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## Using Public Health Accreditation (PHAB) Standards to Improve Efficiency and Effectiveness in A Local Health Department (Bourbon County, Kentucky)

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Using Public Health Accreditation Board (PHAB) standards to improve efficiency and effectiveness in a local health department (Bourbon County, Kentucky)

CAPSTONE PROJECT PAPER

A paper submitted in partial fulfillment of the  
requirements for the degree of  
Master of Public Health  
in the  
University of Kentucky College of Public Health  
By  
Helen Karrick Sauer  
Lexington, Kentucky

Lexington, Kentucky  
December 1, 2015

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Objectives: Small and rural local health departments face unique challenges in maintaining their operations amongst budget cuts. Accreditation of local health departments by the Public Health Accreditation Board (PHAB) has been identified as a strategy to help struggling health departments improve their efficiency and effectiveness. These health departments may be able to enjoy the benefits of accreditation even without ultimately achieving it by deliberately aligning themselves with PHAB standards.

Methods: This capstone report presents a case study of the Bourbon County Health Department (BCHD). Using PHAB accreditation standards as a playbook, the public health director (PHD) reorganized BCHD to focus on population health, cut staff positions, and convinced a reluctant board and fiscal court to raise taxes while shifting away from the provision of clinical services and emphasizing essential public health services.

Results: BCHD now provides its community with all ten essential public health services with a staff of twelve full-time and two part-time employees. The health department is now financially solvent, finishing fiscal year 2015 with a budget surplus of \$110,781.20 and, as of September 2015, reserves of \$331,842.25.

Conclusions: Deliberate alignment with PHAB standards and guidance may help improve operations and financial solvency in small health departments. Struggling small health departments should explore the option of reducing or eliminating clinical services. PHAB may wish to consider adopting a tiered accreditation system using its existing standards to give small health departments a greater chance of achieving formal accreditation and the commensurate benefits.

## **Introduction**

Small, rural local health departments operate in the grim intersection of fewer resources and sicker populations. With almost 18 billion dollars cut from Kentucky's public health departments, funding levels are 31% lower than their level in 2008.<sup>1</sup> According to a 2014 national survey conducted by the National Association of County and City Health Officials (NACCHO), local health departments have collectively lost 44,000 jobs due to layoffs and attrition since 2008. During 2012, nearly one-half (48%) of national local health departments reduced or eliminated services in at least one program area.<sup>2</sup> The rural local health departments experiencing these cuts serve populations with significant health disparities compared to their urban counterparts, like higher rates of preventable conditions such as obesity, diabetes, cancer, and injury, and higher rates of related high-risk health behaviors such as smoking, physical inactivity, poor diet, and limited use of seatbelts.<sup>3</sup> Given this, cuts to these departments place greater pressure on them to deliver high quality care to vulnerable populations, while keeping costs in check.

NACCHO reported in its 2005 National Profile of Local Health Departments Study that while small town rural local health departments operate on budgets approximately one-quarter that of other local health departments and employ far fewer staff, they are less efficient, with small town rural health departments spending an average of \$35 per capita per year versus \$26 per capita in other local health departments. Rural health departments in small towns are more likely to focus their operations on services that are typically provided by other organizations in urban areas, like public health nursing services, and less likely to provide environmental health services.<sup>4</sup> Rural

health departments are also significantly less likely to participate in general health policy and advocacy work.<sup>5</sup> Moreover, these small and rural health departments often have trouble recruiting and retaining staff with public health training.<sup>6</sup>

Many local health departments are struggling not only to provide services to their communities, but also to stay afloat financially among rampant budget cuts.<sup>2</sup> Public Health Accreditation Board (PHAB) accreditation was identified as a strategy for strengthening public health infrastructure. However, small, rural local health departments face unique challenges in becoming accredited,<sup>27</sup> including additional difficulty meeting workforce requirements and finding funding to cover costs associated with PHAB accreditation, which near \$13,000<sup>7</sup> in PHAB fees alone, not counting the costs of salary, time, and focusing attention away from normal duties for the staff involved in the accreditation effort. These are challenges the majority of local health departments are likely to face, as 61% of national local health departments serve populations under 50,000.<sup>8</sup> PHAB recognizes the challenge of accommodating this majority and in June 2015 formed a think tank to develop strategies to address the challenges faced by small health departments in achieving accreditation.<sup>9</sup>

This capstone report presents a case study of the Bourbon County Health Department (BCHD) in Paris, Kentucky. BCHD's public health director (PHD) parlayed his experience as a PHAB accreditation coordinator in a large city-county health department to turn around Bourbon County's Health Department, which in 2012 was \$150,000 in debt and preparing to drain its reserves. Using PHAB accreditation standards as a playbook, the PHD strategically reorganized BCHD, cut staff positions, and

convinced a reluctant board and fiscal court to raise taxes while shifting away from the provision of clinical services and emphasizing essential public health services.

### **Background on PHAB and Accreditation**

Public Health Accreditation Board (PHAB) accreditation was identified as a key strategy for strengthening public health infrastructure by the Centers for Disease Control and Prevention in its 2004 *Futures Initiative*.<sup>10</sup> The Institute of Medicine's 2002 report, *The Future of the Public's Health in the 21<sup>st</sup> Century*, called for the establishment of a national steering committee to examine the benefits of accrediting governmental public health departments.<sup>11</sup> PHAB was formed in 2007 as the nonprofit entity to implement and oversee national public health accreditation.<sup>12</sup> PHAB evaluates health departments on a core set of twelve domains based on the ten essential public health services. As of November 2015, 96 health departments have achieved PHAB accreditation, and 45% of the US population is now served by an accredited health department.<sup>13</sup>

PHAB's goal is to maintain a voluntary national accreditation program with measures specific enough to ensure a health department's capacity to provide its community with the 10 Essential Public Health Services.<sup>14</sup> PHAB Standards and Measures are designed to promote continuous quality improvement within the constantly changing and diverse environment public health practice.<sup>14</sup> Quality improvement, an increasingly important concept in health service delivery, is a formal approach to the analysis of performance and systematic efforts to improve it.<sup>15</sup> In order to develop relevant and accommodating standards, PHAB solicited the input of more than 400 subject matter experts from various public health fields through a series of discussion meetings (think tanks).<sup>14</sup> Other strategies for developing and subsequently improving

upon PHAB standards included gathering input from the practice community, receiving recommendations from public health departments that have undergone the accreditation process, and reviewing relevant literature.<sup>14</sup>

### **Background on BCHD**

Bourbon County, Kentucky is a rural community of approximately 19,972 persons located 15 miles northeast of Lexington, Kentucky.<sup>16</sup> Renowned as one of the leading producers of Thoroughbred horses in the world, Bourbon County has been able to retain its unique, small-town identity<sup>17</sup> despite its close proximity to the city of Lexington, Kentucky, home to around 300,000.<sup>18</sup> According to 2014 US Census data, 22.7% of Bourbon Countians are under the age of 18 and 17.5% are over age 65. 91.2% of residents are white while 6.9% are Hispanic or Latino. 17.2% of the population lives below the poverty line, compared to 18.8% of the Kentucky population.<sup>16</sup>

Under Kentucky Revised Statutes, all health departments in Kentucky are required to provide a set of seven core services: 1) enforcement of public health regulations, 2) surveillance of public health, 3) communicable disease control, 4) public health education, 5) public health policy, 6) families and children risk reduction, and 7) disaster preparedness. Health departments receive funding from the Commonwealth of Kentucky and the United States Public Health Service to perform services including family planning, prenatal care, Women, Infants, and Children (WIC) and adult preventive services.<sup>19</sup> However, local health departments usually must supplement funding from the state and federal government with local public health tax income to meet all of their requirements.<sup>26</sup>



With just twelve full-time and two part-time staff members, BCHD is able to provide Bourbon Countians with all ten essential public health services as well as maintaining administrative and management capacity and engaging with the governing entity, PHAB domains 11 and 12 respectively.<sup>20</sup> BCHD employs a full-time health educator who provides resources and information to the community on obesity prevention and reduction, smoking cessation, safe sex, and diabetes prevention and management, among other topics. BCHD provides environmental health services, including food service establishment inspections, through two part-time registered sanitarians. A nursing supervisor oversees the operation of a medical clinic and five full-time clinic and administrative staff. BCHD's clinic provides pediatric, family planning, women infants and children (WIC), tuberculosis, sexually transmitted disease (STD), adult health, and breast and cervical cancer screening services and had 7,387 visits in fiscal year 2014. A social worker and a family support worker coordinate a maternal health program, HANDS. The state-funded grant program logged 1,437 home visits with 47 Bourbon County families in fiscal year 2014.<sup>21</sup>

Bourbon County's health department is located in the county seat of Paris. Though the county's board of health was formed August 27, 1941, BCHD was a part of the Wedco District Health Department until April 5, 1983, when the Bourbon County fiscal court moved to create a separate health department in Bourbon County.<sup>22</sup> Charged with overseeing BCHD, Bourbon County's board of health consists of 12 members, appointed by the secretary of the Cabinet for Health and Human Services.<sup>23</sup> Nominees may be submitted from any source, but the secretary solicits submissions from the county judge executive, the fiscal court, and the county health department staff. Per the Kentucky

