City of Seattle
Human Services Department

June 30, 2011

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

FROM: Dannette R. Smith, Director, Seattle Human Services Department (HSD); and Jerry DeGrieck, Public Health Manager and Policy Advisor, HSD, 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 proposed updated Public Health Interlocal Agreement with King County

The purpose of this memorandum is to provide the City Council Housing, Human Services, Health, and Culture (HHSHC) Committee with HSD's response to the 2010 City Council Statement of Legislative Intent (SLI) on Contracting for Public Health Services, 39-2-A-1. This memorandum also provides the Council with an overview of the proposed updated Public Health Interlocal Agreement that the City has negotiated with King County.

BACKGROUND

The City's Role in Public Health

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 combined City-County department, although in 1981, Public Health transitioned to a County-administered department, and became fully County-administered in 1984.

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.

In 2006, the City Council adopted the Healthy Communities Initiative (HCI) Policy Guide that provides the policy framework and guides the City's efforts and funding of enhanced public health services. The proposed Interlocal Agreement is consistent with the HCI Policy Guide.

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 – Seattle & King County (PHSKC). It further directs HSD to formalize the relationship between the City, King County and PHSKC as part of a Memorandum of Understanding or Interlocal Agreement. The City Policy Team (see next section) believed that any changes in the relationship should be codified in a renegotiated agreement. The existing Interlocal Agreement was negotiated by the City and County in 1995 and adopted in 1996. The 1996 Agreement is out of date, with several provisions no longer relevant or followed. The time was right to update the Agreement.

Public Health Interlocal Agreement/SLI Response City Policy Team

In order to provide ongoing policy direction to the SLI response and to guide the process to update the Interlocal Agreement, we established a City 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 (later Steve Barham) from the Budget Office, and Sara Levin (and later Dannette R. Smith) from the Human Services Department (HSD). Patricia Lee from City Council Central Staff participated in this process. Jerry DeGrieck staffed the Policy Team and led the City's negotiations with the County to update the Interlocal Agreement and respond to the SLI.

Timing of the SLI Response and the Public Health Interlocal Agreement

The Council SLI asked for a response from the Executive by August 1, 2010. In June, 2010, HSD informed the Council that we would not be able to meet the SLI response deadline. Councilmembers agreed with our request for an extension and requested that we update the HHSHC Committee in September.

HSD believed that the issues raised in the SLI warranted a review of the overall City-County relationship regarding PHSKC. The relationship, which is codified in an Interlocal Agreement, is complex because PHSKC is a combined City-County department and administered by the County. It was necessary to fully involve the County Executive's Office and Mayor's Office, as well as representatives from the legislative branches, in this process and to negotiate an updated Interlocal Agreement. Therefore, it took a substantially longer period of time to respond to the SLI.

In September, 2010, HSD briefed the Council HHSHC Committee and sought feedback and concurrence with the direction we were taking in responding to the SLI and in negotiating

the Public Health Interlocal Agreement. The Committee responded favorably and the City Team proceeded to engage the County.

SLI RESPONSE

The City Policy Team strongly recommends that the City continue to contract for public health services, rather than directly appropriate funds to PHSKC. We also recommend that we should not codify the contracting arrangement in the updated Interlocal Agreement because the method the City uses to provide funding to PHSKC should be at the City's discretion. It doesn't need to be subject to the Interlocal Agreement.

Before making this recommendation, the City Policy Team carefully considered the ramifications of ending the contracting relationship and decided that maintaining contracting served the City and PHSKC best. In responding to the SLI and preparing to negotiate an updated Public Health Interlocal Agreement with King County, the City Policy Team reviewed the following:

- City Council SLI
- History of the City's relationship with and role in Public Health
- 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
- PHSKC's past and current role and activities in Seattle City government
- 1996 Interlocal Agreement

Prior to 2005, the City appropriated funds to PHSKC as it did to other City departments. During the late 1990's and early 2000's, the City determined that the County was using City funds to underwrite regional core public health services for which the County was responsible rather than for enhanced services for City residents. The City decided to change to a contracting relationship in order to assure that City funds were used appropriately to achieve measurable outcomes.

The change to contracting has not only helped to ensure a high-degree of accountability for the use of City funds, it has contributed to improvement in the trust, overall relationship, and partnership between the City and PHSKC.

<u>The City's contracts with PHSKC</u>

- The City's public health investments help fund 20 different programs provided by four contractors. PHSKC receives approximately $10 million in City General Fund for 13 programs and about $4 million in Families and Education Levy funds for school-based health services. In 2011 three other contractors (King County Department of Community and Human Services, the American Lung Association, and the Northwest Network) receive City funds for six different programs.

