

# Cross-Jurisdictional Sharing of Public Health Services: Some Financial Considerations

Matt Stefanak

Sharing Services Learning Community

San Diego, CA

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# Key financial questions about services sharing

- What level of resources are required to deliver public health services for a given population? What contributes to variations in levels of resource needs? Can we estimate resource needs and delivery costs for communities considering cross-jurisdictional service agreements?
- How do we demonstrate cost-savings from shared services delivery? How can we measure improvements in efficiency?
- How can costs be allocated equitably among the parties to cross-jurisdictional service agreements?
- Do outcomes achieved by services sharing agreements justify their costs? How do we express the value of CJS to policymakers and other stakeholders?

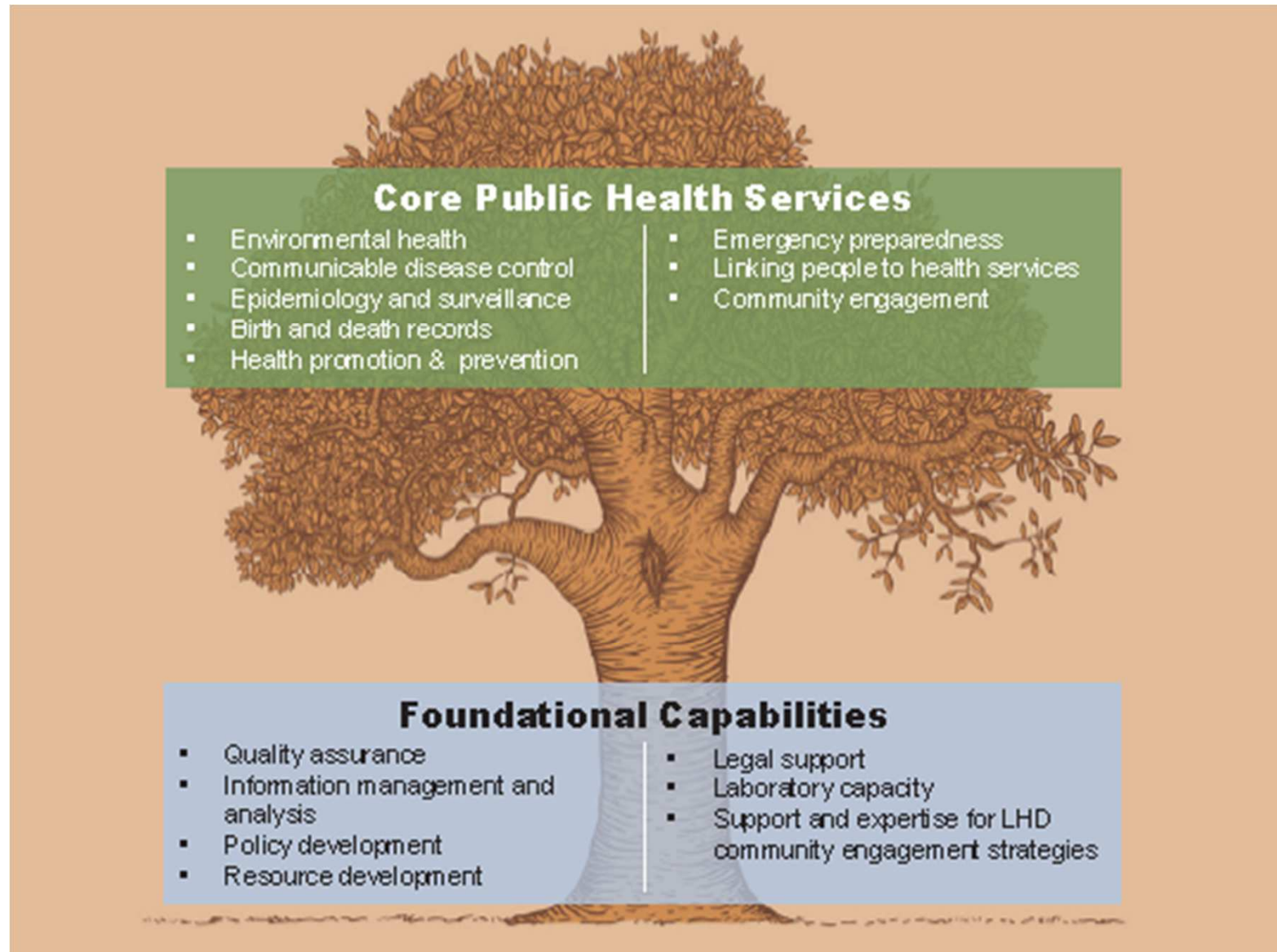
# Key financial questions about services sharing

- What level of resources are required to deliver public health services for a given population?
  - IOM recommendation: determine the components and cost of a minimum package of public health services (core services + foundational capabilities)

Institute of Medicine. *For the Public's Health: Investing in a Healthier Future*. Washington, DC: National Academies Press; 2012.