Revised Statutes, boards of health must contain three physicians, one veterinarian, one dentist, one registered nurse, one civil engineer, one pharmacist, one optometrist, one consumer representative, the County Judge/Executive, and the local magistrate.<sup>24</sup>

Currently, the Bourbon County board of health is substituting a chiropractor and a lawyer for two of the physician positions.<sup>25</sup>

### **Department Turnaround**

The PHD served as the PHAB accreditation coordinator for the Lexington-Fayette County Health Department for three years prior to coming to Bourbon County. He is very familiar with the accreditation process and is a firm believer in its value to local health departments. He describes accreditation as a “playbook” for running a successful health department.<sup>26</sup>

Before the PHD even interviewed for the director position at the Bourbon County Health Department, many familiar with the department’s situation asked if he knew what he was getting into. It was well known that BCHD was struggling and that the department’s long-time director rarely attended board of health meetings or participated in community initiatives. Though many emphasized that the PHD would not be inheriting a well-functioning department, he believes people drastically undersold what had to be done. In fact, he suspects that if the situation were not so dire at BCHD, he might not have gotten the position because of his young age and the fact that he had no ties to Bourbon County. The interview process for the director position was informal, with no apparent question set for candidates and a BCHD staff member as one of the interviewers.<sup>26</sup>

The PHD was hired as BCHD’s director in October 2012. He says the director position is flexible and that he “makes the job what it is”—it would be possible to just stay in the office, but he has made it his mission to meet with officials and attend local events to ensure that BCHD remains visible the community. When the PHD took over, Bourbon County hadn’t raised taxes in five years. The previous director had approved raises for BCHD’s staff, though the department would be operating at a projected \$150,000 deficit in FY 2013.<sup>26</sup>

### **Re-organizing by the PHAB Domains**

Accreditation of local health departments is an emerging strategy for strengthening the public health infrastructure.<sup>27</sup> Primary benefits of accreditation include setting a benchmark for quality, allowing a platform for quality improvement, and providing a means of documenting accountability for policymakers.<sup>28</sup> Auxiliary benefits include increased staff morale and better awareness of each other’s activities, better cooperation and alignment with local and state entities, information/best-practices sharing, sharing of resources across regions, and better emergency preparedness.<sup>28</sup>

The PHD deliberately organized BCHD to adhere to PHAB’s accreditation guidance. PHAB’s Standards and Measures Handbook, currently on version 1.5, explains the twelve domains and their corresponding standards, measures, and guidance for compliance and is available on PHAB’s website at no cost. The process requires the accreditation candidate to provide extensive documentation.<sup>20</sup> Figure 1 shows the twelve domains followed by which BCHD staff members are responsible for them, as indicated by BCHD’s Strategic Plan 2014-2017. Domains 1 through 10 are based on the Ten

Essential Public Health Services.<sup>20</sup> Figure 1 lists the twelve PHAB domains and the BCHD staff who are responsible for each, respectively.

**Figure 1: The Twelve PHAB Domains and the Staff Member(s) Responsible**

<b>PHAB Domain</b>	<b>BCHD Staff Responsible</b>
<b><u>Domain 1:</u></b> Conduct and Disseminate Assessments Focused on Population Health Status and Public Health Issues Facing the Community	Public health director Public health educator
<b><u>Domain 2:</u></b> Investigate Health Problems and Environmental Public Health Hazards to Protect the Community	Public health director Environmental health staff
<b><u>Domain 3:</u></b> Inform and Educate about Public Health Issues and Functions	Public health director Public health educator Social worker Family support worker
<b><u>Domain 4:</u></b> Engage with the community to identify and address health problems	Public health director Public health educator Social worker Family support worker
<b><u>Domain 5:</u></b> Develop public health policies and plans	Public health director Board of health
<b><u>Domain 6:</u></b> Enforce public health laws	Public health director Environmental health staff
<b><u>Domain 7:</u></b> Promote strategies to improve access to health care	Public health director Nursing staff
<b><u>Domain 8:</u></b> Maintain a competent public health workforce	Public health director Administrative staff
<b><u>Domain 9:</u></b> Evaluate and continuously improve processes, programs, and interventions	Public health director Board of health
<b><u>Domain 10:</u></b> Contribute to and apply the evidence base of public health	Public health director Nursing staff Social worker Family support staff Environmental health staff
<b><u>Domain 11:</u></b> Maintain administrative and management capacity	Public health director Administrative staff
<b><u>Domain 12:</u></b> Maintain capacity to engage the public health governing entity	Public health director Board of health

Along with tying staff roles to PHAB domains, the PHD formally assessed community health, edited BCHD's organizational chart, revamped Bourbon County's Board of Health, convinced a reluctant board and fiscal court to raise Bourbon County's public health tax, and reorganized service provision, all under PHAB guidance. The PHD only used select PHAB domains and standards to make changes at BCHD because of time and workforce constraints. For example, PHAB Domain 9 requires accreditation candidates to "Evaluate and continuously improve processes, programs, and interventions," but BCHD has not yet developed written quality improvement standards because of time and resource constraints.

### **Assessing Community Health**

#### *PHAB Domain 1: Conduct and Disseminate Assessments Focused on Population Health Status and Public Health Issues Facing the Community*

Prerequisites for PHAB accreditation are a Community Health Assessment (CHA), Community Health Improvement Plan (CHIP) and a strategic plan. According to PHAB's Glossary of Terms Version 1.0, a CHA is a systematic examination of the health status indicators for a given population that is used to identify key problems and assets in a community.<sup>20</sup> A CHIP is a long-term, collaborative effort to address public health problems in a community, often as a response to a CHA.<sup>29</sup> A strategic plan is an organization's process of defining its direction and making decisions on allocating its resources to pursue this strategy.<sup>30</sup> BCHD had not completed a community health assessment since 1999 and had never developed a strategic plan prior to the PHD's tenure.<sup>26</sup>

Bourbon County’s CHIP and CHA refocused BCHD on its community’s most pressing health disparities and helped usher in a new era of visibility and activism for the health department. The PHD and a student volunteer from University of Kentucky’s College of Public Health conducted a systematic health assessment of Bourbon County residents to collect demographic and health data on the county. The PHD then gathered 30 community partners to form a Mobilizing for Action through Planning and Partnership (MAPP) committee and create a CHIP to address Bourbon County’s greatest health threats, as determined by the CHA: obesity and substance abuse. Two subgroups were created to address the two issues. Both groups report on their progress semi-annually to the MAPP committee.<sup>26</sup> Figure 2 shows the community partners and activities as of October 2015 for both subgroups.

**Figure 2: MAPP Committee subgroup partners and activities.**

<b>Subgroup Name</b>	<b>Partners</b>	<b>Activities</b>
<b>Get Fit Bourbon County!</b>	<ul style="list-style-type: none"> <li>• University of Kentucky Cooperative Extension</li> <li>• Community Action Council</li> <li>• Bourbon County and Paris Independent Schools</li> <li>• Bourbon Community Hospital</li> <li>• YMCA</li> <li>• Local elected officials</li> <li>• Concerned citizens</li> <li>• Paris Main Street program</li> </ul>	<p><u>Free Family Fun Day</u> 2013 and 2014: 1-mile fun run and the Fastest Kid in Bourbon County race in conjunction with a local half-marathon.</p> <p><u>Bourbon County Head Start 5k</u> 6-week physical activity challenge culminating in a 5k. 606 residents logged 10,200 hours of physical activity.</p>
<b>SAW (Substance Abuse Working Group)</b>	<ul style="list-style-type: none"> <li>• Bluegrass.org</li> <li>• Bourbon Community Hospital</li> <li>• Local elected officials</li> <li>• Concerned citizens</li> <li>• Local churches</li> </ul>	<p>Compiled resource list for substance abuse counseling and treatment locations throughout the county published weekly in the local paper.</p>

In October 2013, the board and BCHD staff collaborated with local government, cooperative extension, and other community partners to create BCHD's first-ever strategic plan. The board approved the plan on February 17, 2014. Several planning models were used to analyze the state of the department and community health in 2013. BCHD staff completed a Strengths, Weaknesses, Opportunities, and Threats (SWOT) matrix on department operations.<sup>22</sup> A SWOT matrix is used to assess the environment in which an organization functions as well as resources and needs that add to the picture.<sup>31</sup> Most staff members agreed that while BCHD was able to function and provide services to clinic patients, most community members were unaware of what the health department did and that there was a general lack of efficiency and direction in its operations.<sup>22</sup>

Three areas of emphasis were identified through the strategic planning process: 1) Improve population health in Bourbon County, 2) Develop a strong and active Board of Health, and 3) Assure all mandated functions are completed accurately and in a timely manner. These goals were tailored to address PHAB domains. The team developed corresponding objectives for the three goals and reports regularly.<sup>22</sup> Figure 3 demonstrates how strategic goals and their corresponding items are laid out in BCHD's strategic plan.

**Figure 3: BCHD Strategic Plan Goal 1**

<b>Goal 1. Improve Population Health in Bourbon County (Essential Services 1-10, PHAB Domains 1-10)</b>					
<b>Objectives</b>	<b>Strategies</b>	<b>Key Action Steps</b>	<b>Outcomes</b>	<b>Person/Area Responsible</b>	<b>Progress</b>
<b>Objective 1. A. Implement the goals/objectives of the Bourbon County CHAT's Community Health Improvement Plan by 2017</b>	<b>1. A. (1.) Partner with community groups to meet Obesity action team's objectives and change policies</b>	<b>1. A. (1.) Form obesity action team  Develop programming to address community issues  Monitor CHIP implementation</b>	<b>1. A. Decrease lack of physical activity rate from 26% to 24% by 2016.  Reduce obesity rate from 35% to 33% by 2016  Increase food venues providing healthy options from 10 to 15 by 2016</b>	<b>Accreditation Coordinator  Public Health Director  Bourbon County CHAT</b>	<b>1. A. (1.) Obesity Action Team Formed including YMCA, Hospital, BCHD, Community Action. 10-2013  CHIP completed 10-17-2013</b>

**Editing the Organizational Chart**

*PHAB Standard 11.1: Develop and maintain an operational infrastructure to support the performance of public health functions.*

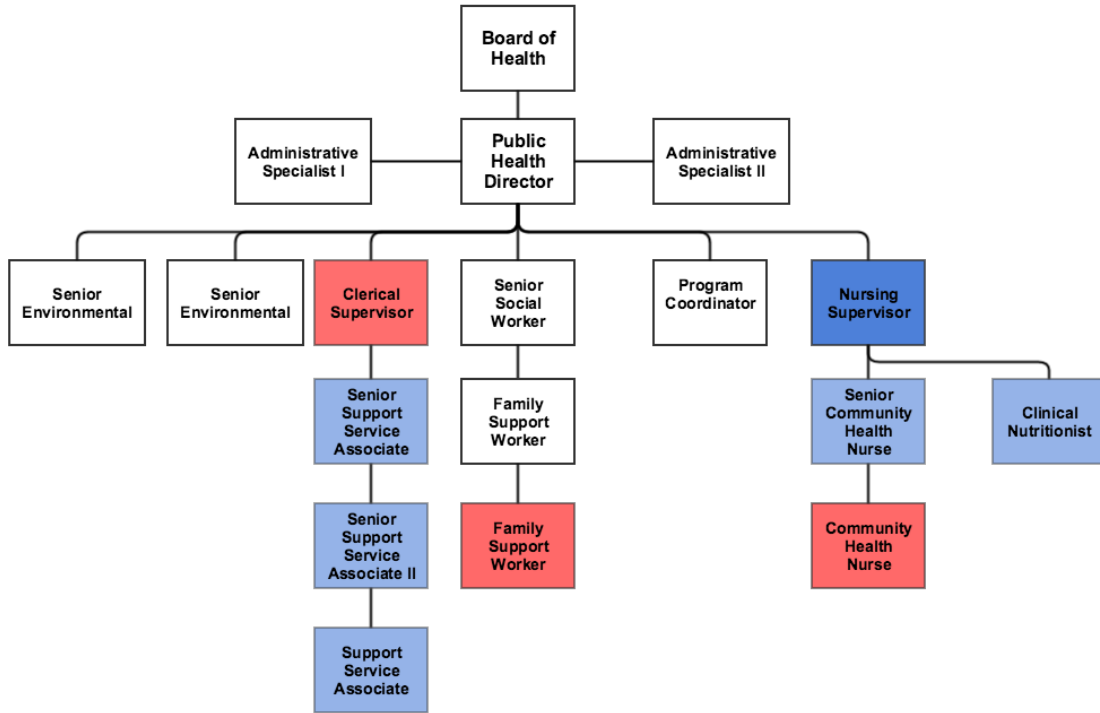
According to PHAB, sound operational infrastructure is crucial to efficient and effective service delivery in a public health department. The Standards and Measures Handbook advises, “By maintaining a strong organizational infrastructure, the health department can assess and improve its operations, staffing, and program support systems.” Particularly for health departments with limited resources, streamlining operations while focusing on public health service provision is an important strategy for efficiency.



When the PHD first took the job at BCHD, the organizational chart and staff roles were not necessarily aligned with public health service provision and some, like the clerical supervisor position, were based on how the department had traditionally operated. Furthermore, with \$1.2 of the \$1.5 million budget going to salary and benefits,<sup>32</sup> slashing personnel was essential to reduce the department's deficit. In November 2012, the PHD gathered BCHD's sixteen staff members and informed them that the department was facing a \$150,000 deficit that would swallow all of its reserves. He made it clear that "business as usual" was not working and that not every staff member would be able to keep his or her job. Staff weren't surprised that the department was in a bad situation, but they didn't know how serious it was because they were not regularly briefed on the specifics of the budget.<sup>26</sup>

Some staff members were uncomfortable with the changes presented by the new director. By January 2013, three staff members had either resigned or retired: a long-time clerical supervisor, a community health nurse, and a family support worker. The PHD chose not to replace these staff. Instead of filling the empty clerical supervisor position, he placed the three staff support associates under the supervision of the nursing supervisor. BCHD now has twelve full-time and two part-time employees, which the PHD describes as a minimum for adequate functioning.<sup>26</sup> Figure 3 shows BCHD's organizational chart in October 2012. The positions in red were vacated and as of October 2015, have not been filled. The positions in light blue are currently under the supervision of the nursing supervisor, shown in dark blue.

**Figure 3: BCHD’s organizational chart in October 2012, with modifications as of October 2015 in blue and red**



**Revamping Bourbon County’s Board of Health**

*PHAB Standard 12.3: Encourage the governing entity’s engagement in the public health department’s overall obligations and responsibilities.*

An involved and well-functioning governing entity is crucial to the success of a local health department. According to the Standards and Measures Handbook, these governing entities can assist with “policy development, resource stewardship, legal authority, partner engagement, continuous improvement, and oversight.” A local health department’s governing entity can help link it to influential community partners, bolster its reputation, and provide community-based input from perspectives outside of public health.

Bourbon County's board of health was not active with BCHD when the PHD began in October 2012. Not only did the health department miss out on the resources and guidance that an active governing body can provide, but wasn't receiving adequate oversight. Per the Kentucky Revised Statutes, a county board of health must have a minimum of twelve members.<sup>24</sup> Members of the county board of health are responsible for overseeing the county's health department<sup>23</sup> and setting the tax rate for the county's public health taxing district.<sup>33</sup> When The PHD took the director position, Bourbon County had only nine board members, with three mandatory spots completely vacant. Because the board rarely met quorum at meetings, it was not able to vote on issues consistently. According to the PHD, until 2011/2012, when they began to realize things were seriously wrong at BCHD, board members would only consistently meet once a year to set the tax rate.<sup>26</sup>

The PHD needed to get current board members to be more involved as well as recruit new ones. Only one physician of the required three served on the board when the PHD took over BCHD, and the PHD knew it would be particularly difficult to find two others willing to serve in a small, rural community like Bourbon County. The PHD personally asked every physician in Bourbon County to be on the board, but none were willing.<sup>26</sup> Under the Kentucky Revised Statutes, lay people may fill physician spots if none are willing to serve.<sup>24</sup> A chiropractor and a lawyer currently fill the vacant spots for the board. The PHD selected the lawyer because he has historically been very involved in community projects and is involved in healthcare law practice. The chiropractor was chosen because of his unique, prevention-focused perspective on healthcare.

The required registered nurse on the board then resigned, though she hadn't been consistently coming to meetings, and was replaced. Once board members saw that the PHD was committed to change and would be an active director, they established regular monthly board meetings and attendance became more consistent. The PHD suggested having an agenda helped reduce wasted time and made board members take meetings more seriously. Board members admitted that they had become lax in recent years, and that they were not performing adequate oversight of BCHD.<sup>26</sup>

Recent board meeting minutes indicate that Bourbon County's board of health is achieving a quorum more consistently and having productive meetings. The July 2015 meeting minutes indicate the board passed the taxing district budget for fiscal year 2016, heard a presentation from a representative of the public defender's office and discussed the need for a needle exchange program in Bourbon County, discussed the progress of a renovation of BCHD's building, and were briefed on an upcoming financial audit, among other items.<sup>34</sup>

### **Raising the Public Health Tax**

*PHAB Standard 11.2: Establish effective financial management system.*

The importance of fiscal responsibility in local health departments, particularly in an era of decreasing funding, cannot be overstated. Health departments that are financially irresponsible may deprive their communities of desperately needed services and contribute to operational stagnancy. PHAB's standard 11.2 requires health departments to (in part) carefully examine their financing and grant structures to ensure there are employing "sound financial practices." An important source of funding for most small health departments is their county or municipality's public health tax.