- Since 2005, the City's contracts with PHSKC 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. The remainder of the funds is reimbursed on a quarterly basis, upon receipt of quarterly progress reports.
- Currently, the City funds a .5 FTE Senior Grants and Contracts Specialist to work with Jerry 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 would be more difficult to ensure accountability and other mechanisms would have to be established to report and monitor outcomes and deliverables.
- The City's current contracting arrangement may be the least expensive option. If the City ends its contracting relationship and appropriates funds directly to PHSKC, the City Budget Office would need to dedicate some level of FTE to oversee the City's investments.
- PHSKC is not the only recipient of the City's investments in public health services. HSD would still have to contract with the other providers, or PHSKC would incur some costs in subcontracting funds to the City's other health providers.

HSD is reviewing its contracting processes

While the City Policy Team recommends that HSD continue to contract with PHSKC, HSD is reviewing its contract administration including processes for writing and monitoring contracts and providing technical assistance and quality improvement support. The Mayor charged HSD Director Dannette R. Smith to improve the department's contracting processes; the Council concurred with this charge and adopted a 2011 SLI, 63-2-A-1, *Contract Administration Efficiencies.*

While HSD is still in the process of developing its new model for administering contracts, we eliminated funding of the vacant .5 FTE Public Health Senior Grants and Contracts Specialist position in the 2011 mid-year budget reduction and plan to abrogate this position in the 2012 budget. The body of work associated with the public health contracts will be absorbed by other HSD contracts staff.

How maintaining the current contracting arrangement meets the SLI criteria

Maintaining the current contracting arrangement will result in:

- No negative impacts to direct service delivery
- A high-degree of accountability
- Clarity on staffing and oversight responsibilities of HSD and PHSKC regarding the City's funding of enhanced services

The additional criteria outlined in the SLI are met in the proposed updated Public Health Interlocal Agreement.

PROPOSED UPDATED CITY OF SEATTLE-KING COUNTY PUBLIC HEALTH INTERLOCAL AGREEMENT

RCW 70.08.010 authorizes: "Any city with one hundred thousand or more population and the county in which it is located, are authorized, as shall be agreed upon between the respective governing bodies of such city and said county, to establish and operate a combined city and county health department, and to appoint a director of public health."

The City's goal, objectives and assumptions/principles

The City Policy Team established the City's goal, objectives and assumptions/principles to guide HSD's efforts to update the Interlocal Agreement, *Attachment A*. 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 underscored the City's objectives and assumptions/principles:

1. It is in the City's, PHSKC's and our residents' best interest for the City to have a strong and direct relationship with PHSKC.
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.

Negotiations on the Interlocal Agreement between the City and King County

In April, 2010, Mayor McGinn sent a letter 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, 2010, Executive Constantine sent a letter in response 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 included Carrie Cihak, County Executive's Office Director of Strategic Initiatives, and Alan Painter, County Executive's Office Human Services, Health & Housing Policy Advisor, and Wendy SooHoo, County Council central staff. Public Health Director David Fleming and his top staff were available to advise and inform both the City and County teams.

The City Policy Team formulated City positions on key issues, on which the City Council HHSHC Committee was briefed in September 2010. The County team embraced the City's goal for a renewed Interlocal Agreement. Negotiations began in November 2010 and tentative agreement on a revised Interlocal Agreement was reached in March 2011, when the City and County Policy Teams and the County Executive and Mayor agreed on a draft agreement.

The Negotiated Proposed Interlocal Agreement

The City Policy Team believes that the proposed Interlocal Agreement meets the goal and all of the objectives delineated at the start of this process, *Attachment A*. It also specifically meets the following criteria outlined in the SLI:

- Assures a strong City presence and influence on PHSKC's activities and services in Seattle.
- Agreement is consistent with and supports the City's Healthy Communities Initiative Policy Guide and the Public Health Operational Master Plan.
- The terms of the relationship are agreed upon by PHSKC, the City, and the County and formalized as part of a memorandum of understanding or interlocal agreement between the City of Seattle and King County.

Furthermore, the proposed Interlocal Agreement includes several provisions that strengthen accountability, the City's role in policy development, and PHSKC's participation in City government. The following table outlines key features of the proposed Interlocal Agreement in comparison to the 1996 Interlocal Agreement, which is currently in place.

