

**KITSAP PUBLIC HEALTH BOARD  
WORK STUDY SESSION  
City of Bremerton Mayor's Conference Room  
Norm Dicks Government Center, Bremerton, WA  
June 2, 2016**

**MINUTES**

The meeting was called to order by Board Chair, Mayor Becky Erickson at 1:09 p.m.

The District's Executive Leadership Team met with the Kitsap Public Health Board in a work study session to discuss the following:

1. 2017 Health District Service Delivery
2. 2016 and 2017 Deficit Reduction
3. 2017 Board Member Contributions to the District for Ongoing Services and 2017 Contributions to the District's Norm Dicks Government Center Debt Service Costs

The District made the following four presentations to the Board:

1. Scott Daniels, Administrator, made the **first presentation**, providing an overview of the "new landscape of public health" driving changes in how local health jurisdictions are providing services. These factors include:
  - Recognition of the significance of the Social Determinants of Health and Adverse Childhood Experiences (ACES) in poor health outcomes and health disparities
  - Renewed focus on the unique role of public health in developing "policy, systems and environmental" changes to improve population health
  - Healthcare Reform (Affordable Care Act)
  - Foundational Public Health Services (FPHS)
2. Susan Turner, Health Officer, made the **second presentation** which focused on the Foundational Public Health Services (FPHS). The FPHS are a defined, basic set of governmental public health capabilities and programs that must be present in every community to efficiently and effectively protect all people in Washington State. This information also helped frame the discussion about service expectations (and funding) moving forward.

The Board raised a question about which legally mandated FPHS are not currently being provided by the District. To the District's knowledge, the only legally mandated FPHS not being provided is conducting regular school health and safety inspections, because the State has not provided funding to fully implement this work. At this time, this mandated service is being provided by only a few local health jurisdictions across the state through locally funded permit programs, but not by the District.

Mayor Patty Lent commented that there is currently no plan to ensure the overall well-being of students outside the classroom (healthy diet, adequate sleep, safe environment, etc.) and asked the District to consider devising a plan to address this issue.

There was no further discussion.

3. The **third presentation** was made by Keith Grellner, Environmental Health Director, Suzanne Plemmons, Community Health Director, John Kiess, Assistant Environmental Health Director, and Katie Eilers, Assistant Community Health Director. This presentation detailed the Service Prioritization and FPHS analysis recently completed by the District. It was conducted to determine how effectively the District is providing the minimum level of FPHS and to help with decisions regarding service delivery changes necessary to address the District's budget deficit. The presenters discussed how the analysis assigned priority ratings using a four-tier rating system to all 231 identified District services and identified FPHS gaps.
4. Mr. Daniels then discussed a **fourth presentation** which provided a high-level overview of the District budget, including updated estimates for the 2016 and 2017 budget deficits. The District's current 2016 budget deficit estimate is approximately \$199,000. This is a significant drop from the \$490,000 reserve spending estimate included in the District's adopted 2016 budget. The resulting positive impact on District reserves in 2016 into 2017 was discussed along with additional 2016 deficit reduction strategies. Mr. Daniels said that although the District is very early in the process and things will change, the current estimate of the 2017 budget deficit is approximately \$516,000. The 2017 deficit reduction strategies were also discussed.

Mayor Becky Erickson asked how the Medicaid Waiver could affect the District budget. Mr. Daniels responded that the Medicaid Waiver would fund innovative projects that will drive down Medicaid spending and gave examples including the Nurse Family Partnership and future Olympic Community of Health projects.

Mayor Erickson suggested that the District could bill cities individually for strategic priority services like water Pollution Identification and Correction (PIC) that are provided within city limits, rather than the District covering all costs for the region. Mr. Keith Grellner noted that though the cities are not legally responsible for funding public health, the District will evaluate requesting additional funding from the cities for these services.

Mayor Rob Putaansuu commented that there could be an issue with a fee for service formula and fees should be calculated based on valid data, population size, etc. Mr. Grellner explained that the District can only charge for the cost of service and that fees are carefully based on these analyses.

The last part of the meeting was devoted to a discussion of these issues. Following this discussion, the Board supported the following decisions:

1. **2017 Services Delivery Changes:** Using the service prioritization and FPHS analysis as a guide, the District has decided to transition out of direct Family Planning services with a target date to end these services as of April 2017, leveraging this change, along with staff attrition, to reorganize supervision of the Community Health Division. This change in Family Planning services has been under consideration by the District since 2003. Preliminary calculations indicate the Community Health Division reorganization may

save in excess of \$200,000 in 2017. This change will allow the District to change its Family Planning focus to a more population-based model, working to address service gaps and care coordination in the community. The District currently utilizes federal Title X funding to cover part of our program expenses. Of note, the District is aware of one other provider (Planned Parenthood) who currently provides Title X family planning services in the county and another provider (Peninsula Community Health Services) which is currently evaluating applying for Title X funding for these services. These service providers will offer choices to clients in transition, although the optimal model would be to move clients into true medical homes. Title X funding allows providers to serve persons with no ability to pay. The District plans to actively assist clients to transition to these other service providers over the next nine months. No other major service changes are anticipated by the District in 2017.

