing the Director of Nursing position on hold, so that we are able to keep as many front line staff providing service to the public as possible. This position is an integral part of the management team and the vacancy will place a significant burden on the organization. The lack of a nurse advocate at the management level will also be deeply felt by all nursing staff. Without additional revenue, or reduction of direct service staff, it is not possible for us to fill the position. Increased obstacles for billing services have made it difficult to be able to address revenue shortfalls due to the majority of our clientele being uninsured. It is anticipated, that with Medicaid Expansion, we should see a shift in client population moving from uninsured to insured. This change would allow for projecting structural billing revenue and therefore permit us to reinstate the Director of Nursing position.

Public Health annually reviews their fees to determine if any adjustments are necessary in relation to the actual cost of the purchase of private vaccine (non-VFC), as well as assuring that our fees are comparable or lower than other local health departments. A copy of the current immunization fee schedule is included as an attachment to this cover memo. We are requesting permission to adjust vaccine fees in accordance with increased/decreased vaccine costs throughout the year. Analysis of vaccine fees will be performed quarterly.

The Sexually Transmitted Disease (STD) / HIV Prevention program (Adult Clinic) has experienced decreases in State funding, decreased quantities of discounted medications and increased laboratory expenses. To offset expenditures, effective April 1, 2012, an approved fee schedule was implemented. The fee schedule came before the Board of Commissioners in March 2012. Based on continued evaluation in the program, we are requesting to shift our minimum fee from \$30 to \$40. The Federal sliding scale fee structure, with a minimum fee of \$40, is in alignment with what peer agencies are charging.

Community Impact: The demand for reduced, or free, services continues to increase for both our Immunization and Adult Services clinics. Our uninsured population is one of the most vulnerable within our community. Yet, due to budget reductions, we have had to reduce our Immunization clinic hours from 54.5 hours per month to 39 hours per month. For our Adult Clinic we have had to reduce the amount of outreach time spent at the jail, juvenile detention and working with college students. Furthermore, the Adult Clinic work, once performed at shelter organizations through the County, has either been diminished or cut entirely.

- **Community Services**

Programmatic changes at the State level have required significant modifications to both the Maternal Infant Health Program (MIHP) and Children's Special Health Care Services (CSHCS). For example, MDCH, during fiscal 2012/2013, redesigned the patient / insurance provider relationship for our CSHCS clients. Under this change, the caseload has increased by 60% in one year. Caseload activity as of July 1, 2013, was at 768 clients.

Navigating the changes during the redesign process, for both staff and clients, has been a challenge. While the full impacts are being realized, including potential changes to State appropriation and billing revenue, the Department will be placing 1.0 Public Health Nurse I/II position on hold / vacant. We continue to work with the State to remain abreast of how the changes will impact revenue specific to CSHCS.

MIHP program changes, specific to the Maternal Risk Identifier, will double the paperwork required for staff to complete when meeting with clients.

Community Impact: Changes required by the State are causing a large time burden on clients and staff. Since 2010 staff have, in essence, been working backwards. What was once a fully electronic model has now become a duplicate entry system where they are required to enter the same data in multiple places. Reducing 1.0 Public Health Nurse I/II will unfortunately increase the burden on staff and delay service delivery to clients.

IMPACT ON HUMAN RESOURCES:

Approval of this resolution will result in the creation of six (6) 1.0 FTE positions, the elimination of four (4) 1.0 FTE positions and one (1) 0.50 FTE position for a net increase of 1.50 FTE positions. In addition, five (5) 1.0 FTE positions will be placed on hold/vacant status.

IMPACT ON BUDGET:

The Public Health budget for fiscal year 2013/14 beginning October 1, 2013, is \$10,796,193. This budget reflects the various factors discussed above, as well as rising labor costs and declining revenue from the State of Michigan.

Total expenditures and revenues in 2013/14 reflect a net decrease of \$233,250 from the current budget for the 2012/13 fiscal year.

IMPACT ON INDIRECT COSTS:

The Cost Allocation Plan is budgeted at \$1,299,985 for the 2013/2014 fiscal year.

IMPACT ON OTHER COUNTY DEPARTMENTS OR OUTSIDE AGENCIES:

None

CONFORMITY TO COUNTY POLICIES:

This request is in conformance with County policies.

ATTACHMENTS/APPENDICES:

2013/2014 CPBC Contract Agreement
2013/2014 Immunization Fee Schedule

A RESOLUTION AUTHORIZING THE COUNTY ADMINISTRATOR'S SIGNATURE ON THE PUBLIC HEALTH DEPARTMENT COMPREHENSIVE PLANNING, BUDGETING AND CONTRACTING (CPBC) AGREEMENT FOR THE PERIOD OCTOBER 1, 2013, THROUGH SEPTEMBER 30, 2014; AUTHORIZING THE ELECTRONIC SUBMISSION BY THE COUNTY HEALTH OFFICER; APPROVING THE PUBLIC HEALTH DEPARTMENT'S 2013/2014 BUDGET; AUTHORIZING THE COUNTY ADMINISTRATOR TO SIGN DELEGATE CONTRACTS; APPROVING FEES; AND APPROVING POSITION MODIFICATIONS

