



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

June 10, 2014

Ordinance 17829

Proposed No. 2014-0176.1

Sponsors McDermott

1 AN ORDINANCE making a supplemental appropriation of
2 \$500,000 from the general fund to the department of
3 community and human services for implementation of the
4 health and human services transformation plan; and
5 amending the 2014 Annual Budget Ordinance, Ordinance
6 17695, Section 41, as amended, and the 2013/2014
7 Biennial Budget Ordinance, Ordinance 17476, Section 70,
8 as amended.

9 PREAMBLE

- 10 1. King County has an adopted strategic plan that includes the goal to
11 provide opportunities for all communities and individuals to realize their
12 full potential.
- 13 2. The King County Strategic Plan identifies the principle of "fair and
14 just" to guide the county's work and services in order to achieve equitable
15 opportunities for all people and communities.
- 16 3. Despite the fact that King County has made progress in improving
17 residents' health and well-being, significant and unacceptable disparities
18 persist in relation to geography, race, ethnicity and other social factors.

19 4. On November 6, 2012, the council passed Motion 13768 requesting
20 the executive, in collaboration with the departments of public health and
21 community and human services and a community stakeholder panel
22 informed by local and national expertise, to develop and submit a plan for
23 council review and approval for an accountable and integrated system of
24 health, human services, and community-based prevention in King
25 County.

26 5. In January 2013, the executive convened a thirty-member community
27 stakeholder panel, referred to as the transformation panel, that included
28 representatives from the healthcare, human services and prevention
29 sectors, business community, the geographic sub-regions of King County
30 and local and national experts in system transformation and innovation.

31 6. The transformation panel advised the executive on the development of
32 a health and human services transformation plan.

33 7. On July 22, 2013, the council voted unanimously in Motion 13768 to
34 accept the plan for accountable and integrated health and human services.

35 8. The 2014 mid-biennial budget update, