
SECOND SUBSTITUTE HOUSE BILL 1825

State of Washington 60th Legislature 2007 Regular Session

By House Committee on Appropriations (originally sponsored by Representatives Schual-Berke, Curtis, Dunshee, Moeller, Lovick, Morrell, Seaquist, McCoy, Clibborn, Barlow, Green, Appleton, Pedersen, Darneille, P. Sullivan, Kenney, Rolfes, Simpson, McIntire, Roberts, Ormsby and Chase)

READ FIRST TIME 03/05/07.

1 AN ACT Relating to public health funding; amending RCW 43.70.520;
2 and adding new sections to chapter 43.70 RCW.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 43.70 RCW
5 to read as follows:

6 (1) Protecting the public's health across the state is a
7 fundamental responsibility of the state. With any new state funding of
8 the public health system as provided in section 2 of this act, the
9 state expects that measurable benefits will be realized to the health
10 of the residents of Washington. A transparent process that shows the
11 impact of increased public health spending on performance measures
12 related to the health outcomes in subsection (2) of this section is of
13 great value to the state and its residents. In addition, a well-funded
14 public health system is expected to become a more integral part of the
15 state's emergency preparedness system.

16 (2) Distributions from the local public health financing account in
17 section 2 of this act shall deliver the following outcomes, subject to
18 the availability of amounts appropriated to the account for this
19 specific purpose:

- 1 (a) Create a disease response system capable of responding at all
2 times;
- 3 (b) Stop the increase in, and reduce, sexually transmitted disease
4 rates;
- 5 (c) Reduce vaccine preventable diseases;
- 6 (d) Build capacity to quickly contain disease outbreaks;
- 7 (e) Decrease childhood and adult obesity and types I and II
8 diabetes rates, and resulting kidney failure and dialysis;
- 9 (f) Increase childhood immunization rates;
- 10 (g) Improve birth outcomes and decrease child abuse;
- 11 (h) Reduce animal-to-human disease rates; and
- 12 (i) Monitor and protect drinking water across jurisdictional
13 boundaries.
- 14 (3) Benchmarks for these outcomes shall be drawn from the national
15 healthy people 2010 goals, other reliable data sets, and any subsequent
16 national goals.

17 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.70 RCW
18 to read as follows:

19 (1) The definitions in this subsection apply throughout this
20 section unless the context clearly requires otherwise.

21 (a) "Base year" means the 2007 budgeted amount for public health
22 functions passed through ordinance by each county by December 31, 2006.

23 (b) "Core public health functions of statewide significance" or
24 "public health functions" means health services that:

25 (i) Address: Communicable disease prevention and response;
26 preparation for, and response to, public health emergencies caused by
27 pandemic disease, earthquake, flood, or terrorism; prevention and
28 management of chronic diseases and disabilities; promotion of healthy
29 families and the development of children; assessment of local health
30 conditions, risks, and trends, and evaluation of the effectiveness of
31 intervention efforts; and environmental health concerns;

32 (ii) Promote uniformity in the public health activities conducted
33 by all local health jurisdictions in the public health system, increase
34 the overall strength of the public health system, or apply to broad
35 public health efforts; and

36 (iii) If left neglected or inadequately addressed, are reasonably

1 likely to have a significant adverse impact on counties beyond the
2 borders of the local health jurisdiction.

3 (c) "Local funding" means discretionary local resources for public
4 health functions, including amounts from general and special revenue
5 funds, but excluding amounts received from fees and licenses and other
6 user fee types of payments for service. "Local funding" does not
7 include payments received from the state or federal government.

8 (d) "Local health jurisdiction" or "jurisdiction" means a county
9 board of health organized under chapter 70.05 RCW, a health district
10 organized under chapter 70.46 RCW, or a combined city and county health
11 department organized under chapter 70.08 RCW.

12 (e) "Population" means the most recent population estimates by the
13 office of financial management for state revenue allocations.

14 (2) The local public health financing account is created in the
15 state treasury. Any funds appropriated in the operating budget for the
16 purposes of this act on or after the effective date of this act shall
17 be deposited into this account. Expenditures from the account must be
18 used for the purposes specified in subsections (3) and (4) of this
19 section.

20 (3) Beginning January 1, 2008, and on the first business day of
21 each January thereafter, the state treasurer shall distribute from the
22 local public health financing account any amounts in the account up to
23 a maximum of five million four hundred twenty-five thousand dollars to
24 be shared equally amongst all local health jurisdictions to address
25 core public health functions of statewide significance.

26 (4) Beginning January 1, 2008, and on the first business day of
27 each fiscal quarter thereafter, the state treasurer, in consultation
28 with the department of revenue or the department of health, as
29 necessary, shall distribute money in the local public health financing
30 account as provided in this subsection. The distributions under this
31 subsection (4) are subsequent to the distribution under subsection (3)
32 of this section.

33 Appropriated funds remaining following the distribution of moneys
34 under subsection (3) of this section must be apportioned to local
35 health jurisdictions in the manner provided in this subsection (4).
36 The apportionment factor for each jurisdiction is the population of the
37 jurisdiction's county as a percentage of the statewide population for
38 the prior calendar year. For two or more counties that have jointly

1 created a health district under chapter 70.46 RCW, the combined
2 population of all counties comprising the health district must be used.
3 Money received by a jurisdiction under this subsection (4) must be used
4 to fund core public health functions of statewide significance, and
5 until July 1, 2008, money shall be used to fund only known deficiencies
6 in core public health functions of statewide significance of the
7 jurisdiction.

8 (5) To receive distributions under subsections (3) and (4) of this
9 section in calendar year 2010 and thereafter, total local funding spent
10 by the jurisdiction on public health functions in the calendar year
11 prior to the previous calendar year must have equaled or exceeded total
12 local funding spent by the jurisdiction on public health functions in
13 the base year. The department of health shall notify the state
14 treasurer to discontinue distributions if the jurisdiction does not
15 meet this requirement.

16 (6) In the event of an extraordinary financial circumstance beyond
17 the control of a county that results in funding for local public health
18 functions being reduced to an amount lower than the base year, the
19 county may petition the secretary for a waiver from the local funding
20 requirement in subsection (5) of this section. The secretary, after
21 reviewing the county's petition and determining that the local funding
22 reduction is necessary, may grant the county a waiver from the
23 requirements of subsection (5) of this section. In order for the
24 waiver to continue beyond one calendar year, the county must
25 demonstrate to the secretary that an effort is being made to restore
26 funding to the base year level.

27 (7) The department may adopt rules necessary to administer this
28 section.

29 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.70 RCW
30 to read as follows:

31 (1) The department shall accomplish the tasks included in
32 subsection (2) of this section by utilizing the expertise of varied
33 interests, as provided in this subsection.

34 (a) In addition to the perspectives of local health jurisdictions,
35 the state board of health, the Washington health foundation, and
36 department staff that are currently engaged in development of the

1 public health services improvement plan under RCW 43.70.520, the
2 secretary shall actively engage:

3 (i) Individuals or entities with expertise in the development of
4 performance measures, accountability and systems management, such as
5 the University of Washington school of public health and community
6 medicine, and experts in the development of evidence-based medical
7 guidelines or public health practice guidelines; and

8 (ii) Individuals or entities who will be impacted by performance
9 measures developed under this section and have relevant expertise, such
10 as community clinics, public health nurses, large employers, tribal
11 health providers, family planning providers, and physicians.

12 (b) In developing the performance measures, consideration shall be
13 given to levels of performance necessary to promote uniformity in core
14 public health functions of statewide significance among all local
15 health jurisdictions, best scientific evidence, national standards of
16 performance, and innovations in public health practice. The
17 performance measures shall be developed to meet the goals and outcomes
18 in section 1 of this act. The office of the state auditor shall
19 provide advice and consultation to the committee to assist in the
20 development of effective performance measures and health status
21 indicators.

22 (c) On or before November 1, 2007, the experts assembled under this
23 section shall provide recommendations to the secretary related to the
24 activities and services that qualify as core public health functions of
25 statewide significance and performance measures. The secretary shall
26 provide written justification for any departure from the
27 recommendations.

28 (2) By January 1, 2008, the department shall:

29 (a) Adopt a list of activities and services performed by local
30 health jurisdictions that qualify as core public health functions of
31 statewide significance as defined in section 2 of this act; and

32 (b) Adopt appropriate performance measures with the intent of
33 improving health status indicators applicable to the core public health
34 functions of statewide significance that local health jurisdictions
35 must provide pursuant to section 2 of this act.

36 (3) The secretary may revise the list of activities and the
37 performance measures in future years as appropriate. Prior to

1 modifying either the list or the performance measures, the secretary
2 must provide a written explanation of the rationale for such changes.

3 (4) The department and the local health jurisdictions shall abide
4 by the list of activities and services and the performance measures
5 developed pursuant to this section.

6 NEW SECTION. **Sec. 4.** A new section is added to chapter 43.70 RCW
7 to read as follows:

8 Beginning November 15, 2009, the department shall report to the
9 legislature and the governor annually on the distribution of funds
10 under section 2 of this act and the use of those funds. The initial
11 report must discuss the performance measures adopted by the secretary
12 and any impact the funding in this act has had on local health
13 jurisdiction performance and health status indicators. Future reports
14 shall evaluate trends in performance over time and the effects of
15 expenditures on performance over time.