## Some examples of core services and foundational capabilities that can be shared



# Key financial questions about services sharing

- What contributes to variations in levels of resource needs and costs?
  - Population characteristics (size, density, racial/linguistic diversity, age distribution, per capita income)
  - Access to health care (% uninsured, physicians-population ratio)
  - Organizational characteristics (city or county)

# Key financial questions about services sharing

- Can we estimate resource needs and delivery costs for communities considering cross-jurisdictional service agreements? – cost estimation models

Key information	Enter Actual (all required)				
Type of agency =city	0=1 if CITY; =0 if COUNTY or CITY/COUNTY				
Type of agency =county	1=1 if COUNTY; =0 if CITY or CITY/COUNTY				
Population	422,640	US Census (*1)			
Percent population rural	0.0377	US Census (*1)			
Percent population nonwhite	0.1443	US Census (*1)			
Percent non-English speaking	0.0921	US Census (*1)			
Percent 65+years old	0.1215	US Census (*1)			
Income per capita (\$100,000)	0.3601	US Census (*1)			
		County Health Status Indicators			
Percent uninsured	0.2309	(*2)			
		County Health Status Indicators			
Physicians per 100,000 population	116.1027	(*2)			
NACCHO # of Core Services	20	NACCHO (*3)			
	Enter Actual (optional)	Full Estimate (*4)	Quick Estimate (*4)		
Core staffing	50.72	49.5022	85.3263		
Core spending	6,221,241	6,642,944	9,562,945		
Clinical staffing	7.28	7.1209	7.1209		
Clinical spending	270,609	234,023	210,012		

# Key financial questions about services sharing

- How can we estimate resource needs and delivery costs for communities considering cross-jurisdictional service agreements?
  - Cost estimation models, time studies, activity logs, surveys, program administrative data
  - staffing needs assessments based on current staff productivity levels (FTE to service unit ratios)
  - Service data may be unavailable or unreliable; alternatively, benchmarks from other communities may be available
  - Other direct, indirect, “start-up” costs?

# Key financial questions about services sharing

How can we estimate resource needs and delivery costs for communities considering cross-jurisdictional service agreements?

Nuisance Complaints Received in 2001			
Selected City Health Districts in Northeastern Ohio			
City	# complaints	Population	# complaints per 10,000 population
Alliance*	376	23,253	161.7
Kent	167	27,906	59.8
Conneaut	100	12,485	80.1
Niles*	720	20,932	344.0
Girard	241	10,902	221.1
East Liverpool	100	13,089	76.4
Shelby	119	9,821	121.2
Struthers	159	11,756	135.3
Average			149.9
*these health districts also responsible for housing code enforcement			
Expected yearly number of complaints in Campbell based on average 142 from cities in survey			
FTE need in Campbell for 135 complaints (@0.002 FTE 0.284 per complaint)			

District Board of Health Environmental Health Manpower Requirements for Providing EH Services in Campbell			
FTE Need	Program		
0.146	Risk Classified Food Service Operations		
0.009	Mobile and Temporary Food Service Operations		
0.004	Food Vending Machines		
0.027	Food establishments*		
0.002	Institutions		
0.014	Schools		
0.284	Nuisances		
0.040	Animal Bite Investigations		
0.009	Raccoon Baiting		
0.028	Rodent Baiting		
0.007	Emergency Preparedness		
0.002	Small Infectious Waste Generators		
0.620	Total		

\* FTE determined by Ohio Department of Agriculture



# Key financial questions about services sharing

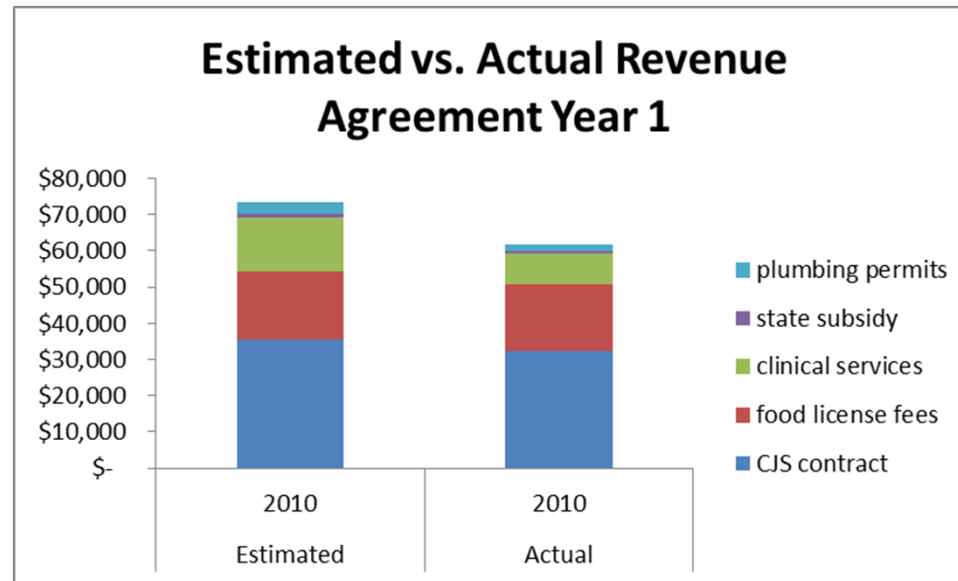
- ✦ How do we demonstrate cost-savings from shared services delivery?

- ✦ “It is important to be able to quantify at least some of what the organization is getting through a shared service. Storytelling is not sufficient. Quantification should involve more than just the direct costs of a service, though this may be the easiest to measure. Quality matters, too. Since not everything can be quantified, there may be a need for qualitative measures as well.”

From: "A County Manager's Guide to Shared Services in Government."

# Key financial questions about services sharing

## How do we demonstrate cost-savings from shared services delivery?

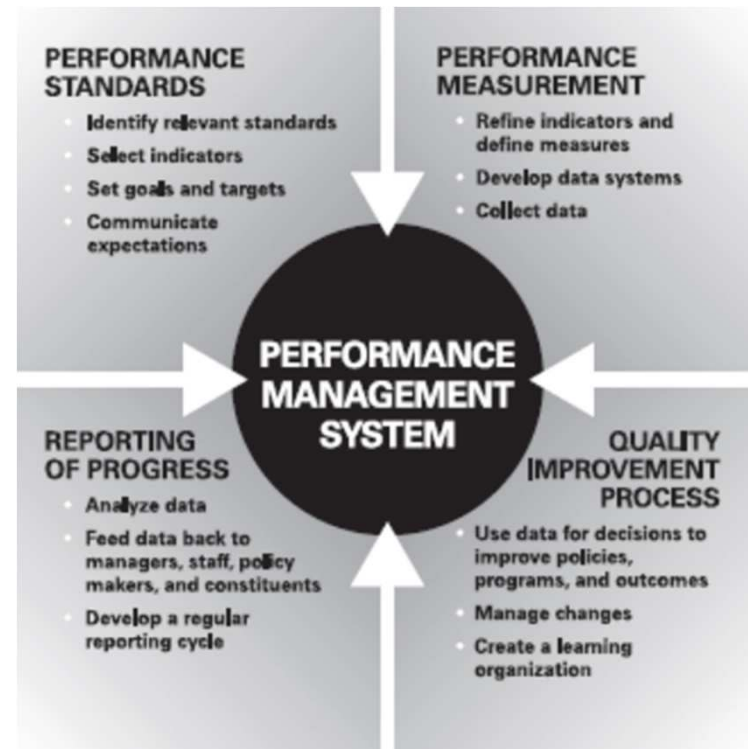


	Estimated 2010	Actual \$ 2,010	Actual FTE \$ 2,010	Actual \$ 2,011	Actual FTE 2011
<u>manpower costs (direct)</u>					
0.6 FTE sanitarian (part-time)	\$ 26,985	\$ 17,955	0.22	\$ 15,672	0.19
0.2 FTE public health nurse (part-time)	\$ 8,995	\$ 7,737	0.11	\$ 2,070	0.03
<b>Total</b>	<b>\$ 35,980</b>	<b>\$ 25,692</b>		<b>\$ 17,742</b>	
Revenues in Excess of Expenditures	\$37,616	\$ 36,207		\$ 38,521	
Total Margin (1)	51% - 59%	58%		68%	
Operating Ratio (2)	2.0 - 2.5	2.4		3.2	

# Key financial questions about services sharing

- How can we measure improvements in efficiency?
  - Internal standards, goals and benchmarks (from the LHDs performance management system)
  - External benchmarks
    - *“Knowing how one compares to “best in class” solutions is important and will point to where further improvements can be made.”*

from “A County Manager’s Guide to Shared Services in Local Government



# Example: Internal Benchmarks from a Performance Management System

Response Time to Nuisance Complaints, 2002-2005						
			2002	2003*	2004	2005
<u>All Complaints</u>						
number			320	454	593	538
average 1st reponse time (in business days)			6.0	8.7	7.2	3.8
average time to resolution (in business days)			34.7	31.2	36.7	44.7
percent abated			73%	68%	64%	59%
percent with 1st response time within 10 business days			79%	76%	78%	91%
* CJS agreement starts						

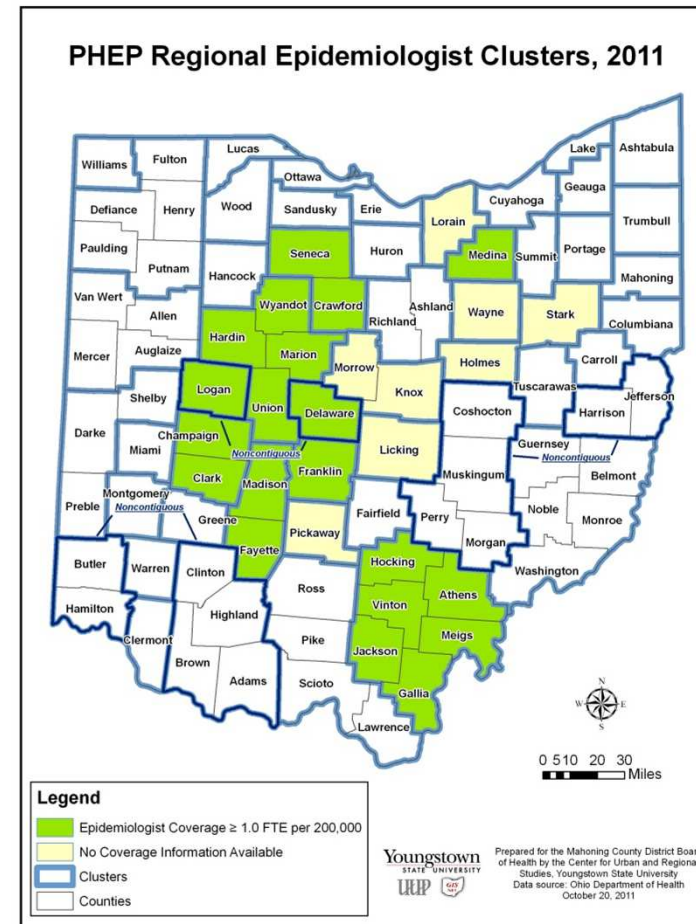
- Internal goal or standard: respond to nuisance complaints within 10 days
- Internal benchmark: response time in previous year
- Efficiency = responding to more nuisance complaints without using more resources

# Key financial questions about services sharing

- How can costs be allocated equitably among the parties to cross-jurisdictional service agreements?
  - Fee-for service
  - Population (per capita)
  - Property values
  - Other?

# Example: CJS of epidemiology services

- Per capita contributions from clustered health districts
- Fee-for-service (negotiated hourly rate)
- Distribution of cost based on reportable disease rates?

