



State of Louisiana
Department of Health and Hospitals
Office of the Secretary

September 19, 2014

The Honorable Speaker Charles Kleckley
Louisiana House of Representatives
130 Jamestown Road
Lake Charles, LA 70605

The Honorable President John Alario
Louisiana Senate
1063 Muller Parkway
Westwego, LA 70094

Dear Speaker Kleckley and President Alario:

The Department of Health and Hospitals (DHH) respectfully submits this correspondence in response to House Concurrent Resolution (HCR) 208 of the 2014 Regular Session of the Louisiana Legislature. HCR 208 urged DHH to develop a formula that demonstrates an equitable funding distribution for the human service districts and authorities (HSDA). DHH has worked closely with each HSDA in the development of the attached proposed concept which would provide an equitable funding distribution for any new funding appropriated to DHH on behalf of the ten HSDAs.

The proposed funding formula takes into consideration four (4) data elements/variables for each of the HSDAs:

- (1) Overall Population;
- (2) Uninsured Population;
- (3) Poverty; and
- (4) Rurality.

The data elements are compiled from either 2014 County Health Rankings or the 2012 Bureau of the Census, Small Area Income and Poverty Estimates. The allocation for any individual HSDA is calculated as the proportion of that particular HSDAs contribution to each data element compared to the overall state contribution for each data element. Those four percentages are then summed to arrive at a raw score. All raw scores are then adjusted (normalized) to an overall 100% to arrive at final scores which are the actual percentages of all SGF that could be appropriated to a HSDA in an equitable funding distribution manner.

The outcome of the formula as applied to the ten HSDAs is attached. The HSDAs participated in several discussions regarding the development of the proposed formula and voted on the proposed formula included in this correspondence. Nine (9) HSDAs were in agreement with this proposal, with only Jefferson Parishes Human Services Authority voting in opposition.

DHH meets regularly with the HSDAs and as urged in HCR 208 will revisit the proposed funding formula at least every two years to update the formula to include economic changes within each variable as well as ensure that the variables included in this concept are still valid.

We appreciate your interest in this matter, and hope that the proposed funding formula provides useful information for the Legislature in determining the appropriate budget for each of Louisiana's ten

HCSDAs. Should you have any concerns or additional questions regarding this proposed funding formula please do not hesitate to contact my office at 225.342.7092.

Sincerely,

A handwritten signature in black ink, appearing to be 'CP', with a long horizontal flourish extending to the right.

Courtney Phillips
Deputy Secretary

Enclosure

cc: Rep. Schroder

Table 1

Raw Counts	Overall Population¹	Uninsured Population¹	Poverty²	Rurality¹
01 MHSD	434,806	83,003	115,422	7390
02 CAHSD	672,285	98,794	123,663	95549
03 SCLHSA	404,806	70,624	70,490	111514
04 AAHSD	591,787	102,050	116,559	163707
05 IMCAL	294,447	48,707	51,292	86208
06 Central La	310,526	52,487	62,546	128079
07 Northwest	550,841	94,765	106,174	151471
08 Northeast	356,142	64,191	89,793	130781
09 FPHSA	552,577	86,596	94,587	172952
10 JPHSA	433,676	81,795	69,872	4218
Total	4,601,893	783,012	900,398	1,051,869

Table 2

Weights	Overall Population	Uninsured	Poverty	Rurality	Raw Scores	Final Scores
01 MHSD	9.45%	10.60%	12.82%	0.70%	0.3357	8.39%
02 CAHSD	14.61%	12.62%	13.73%	9.08%	0.5004	12.51%
03 SCLHSA	8.80%	9.02%	7.83%	10.60%	0.3625	9.06%
04 AAHSD	12.86%	13.03%	12.95%	15.56%	0.5440	13.60%
05 IMCAL	6.40%	6.22%	5.70%	8.20%	0.2651	6.63%
06 Central La	6.75%	6.70%	6.95%	12.18%	0.3257	8.14%
07 Northwest	11.97%	12.10%	11.79%	14.40%	0.5026	12.57%
08 Northeast	7.74%	8.20%	9.97%	12.43%	0.3834	9.59%
09 FPHSA	12.01%	11.06%	10.51%	16.44%	0.5001	12.50%
10 JPHSA	9.42%	10.45%	7.76%	0.40%	0.2803	7.01%
Total	1.00	1.00	1.00	1.00	4.00	1.00

Data Sources and Definitions

¹ Source: 2014 County Health Rankings from Robert Wood Johnson Foundation

Uninsured Population: Number of population under age 65 without health insurance (from Small Area Health Insurance Estimate)

Rurality: Number of population living in rural areas (based on Census Population Estimates)

Unemployed Population: Number of population age 16+ unemployed but seeking work (from Bureau of Labor Statistics)

Violent Crimes: Number of violent crimes per 100,000 population (from Uniform Crime Reporting FBI)

with Severe Housing Problems: Number of households with at least 1 of 4 housing problems: overcrowding, high housing costs, or lack of kitchen or plumbing facilities (from) Comprehensive Housing Affordability Strategy (CHAS) data)