Bourbon County's public health tax had not been raised since 2007, five years before the PHD started at BCHD. Early in his tenure, the PHD emphasized that the board would need to approve a tax raise to keep the health department operational. He laid out BCHD's financial situation, explaining that unless things changed, they would have to drain the department's reserves to cover BCHD's operating expenses, leaving the department financially vulnerable and unable to deal with a sudden public health emergency. He emphasized that if the board were to raise taxes, no staff members would receive raises—the money would go to keeping BCHD functional only. He also laid out his workforce reduction plan, which the board approved. The PHD provided the board with other options for cutting expenses, like furlough days, none of which were substantial enough to offset the department's debt. The tax raise was initially unpopular with the board because of anticipated backlash in the community. However, most members knew a tax increase would eventually be necessary to keep the county's health department afloat.<sup>26</sup>

In October 2012, the board approved the tax rate increase of 3.7 cents per 100 dollars to 4.6 cents per 100 dollars by a vote of 10-2. The next step was to get the increase approved by Bourbon County's fiscal court. The PHD says that like the board, the court knew the tax increase was crucial to keep BCHD operational but feared political retaliation in the community. For several months, the fiscal court tabled the issue to avoid taking action. In August 2013, the court discovered that they were legally required to approve a tax increase their county's board of health passed. The PHD added that the rate was raised by 0.9% instead of 1% for political reasons.<sup>26</sup> BCHD receives an additional \$90,000 to \$100,000 per year from the tax raise.

## **Reorganizing Service Provision**

### *PHAB Standard 11.1: Develop and Maintain an Operational Infrastructure to Support the Performance of Public Health Functions*

As explained previously, carefully evaluating operational infrastructure in a small health department can help improve efficiency and effectiveness. While it can guide the health department in eliminating nonessential positions, even long-held positions, it can also provide the impetus to reorganize health departments like BCHD around essential population health services.

Some small health departments are the only (or the only affordable) source of basic clinical healthcare services in their communities. Bourbon County's close proximity to the mid-size city of Lexington, Kentucky and Kentucky's recent Medicaid expansion under the Affordable Care Act mean BCHD is no longer the only option for clinical healthcare services for Bourbon Countians. Traditionally, BCHD focused on providing free or discounted clinical services to the community, which led to a community perception that the department only existed to provide medical services to the poor.<sup>26</sup> BCHD has reduced its clinic services partially due to more residents becoming insured under the Affordable Care Act<sup>35</sup> and partially due to a deliberate effort focus on traditional public health services.<sup>26</sup> The PHD decided not to replace the nurse who resigned, dropping the number of nurses available to see patients in the clinic from three to two. The Affordable Care Act has also helped reduce BCHD's clinic utilization by assigning policyholders to a provider, making them less likely to rely on the health department for medical treatment. The PHD would further reduce clinic services if he felt there were enough local providers willing take on additional patients.<sup>26</sup> In just the

past three years, the number of visits to BCHD's clinic has dropped by around one third, from 11,137 in fiscal year 2013 to 8,859 in 2014 to 7,387 in fiscal year 2015.<sup>21</sup>

### **Achieving Financial Sustainability**

*PHAB Standard 11.2: Establish effective financial management system.*

As expressed previously, effective financial management is crucial for the success of any organization, particularly those with major financial and resource constraints.

When The PHD took the director position in October 2012, BCHD was projected to be \$150,000 in debt by the end of the fiscal year. The department was able to reduce its debt by \$70,000 in the nine remaining months of fiscal year 2013 by not replacing three employees who resigned, eliminating a supervisory position, eliminating overtime pay for staff completely, and cutting hours for part-time staff.<sup>26</sup> \$79,801.29 of the \$154,353.13 reserves was used to balance the budget for fiscal year 2013, leaving \$74,551.84 in reserves.<sup>32</sup> By the end of fiscal year 2014, BCHD was operating at a \$43,933.59 surplus, without using reserves,<sup>36</sup> which grew to a surplus of \$110,781.20 by the end of fiscal year 2015.<sup>37</sup> As of September 2015, BCHD has \$331,842.25 in reserves.

To reduce its debt, BCHD cut several expense factors significantly. Total revenue experienced a relatively minor decrease of \$62,394.47 between FY 2013 and FY 2015, from \$1,574,708.47 to \$1,512,314. Figure 4 shows the two expense categories that experienced the largest cuts in FY 2013 and FY 2015. Total expenses dropped from \$1,518,386.52 at the end of FY 2013 to \$1,358,448.7 at the end of FY 2015, a decrease of \$159,937.80 or 10.5%<sup>36 37</sup>

**Figure 4: Key Changes in Expense Categories from 2013 to 2015**

<b>Contributing Expense Categories</b>	<b>End of FY 2013</b>	<b>End of FY 2015</b>	<b>Expense Change</b>	<b>Percentage Change</b>
<b>Total Salaries, Leave, and Fringes</b>	\$1,216,448.20	\$1,071,912.36	-\$144,535.84	-11.9%
<b>Total Independent Contracts*</b>	\$47,846.25	\$18,487.48	-\$29,358.77	-61.4%

\*This expense category captures what BCHD pays for contracts with outside medical providers, like fees for nurse and physician time and labor, laboratory services, and ultrasound services.