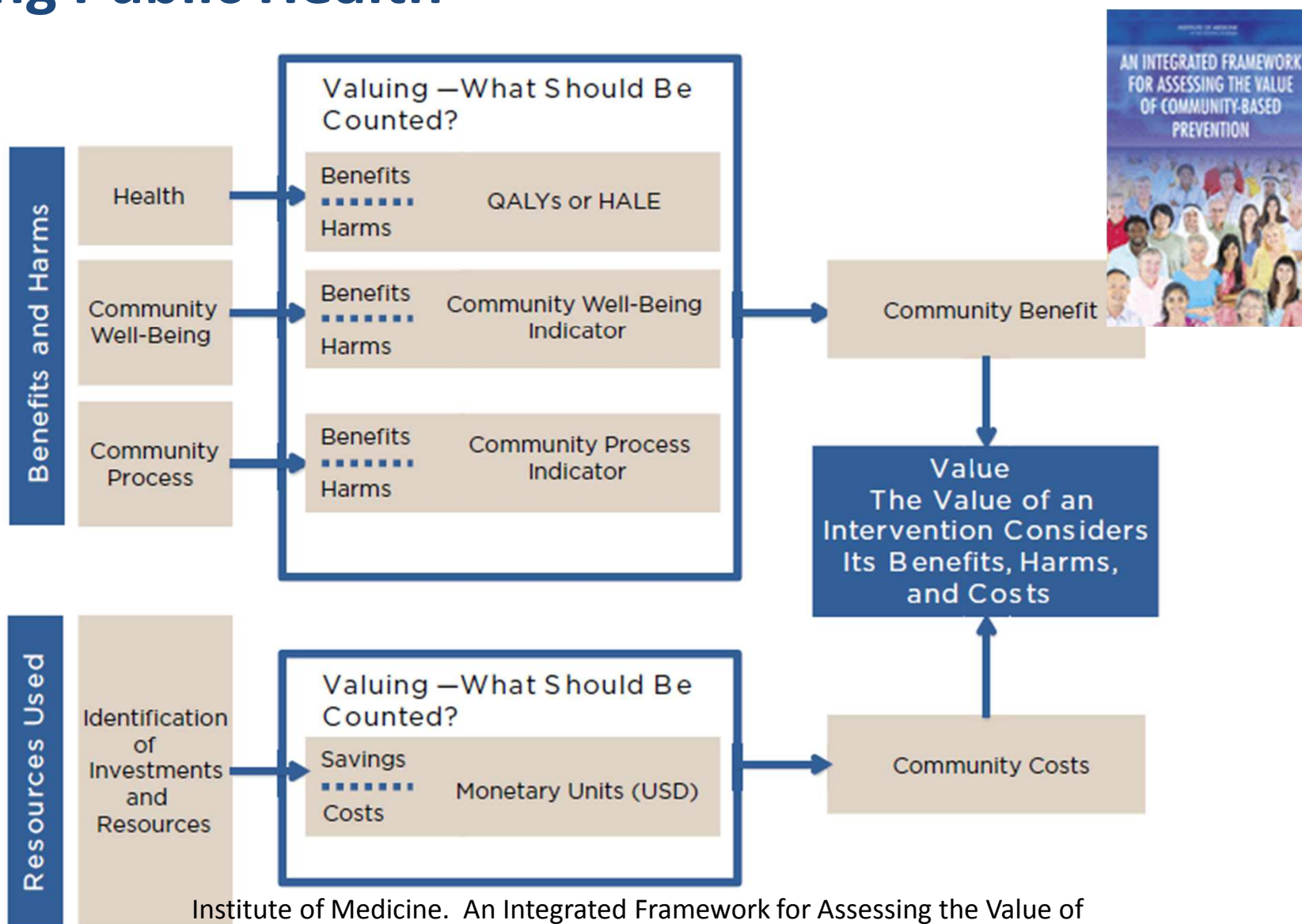


# Key financial questions about services sharing

- Do outcomes achieved by services sharing agreements justify their costs? (value)
  - Counties that agree to specific goals for shared services and create measures to assess performance can set regular intervals to talk about the performance of the partnership... Quality matters, too. Since not everything can be quantified, there may be a need for qualitative measures as well.... Lacking data, government managers and elected officials should still talk with partners about the service and about the quality of interaction among the participating government. Regular communication will keep partnerships on track, mitigate surprises, and contribute to more durable cooperative efforts."

From: "A County Manager's Guide to Shared Services in Government."

# Valuing Public Health



Institute of Medicine. An Integrated Framework for Assessing the Value of Community-Based Prevention. Washington, DC; 2012.



# Thank you!

- Terry Allan, Cuyahoga County, Ohio
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- Pat Libbey, Center for Sharing Public Health Services

Contact info:

Matt Stefanak

[stefanakfarm@gmail.com](mailto:stefanakfarm@gmail.com)

[mstefan2@kent.edu](mailto:mstefan2@kent.edu)