City of Seattle
Human Services Department

September 17, 2010

TO: Councilmembers Nick Licata, Sally Clark, and Tom Rasmussen

From: Jerry DeGrieck, Public Health Manager and Policy Advisor, on behalf of the Public Health Interlocal City Policy Team

Subject: Council Statement of Legislative Intent on contracting for public health services and briefing on the City's work to update the Public Health Interlocal Agreement

The purpose of this memorandum is to provide the City Council Housing, Human Services, Health, & Culture Committee with a progress report on the City's work to update the Public Health Interlocal Agreement with King County and respond to the City Council Statement of Legislative Intent (SLI) on Contracting for Public Health Services. We want feedback from Councilmembers on the policy positions, outlined below, that were formulated by the City Policy Team we assembled to guide the City's response to the Council SLI.

SLI Response Timing

The Council SLI asked for a response from the Executive by August 1, 2010. However, in June, I informed Councilmembers Sally Clark, Richard Conlin and Nick Licata, the City representatives on the Board of Health, that we would not be able to meet the Council's deadline due to the complexity of the City-County relationship: Public Health—Seattle & King County (Public Health) is a joint City-County department. Councilmembers agreed to an extended SLI deadline.

Since the Interlocal Agreement is likely to frame the City's relationship with Public Health for a generation, it is important that we proceed with the utmost thoughtfulness and due diligence. It is imperative that this issue have the full involvement of the Mayor's Office and County Executive's Office and with a new Mayor and County Executive with many competing priorities, it has taken time to formulate a cohesive City position.

The City and Public Health; Background

The City's public health role began in 1877 with the creation of a City Health Officer. In 1951, the Seattle Department of Health merged with the King County Department of Health and was administered by the City, with funding from the City and County. Since then, Public Health has been a joint City-County department, although in 1981, Public Health became a County-administered department.

King County has responsibility for regional/core public health services throughout the county. Examples of these responsibilities include food safety (such as restaurant inspections); protection from communicable diseases such as influenza, HIV/AIDS and TB; monitoring the health of the community; and prevention of/response to threats to the public's health.

The City does not have statutory responsibility for public health. Our role is one of choice and historical commitment to ensure, with King County, that we have a robust Public Health Department. The City does not fund regional/core public health services. We voluntarily fund "enhanced" public health services, examples of which include medical and dental care for the uninsured and underinsured (the community health centers/health safety net); Healthcare for the Homeless; and intensive public health nurse visiting services for high-risk, first-time teen mothers and their children. The City funds these services in order to improve the health of Seattle's residents and neighborhoods.

Public Health Interlocal Agreement City Policy Team

In order to develop the City's position and to provide ongoing policy direction during the process, we established a Policy Team comprised of Ethan Raup from the Mayor's Office, Councilmember Sally Clark representing the City Council, Linda Cannon from the Office of Intergovernmental Relations, Becky Guerra from the Budget Office, and Sara Levin from the Human Services Department (HSD). Patricia Lee from City Council Central Staff has also participated in this process. I staff the Policy Team and have been directed by the Mayor to lead the City's efforts to update the Interlocal Agreement and respond to the SLI.

Why renegotiate the Public Health Interlocal Agreement?

The Council SLI requested that HSD develop a plan to modify the contracting relationship for services with Public Health. It further directs HSD to formalize the relationship between the City, Public Health and King County as part of a Memorandum of Understanding or Interlocal Agreement. The existing Interlocal Agreement was negotiated by the City and County in 1995 and adopted in 1996. The City Policy Team believes strongly that any changes in the relationship should be codified in a renegotiated agreement. Furthermore, the 1996 Interlocal Agreement is out of date, with several provisions no longer relevant or followed.

The City's goal, objectives and assumptions/principles

Please see *Attachment A, Public Health Interlocal Agreement Goal, Objectives and Assumptions/Principles*. The City Policy Team first reviewed the following:

- City Council SLI
- History of the City's relationship with and role in Public Health, *Attachment B*
- Healthy Communities Initiative Policy Guide, adopted by the City Council in 2006
- King County Public Health Operational Master Plan, which was endorsed by the City Council in 2008
- Current contracting process and contracts that the City has in place with Public Health

- Public Health's past and current role and activities in Seattle City government
- 1996 Interlocal Agreement

The Policy Team then determined the City's goal, objectives and assumptions/principles to guide our efforts to update the Interlocal Agreement. The goal is, "Strengthen the delivery of public health in Seattle and King County in order to create the conditions that improve the health of all communities, eliminate health inequities and maximize the number of healthy years lived by each person." Two key themes underscore the City's objectives and assumptions/principles:

1. It is in the City's, Public Health's and our residents' best interest for the City to have a strong and direct relationship with Public Health.
2. King County has the policy, statutory and financial responsibility for the delivery of public health services throughout King County and the City's funding and role are voluntary and at the discretion of the City.

Status of negotiations on the Interlocal Agreement between the City and King County

In April Mayor McGinn sent a letter, *Attachment C*, to King County Executive Dow Constantine proposing that the City and County update the 1996 Interlocal Agreement. Mayor McGinn attached a copy of the City's goal, objectives and assumptions/principles to his letter. In May, Executive Constantine sent a letter in response, *Attachment D*, in which he agreed that the time was right to update the Interlocal Agreement. He appointed a County team to direct the County's work on the Interlocal Agreement. That team includes Carrie Cihak, Director of Strategic Initiatives, and Alan Painter, Human Services, Health & Housing Policy Advisor. Public Health Director David Fleming and his top staff are available to advise and inform both the City and County teams.

The City Policy Team has formulated City positions on key issues, which are outlined below. Therefore, the time is right to engage with the County. We have had preliminary conversations with County staff members and plan to meet with them later this month.

City policy positions to guide the Interlocal Agreement renegotiations

The following provisions, as formulated by the City Policy Team, should be included in a renegotiated Interlocal Agreement:

- The Public Health Director should continue to be appointed by the King County Executive and Seattle Mayor with confirmation by both the County and Seattle City Councils. After consulting with the Seattle Mayor, the County Executive would continue to have the authority to terminate the Director.
- Reinforce the policy role of the Board of Health.
- Outline how Public Health is an integral participant in City government including participation on:
    - The Mayor's cabinet and in retreats
    - Subcabinets
    - Interdepartmental teams
    - Key City/Mayoral/City Council initiatives

    - Seattle Emergency Operations Center (EOC)/emergency preparedness and response
- Establish the expectation that Public Health will work interdepartmentally and participate in a broad range of City policy issues including the built environment, transportation, comprehensive planning, neighborhood planning, and parks.
- Outline the City's role in informing a broad range of public health policies/initiatives that affect Seattle, beyond the City's investments. For example, the City has a significant stake in health safety net planning since we invest significantly in the community health system.
- The City should continue to appoint a City Public Health lead position to be responsible to Mayor and City Council, and not to the Public Health Director. (This role is currently occupied by me.) This position should be a City employee and funded by the City. This City position should have a presence both within the City and at Public Health. The roles of this position would be to help:
    - Oversee the City's public health investments,
    - Staff the City Council representatives on the Board of Health,
    - Recommend health policy,
    - Assure that the City's interests in Public Health are represented,
    - Facilitate Public Health's participation in City government, and
    - Ensure accountability.
- Build on existing mechanisms and establish a strong accountability framework codified in the Interlocal Agreement, which would include:
    - Institutionalize outcomes reporting; the purpose of City funding of enhanced public health services is to achieve specific outcomes.
    - Annual report to the Mayor/City Council of outcomes for City-funded enhanced Public Health services/activities.
    - Accountability Agreement between the Mayor and Public Health, or whatever agreement formats subsequent mayors have with department directors.
    - Specifying that the role of the City-appointed Public Health lead position would include helping to ensure that Public Health spends City funds as was intended by the Mayor and City Council and that all parties—the County, City and Public Health—adhere to the provisions in the Interlocal Agreement.
- Establish a Joint Executive Board (JEB) comprised of the King County Executive, Seattle Mayor and Public Health Director. The JEB would meet annually or more often if any member called a special meeting. It will be important to have some degree of congruence between the County and the City concerning key priorities and expectations for Public Health. The JEB could serve as the vehicle to establish such congruence and for Public Health to report on key priorities. Furthermore, the JEB could be a forum for the City and the County to identify public health policy objectives to be pursued at the state and national levels.

Are Councilmembers supportive of the City Policy Team's above stated positions? Do you have concerns, feedback, or questions? Is there additional information that would be helpful?

Additional policy issues to be addressed through the Interlocal Agreement

In addition to the provisions outlined above, the City Policy Team grappled with two other issues. The following outlines the positions of the City Policy Team:

1. **Issue: Should the City provide some level of funding to Public Health to help support its enhanced and unique role and activities within Seattle City government that Public Health does not provide to other cities in King County and that are over and above its regional public health responsibilities?** Any such funding would be voluntary and at the discretion of the City.

   Concerning the 2011 budget, we do not anticipate any changes due to this or any other provision contemplated for the Interlocal Agreement. The Policy Team desires to keep options open through the duration of the new Interlocal Agreement. Therefore, the team supports including a provision that the City may choose to provide some level of funding to Public Health in order to help support the designated activities that Public Health undertakes in its enhanced and unique role with the City of Seattle. Whether the City provides such funding and the level of funding would be determined during the City budget process. Public Health would be expected to submit an annual report to the Mayor and City Council on the unique and enhanced roles and activities it performed in Seattle City government.

   Rationale: As part of HSD's contract with Public Health, the City currently provides $42,517 towards the Public Health Director's salary to help support Public Health's role in City government. All other City funding of Public Health is for specific categorical programs. Other than the $42,517, no City funds, for example, support Public Health's participation and work on subcabinets (Race and Social Justice, Youth and Families, etc.), Seattle EOC, neighborhood planning, Children and Youth Initiative, Families and Education Levy renewal planning, Healthy Parks initiative, Food Systems Interdepartmental Team, or mobile food vending, among others.

   Providing City funding for designated activities establishes leverage and accountability that Public Health will participate in key City initiatives, processes and policy issues. Can the City expect Public Health to participate in Seattle City government and to be responsive without some level of support for these activities? Public Health is faced with reductions at the county and state levels. No other funds are available to subsidize the unique activities it provides for Seattle.

   Furthermore, City funding to support Public Health's enhanced relationship with the City would reinforce the City's historical role in partnering with King County to ensure that Seattle and our region have a strong Public Health Department and the stated goal for an updated Interlocal Agreement, to "strengthen the delivery of public health in Seattle and King County…"

   Several Councilmembers asked for information about the amount of property and sales taxes that Seattle residents pay that goes into the King County General Fund Budget and to Public Health. We are gathering this information, will provide it at a

later date and will compare it to the amount that King County residents outside of Seattle pay. In the 2010 County adopted budget, $27.1 million from the County General Fund was appropriated to the Public Health Fund to help support regional public health services.

Are Councilmembers supportive of the City Policy Team's above stated position? Do you have feedback, concerns, or questions? Is there additional information that would be helpful?

2. **Issue: Should the City continue to contract with Public Health for enhanced services, or should the City appropriate its public health funds directly to Public Health as it did prior to 2005?** Accountability mechanisms would be in place regardless of which option the City chose.

   The City Policy Team does not yet have a recommendation on this issue as the team continues to weigh the advantages and disadvantages of both approaches. Although this issue must be resolved to respond to the City Council SLI, it does not necessarily have to be resolved in the context of the Interlocal Agreement. Even without this issue resolved at this time, we can proceed in our efforts to update and renegotiate the Interlocal Agreement with King County.

   Background:
   - The City's public health investments help support 20 different programs provided by four contractors. Public Health receives $10 million in City General Fund for 13 programs and $4 million in Families and Education Levy funds for school-based health services. In 2010 three other contractors (King County Department of Community and Human Services, the American Lung Association, and the Northwest Network) received City funds for six different programs.
   - Since 2005, the City's contracts with Public Health and the other providers have emphasized outcomes that the City is purchasing. Contracts are performance based for each program. Twenty-five percent of the funds must be 'earned' by achieving specific performance commitments.
   - Currently, the City funds a .5 FTE Senior Grants and Contracts Specialist to work with me to negotiate and monitor these contracts.

   Advantages of maintaining the contracting relationship:
   - Outcome-based contracting has addressed the City's concern that there was lack of accountability for the City's public health investments.
   - Without contracting, it may be more difficult to readily ensure accountability and other mechanisms would have to be established to report and monitor outcomes and deliverables.
   - The City's current contracting arrangement, including maintaining the .5 Senior Grants and Contracts Specialist, may be the least expensive option. If the City ends its contracting relationship and appropriates funds directly to

Public Health, the City Budget Office may need to dedicate some level of FTE to oversee the City's investments. Furthermore, Public Health would incur some costs in subcontracting with the City's other health providers.

Advantages of the City appropriating funds directly to Public Health:

- Recognizes and reinforces the role we want Public Health to have as an important partner in City government.
- It would be a more direct relationship rather than going through another City department (HSD).

When we present our final response to the SLI, we will make a recommendation on whether the City should continue its contracting relationship or an alternative arrangement. Given the timing of our work to update the Interlocal Agreement and respond to the SLI, we recommend that there be no change in the contracting relationship in 2011.

What feedback do Councilmembers have concerning whether the City should continue to contract for public health services or appropriate funds directly to Public Health?

Timeline and next steps

- Engage in discussions with King County, 9/10 – 12/10
- Draft proposed Public Health Interlocal Agreement and SLI response, 1/31/11
- Present SLI response to the City Council, 1/31/11
- Propose legislation to the City and County Councils to adopt an updated Public Health Interlocal Agreement, by 3/30/11
- Implementation to begin after adoption of an updated Interlocal Agreement by the two Councils, with full implementation by 1/31/12

Cc: Council President Richard Conlin and Councilmembers Sally Bagshaw, Tim Burgess, Jean Godden, Bruce Harrell, and Mike O'Brien