**Lessons Learned**

As field practitioners, local health departments play a major role in contributing best-practices evidence to the public health discipline. PHAB’s Standards and Measures Handbook posits: “public health is strengthened when its practitioners continually add to the body of evidence for promising practices.” There is a great need for evidence-based practices to bolster small health departments struggling amongst rampant funding cuts and an uncertain future.

Though BCHD has achieved financial sustainability, the PHD can continue to use PHAB standards to improve the quality of the services it provides. For example, PHAB Domain 5 encourages public health departments to “Develop public health policies and plans.” While BCHD’s Strategic Plan 2014-2017 establishes a department-wide goal of adhering to mandated service provision, BCHD should develop internal policies and plans for population health issues emergencies Bourbon County will likely face. Bourbon County’s CHA should help in developing these policies. Domain 5 also requires health departments to work with relevant community stakeholders (and document their collaboration) to develop public health policies, which BCHD could achieve by formally partnering with Bourbon County’s fiscal court, local elected officials, Bourbon County



and Paris Independent Schools, Bourbon Community Hospital, and other relevant stakeholders. PHAB Domain 9 requires health departments to “Evaluate and continuously improve processes, programs, and interventions.” The PHD may wish to work with the Bourbon County Board of Health to develop written quality improvement standards that BCHD can use to formally evaluate staff performance and service provision. BCHD should strive to fulfill Domain 7, “Promote strategies to improve access to health care,” by establishing a more formal referral service, either on-site in the health department or online, for former patients BCHD no longer has the capacity to serve in its clinic. This is particularly important as BCHD moves away from clinical service provision. Developing this referral service might require BCHD to partner with local healthcare entities like the Bourbon County Community Hospital so that nursing staff are well aware of local healthcare opportunities, particularly for key demographics like Medicaid patients. Finally, BCHD should focus on Domain 3, “Inform and Educate about Public Health Issues and Functions.” The significant changes elaborated upon in this case study have all occurred in the past three years, and changing the health department’s reputation in the community could be a long process. BCHD should engage in a formal effort to educate their community on the valuable and universally impactful services they provide to Bourbon County. This can help engage constituents and assure the health department remains relevant in an uncertain public health future.

By sharing its journey to sustainability, BCHD’s story could provide similar health departments with options for improving their financial situations without sacrificing the important services they provide to their communities. Making lasting change is difficult for any organization, particularly one as accustomed to “business-as-

usual” as the Bourbon County Health Department. The PHAB accreditation process enables local health departments to collect information on their communities by developing a CHIP and a strategic plan and to efficiently utilize all staff member time and any resources available. The Bourbon County experience suggests small public health departments may be able to enjoy some of the benefits through deliberate alignment with PHAB standards, and this may be possible if they do not ultimately achieve accreditation, or even pursue organized attempts to attain accreditation and pay the commensurate costs. By tying staff roles to PHAB domains, public health departments may be able to simultaneously ensure their communities receive the most important services and identify waste; in Bourbon County’s case, redundant clinical service provision and an unnecessary supervisory position. Reorganization can be a key strategy for health departments who cling to “the way things have always been done.”

The Bourbon County experience suggests small health departments should reevaluate providing clinical services to their communities. The Affordable Care Act has provided many Americans who would have previously relied on health departments for medical services with more provider options. Clinics are often some of the most expensive service lines to provide, requiring highly paid staff that rural health departments often have trouble recruiting. Furthermore, clinical services are not necessarily true public health services, and small health departments might be able to use their clinic budgets to significantly expand services in other areas. I would recommend small and rural health departments conduct a market analysis of their communities to determine if there are other local providers their patients could feasibly see and forming partnerships with these providers. Then these local health departments begin to move

away from clinical service provision to the degree their state allows. This serves the dual purpose of improving financial sustainability and refocusing efforts and constituent perception on the health department as a population health entity.

Ironically, small health departments—who stand to benefit greatly—face unique challenges in achieving accreditation. PHAB has taken an important first step by forming a task force to look into the challenges small health departments face in their efforts to become accredited. Ideally, PHAB will develop a tiered accreditation process using its existing standards to give small health departments a greater chance of achieving accreditation, to the benefit of these health departments and the communities they serve. By placing the focus on developing a set of essential public health services, PHAB accreditation can help local health departments forge their unique identity as their community's true population health resource.

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