**Decision: Transition out of direct Family Planning Services by April 2017, and change the District's role to focus on strengthening the FPHS. The District will not reapply for Title X federal funding.**

- 2. 2017 Deficit Reduction Strategies:** As previously mentioned, a reorganization of the Community Health Division will lower costs and lower the 2017 budget deficit. Other attrition-related savings are also being evaluated in the Environmental Health Division. The District has also made the decision to move to a Voice-Over-Internet (VOIP) cloud-based phone system to lower telephone costs potentially saving the District up to \$50,000 a year as compared to current telephone system costs. Overall, we believe these strategies will lower the projected 2017 deficit to a manageable level. The pursuit of new state and federal revenues prior to the approval of the 2017 budget will also assist in this regard.

**Decision: Implement a reorganization of the Community Health Division, implement a VOIP phone system, and evaluate and pursue other cost savings through attrition and potential new revenues.**

- 3. 2016 Deficit Reduction Strategies:** To improve current reserves, the District is considering a 6-month delay in filling the Assistant Environmental Health Division Director when Keith Grellner assumes the position of agency Administrator on July 1<sup>st</sup>. This hiring delay would reduce reserve spending in 2016 creating an additional cash reserve cushion going into 2017. Additional new revenues acquired in 2016 will further improve cash and investments.

**Decision: Continue to address the 2016 deficit estimate by delaying the re-filling of the Assistant Environmental Health Director position through 2016, and continue pursuit of new State and federal revenues.**

- 4. 2017 Board Member Contributions to the District for Ongoing Community Services:** Because of work underway across the State to acquire State Legislative financial support for the FPHS in 2017, the District is not proposing any changes to the current Board funding process at this time. The District is not recommending creation of a funding formula, or increases in city funding, and is recommending status quo District participation in the County's budget request process along with other junior districts funded by the County. The Washington State Department of Health, the Governor's

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*Director, Community Health Division; Keith Grellner, Director, Environmental Health Division; Karen Holt, Manager, Human Resources; John Kiess, Assistant Director, Environmental Health Division; Angie Larrabee, Confidential Secretary, Administration; Suzanne Plemmons, Director, Community Health Division; Betti Ridge, Social Worker 2, Community Health Division; Susan Turner, Health Officer.*

Office, the Washington Association of County and City Health Officials, and statewide health system partners, are working on an initial legislative ask in 2017 to shore up State funding for basic FPHS at the local level. If additional State funding for FPHS becomes a reality, local funding will shift to District strategic priorities that are considered “additional important services” under the FPHS. The District is not recommending changes to the current Board funding process until the legislative picture becomes clearer.

**Decision: No change in the Board funding process at this time.**

**5. 2017 Board Member Contributions to the District for a Portion of the District’s**

**Norm Dicks Government Center Debt Service Cost:** The District is proposing a Board resolution whereby the Board expresses a commitment to fund 20% of the District’s annual principal and interest costs for its offices in the Norm Dicks Government Center until the District’s debt for this space is fully paid in 2034. The resolution further supports the District requesting this funding from individual Board jurisdictions each year as part of the budget process. This formalizes Board support for these District funding requests. Previous support for this funding was captured in the minutes from the Board’s June 4, 2002, regular meeting when the Board unanimously “committed in principle” to this funding.

**Decision: Board support for a resolution to fund 20% of the District’s Norm Dicks Government Center debt services cost through 2034 to more formally confirm the Board’s 2002 commitment.**

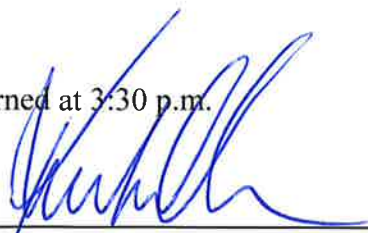
Scott Daniels noted that all final decisions by the Board regarding program services, funding, and deficit reduction will occur through the 2017 District budget approval process. Each year, that process first involves the Board Finance and Operations Committee in reviewing the draft 2017 budget, and final Board approval of the Budget in December 2017.

There was no further discussion.

**ADJOURN**

There was no further business; the meeting was adjourned at 3:30 p.m.

  
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**Becky Erickson**  
**Kitsap Public Health Board**

  
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**Keith Grellner**  
**Administrator**

**Board Members Present:** *Mayor Becky Erickson; Commissioner Charlotte Garrido; Mayor Patty Lent; Mayor Rob Putaansuu; Commissioner Ed Wolfe.*

**Staff Present:** *Karen Bevers, PIO/Communications Coordinator, Administration; Scott Daniels, Administrator; Kerry Dobbelaere, Program Manager, Clinical Services; Katie Eilers, Assistant*