WASHTENAW COUNTY BOARD OF COMMISSIONERS

September 18, 2013

WHEREAS, since 1987 Michigan Department of Community Health (MDCH) has funded local public health programs, including Environmental Health, through a Comprehensive Planning, Budgeting and Contracting (CPBC) Agreement, which includes Local Public Health Operations funds for General Communicable Disease Control; Hearing Screening; Immunizations; Sexually Transmitted Diseases; Vision Screening; Food Service Sanitation, and various other categorical funds allocated to local health departments; and

WHEREAS, the State requires the local health department to have an electronically signed CPBC agreement for the 2013/2014 fiscal year by September 27th, 2013; and

WHEREAS, annual changes in funding and program requirements at the State level and for local activities requires that a budget be approved prior to the start of the new fiscal year; and

WHEREAS, subsequent changes of State allocations, program requirements and final local budgets may result in adjustments to this proposed plan and budget for the delivery of local public health services; and

WHEREAS, this matter has been reviewed by Corporation Counsel, the Finance Department, Human Resources, the County Administrator's Office, and the Ways and Means Committee.

NOW THEREFORE BE IT RESOLVED that the Washtenaw County Board of Commissioners hereby authorizes the signature of the Administrator on the Comprehensive Planning, Budgeting and Contracting Agreement with the Michigan Department of Community Health for the period October 1, 2013, through September 30, 2014, as on file with the County Clerk.

BE IT FURTHER RESOLVED that the Washtenaw County Board of Commissioners hereby authorizes Public Health to adjust vaccine fees in accordance with vaccine costs, effective January 1, 2014.

BE IT FURTHER RESOLVED that the Washtenaw County Board of Commissioners takes the following actions contingent upon receipt of funding in conformity with the CPBC agreement:

1. Authorizing the budget, as attached hereto and made a part hereof;
2. Authorizing the Administrator to sign delegate contracts upon review by Corporation Counsel, to be filed with the County Clerk.

BE IT FURTHER RESOLVED that the Board of Commissioners authorizes position modifications as follows:

Eliminate/Create:

<u>Position #</u>	<u>Position Title</u>	<u>Group</u>	<u>Grade</u>	<u>Eliminate</u>	<u>Create</u>
2063-0003	Health Educator I/II (vacant)	11	20/22	.50	
2063-0005	Health Educator I/II (vacant)	11	20/22	1.0	
2136-0006	Social Worker-Health	11	21		1.0
2638-0001	TB Coordinator I/II	18	26/27		1.0

Effective October 1, 2013

<u>Position #</u>	<u>Position Title</u>	<u>Group</u>	<u>Grade</u>	<u>Eliminate</u>	<u>Create</u>
3451-0001**	Health Officer	32	34	1.0	
3428-0002*	Administrative Health Officer	32	34		1.0
3378-0001*	Environmental Health Director	32	33		1.0

****Effective November 4, 2013***

*****Effective December 31, 2013***

Reclassifications:

<u>Position #</u>	<u>Position Title</u>	<u>Group</u>	<u>Grade</u>	<u>Eliminate</u>	<u>Create</u>
1305-0035*	Senior Clerk Typist	12	13	1.0	
1466-0001	Child Health Prog Rep	12	14		1.0
1456-0003*	Hearing / Vision Tech I/II	12	14/16	1.0	
1849-0002	Lead Hearing / Vision Tech	12	18		1.0

**** Reclassification of current occupant-Effective October 1, 2013***

Hold / Vacant:

<u>Position #</u>	<u>Position Title</u>	<u>Group</u>	<u>Grade</u>	<u>Place on Hold/Vacant</u>
1975-0002	Senior Fiscal Assistant - PH	12	19	1.0
2325-0002	Public Health Nurse I/II	18	23/24	1.0
2325-xxxx*	Public Health Nurse I/II	18	23/24	1.0
3288-0001	PH Nursing Director	32	32	1.0
3290-xxxx*	EH Program Administrator	32	32	1.0

Effective October 1, 2013

***TBD**

**Public Health
Fund Summary
October 1, 2013- September 30, 2014
2960**

<u>Object</u>	<u>Description</u>	<u>Final Budget 2012/13</u>	<u>Original Budget 2013/14</u>	<u>Variance</u>
Revenue:				
45000	Licenses & Permits	\$1,561,214	\$1,561,214	\$0
50000	Federal Revenue	\$43,000	\$0	\$(43,000)
54000	State Revenue	\$3,152,975	\$3,005,636	\$(147,339)
58000	Local Revenue	\$2,924,966	\$2,795,213	\$(129,753)
60000	Fees & Services	\$1,316,553	\$1,425,602	\$109,049
67000	Other Revenue & Reimbursement	\$257,901	\$251,278	\$(6,623)
69000	In-Kind Contributions	\$107,113	\$104,404	\$(2,709)
69500	Transfers In	\$1,665,721	\$1,652,846	\$(12,875)
	Total Revenue	\$11,029,443	\$10,796,193	\$(233,250)
Expenditures				
70050	Personal Services	\$8,243,460	\$8,167,861	\$(75,599)
72600	Supplies	\$213,872	\$195,872	\$(18,000)
80000	Other Services & Charges	\$1,006,962	\$999,104	\$(7,858)
93500	In Kind Charges	\$107,113	\$104,404	\$(2,709)
94000	Internal Service Charge	\$1,450,536	\$1,321,452	\$(129,084)
95000	Capital Outlay	\$7,500	\$7,500	\$0
98000	Reserves	\$0	\$0	\$0
	Total Expenditures	\$11,029,443	\$10,796,193	\$(233,250)