16 **Sec. 5.** RCW 43.70.520 and 1993 c 492 s 467 are each amended to
17 read as follows:

18 (1) The legislature finds that the public health functions of
19 community assessment, policy development, and assurance of service
20 delivery are essential elements in achieving the objectives of health
21 reform in Washington state. The legislature further finds that the
22 population-based services provided by state and local health
23 departments are cost-effective and are a critical strategy for the
24 long-term containment of health care costs. The legislature further
25 finds that the public health system in the state lacks the capacity to
26 fulfill these functions consistent with the needs of a reformed health
27 care system. The legislature further finds that public health nurses
28 and nursing services are an essential part of our public health system,
29 delivering evidence-based care and providing core services including
30 prevention of illness, injury, or disability; the promotion of health;
31 and maintenance of the health of populations.

32 (2) The department of health shall develop, in consultation with
33 local health departments and districts, the state board of health, the
34 health services commission, area Indian health service, and other state
35 agencies, health services providers, and citizens concerned about
36 public health, a public health services improvement plan. The plan

1 shall provide a detailed accounting of deficits in the core functions
2 of assessment, policy development, assurance of the current public
3 health system, how additional public health funding would be used, and
4 describe the benefits expected from expanded expenditures.

5 (3) The plan shall include:

6 (a) Definition of minimum standards for public health protection
7 through assessment, policy development, and assurances:

8 (i) Enumeration of communities not meeting those standards;

9 (ii) A budget and staffing plan for bringing all communities up to
10 minimum standards;

11 (iii) An analysis of the costs and benefits expected from adopting
12 minimum public health standards for assessment, policy development, and
13 assurances;

14 (b) Recommended strategies and a schedule for improving public
15 health programs throughout the state, including:

16 (i) Strategies for transferring personal health care services from
17 the public health system, into the uniform benefits package where
18 feasible; and

19 (ii) ~~((Timing of increased funding for public health services
20 linked to specific objectives for improving public health))~~ Linking
21 funding for public health services to performance measures that relate
22 to achieving improved health outcomes; and

23 (c) A recommended level of dedicated funding for public health
24 services to be expressed in terms of a percentage of total health
25 service expenditures in the state or a set per person amount; such
26 recommendation shall also include methods to ensure that such funding
27 does not supplant existing federal, state, and local funds received by
28 local health departments, and methods of distributing funds among local
29 health departments.

30 (4) The department shall coordinate this planning process with the
31 study activities required in section 258, chapter 492, Laws of 1993.

32 (5) By March 1, 1994, the department shall provide initial
33 recommendations of the public health services improvement plan to the
34 legislature regarding minimum public health standards, and public
35 health programs needed to address urgent needs, such as those cited in
36 subsection (7) of this section.

37 (6) By December 1, 1994, the department shall present the public

1 health services improvement plan to the legislature, with specific
2 recommendations for each element of the plan to be implemented over the
3 period from 1995 through 1997.

4 (7) Thereafter, the department shall update the public health
5 services improvement plan for presentation to the legislature prior to
6 the beginning of a new biennium.

7 (8) Among the specific population-based public health activities to
8 be considered in the public health services improvement plan are:
9 Health data assessment and chronic and infectious disease surveillance;
10 rapid response to outbreaks of communicable disease; efforts to prevent
11 and control specific communicable diseases, such as tuberculosis and
12 acquired immune deficiency syndrome; health education to promote
13 healthy behaviors and to reduce the prevalence of chronic disease, such
14 as those linked to the use of tobacco; access to primary care in
15 coordination with existing community and migrant health clinics and
16 other not for profit health care organizations; programs to ensure
17 children are born as healthy as possible and they receive immunizations
18 and adequate nutrition; efforts to prevent intentional and
19 unintentional injury; programs to ensure the safety of drinking water
20 and food supplies; poison control; trauma services; and other
21 activities that have the potential to improve the health of the
22 population or special populations and reduce the need for or cost of
23 health services.

24 NEW SECTION. **Sec. 6.** A new section is added to chapter 43.70 RCW
25 to read as follows:

26 (1) Each local health jurisdiction shall submit to the secretary
27 such data as the secretary determines is necessary to allow the
28 secretary to assess whether the local health jurisdiction has used the
29 funds in a manner consistent with achieving the performance measures in
30 section 3 of this act.

31 (2) If the secretary determines that the data submitted
32 demonstrates that the local health jurisdiction is not spending the
33 funds in a manner consistent with achieving the performance measures,
34 the secretary shall:

35 (a) Provide a report to the governor identifying the local health
36 jurisdiction and the specific items that the secretary identified as
37 inconsistent with achieving the performance measures; and

1 (b) Provide technical assistance to the local health jurisdiction
2 to support the jurisdiction in achieving consistency with the
3 performance measures.

4 (3) Upon a determination by the secretary that a local health
5 jurisdiction that had previously been identified as not spending the
6 funds in a manner consistent with achieving the performance measures
7 has resumed consistency, the secretary shall notify the governor that
8 the jurisdiction has returned to consistent status.

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