	1996 Agreement	Proposed 2011 Agreement	Comments
Joint City-County Department. Reaffirms establishment/ operation of a combined City-County health department, administered by the County.	Yes	Yes	No change
Purpose of the Interlocal Agreement:	Improve service delivery and responsiveness to community concerns and health/ environmental problems.	Strengthen public health in Seattle and King County to improve health of all communities, eliminate health inequities and maximize number of healthy years lived.	
County Responsibility. The County has ultimate responsibility for the delivery of public health services and for funding.	Yes	Yes	No change
Appointment of the Director. Jointly appointed by County Executive and Seattle Mayor; confirmed by the City and County Councils.	Yes	Yes	No change
Removal of the Director. Removed by County Executive after consulting with Seattle Mayor.	Yes	Yes	No change
County Executive – Seattle Mayor meetings:	Joint Executive Committee comprised of Mayor, County Exec and PHSKC Director to meet monthly to implement BOH directives, forum for conflict resolution, etc.	Annual meeting of County Exec, Mayor, BOH Chair and PHSKC Director to discuss and establish public health priorities, identify policy objectives, etc.	Joint Executive Committee never worked well; unrealistic and unnecessary to meet monthly. New agreement includes BOH chair.

	1996 Agreement	Proposed 2011 Agreement	Comments
Role of Board of Health (BOH):			
• Recognizes the BOH's policy influence.	Yes	Yes	No change
• Reinforces the BOH's role in all matters pertaining to the preservation of life and health.	No	Yes	Strengthened provision
• Includes BOH Chair in annual meeting with County Exec, Seattle Mayor and PHSKC Director.	No	Yes	New provision
City participation in policy development:			
• Mayor/City Council establish programmatic priorities of the City funds to PHSKC.	Yes	Yes	No change
• Over and above its funding, the City shall have opportunities to advise and participate in formulating health policies that impact Seattle.	Yes	Yes	No change
• Mayor/City Council to designate a lead City health policy advisor to help facilitate City participation in health policy/program development.	No	Yes	New provision (Since the City has a health policy advisor, no new FTE required.)
• The City's lead health policy advisor will represent the City in community health system/ health safety net planning efforts.	No	Yes	New provision
City funding:			
• Voluntary, for enhanced services.	Yes	Yes	No change
• The method the City uses to make contributions to PHSKC to be determined by the City.	Implied	Explicit	
• The City may voluntarily contribute some funding to support PHSKC's unique activities that it provides to the City that are typically more than what it provides to other cities. The funding is at the discretion of the City and would be determined in the City budget process.	No	Yes	Recognizes the role PHSKC plays in City government: participation on cabinet, subcabinets, emergency preparedness, etc.

	1996 Agreement	Proposed 2011 Agreement	Comments
Accountability mechanisms for City funding:			
• The City may establish accountability mechanism related to City funding and objectives including specified outcomes and performance commitments.	No	Yes	New provision
• The County and PHSKC shall ensure that City's funding is used for only its intended purpose and not subsidize expenses for other purposes.	Implied	Explicit	New provision
• The City's lead public health policy advisor to ensure accountability for use of City funds and compliance with the Interlocal Agreement.	No	Yes	New provision
PHSKC's participation in City government:			
• The PHSKC Director will report to the Mayor on issues relating to the city's health status and policy and city-funded services	Yes	Yes	No change
• The PHSKC Director will participate on the Mayor's and County Executive's cabinet.	Yes	Yes	No change
• PHSKC staff will participate on City subcabinets, interdepartmental teams, key initiatives, and will work with other departments to create conditions for healthy communities.	No	Yes	New provision
• The Mayor will invite PHSKC to work with other departments to formulate/implement policies that promote health equity.	No	Yes	New provision
• The PHSKC Director will assign staff to participate in the City's emergency preparedness and response efforts and provide a presence at the EOC.	No	Yes	New provision
Duration of Agreement:	Indefinite	Five years (once approved by both Councils and signed); automatic annual rollover	Agreement can be modified by mutual consent and approval of both Councils.

The proposed Agreement also eliminates sections and language that are no longer relevant or applicable. These include outdated sections on personnel (pooling fund employees), claims and the grant approval process.

Mayor McGinn and the City Policy Team are pleased to present the proposed Public Health Interlocal Agreement for consideration by the City Council. The Agreement strengthens public health in our city and region, protects the City's interests, and ensures accountability. It builds on the City's historical partnership with King County and our strong relationship with PHSKC 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.

NAME CHANGE: PUBLIC HEALTH – SEATTLE & KING COUNTY

The ordinance that adopts the Public Health Interlocal Agreement also officially changes the name of "the Seattle-King County Department of Public Health" to "Public Health – Seattle & King County". King County is also officially changing the name of the Health Department so that the department's legal name is the same as its known name.

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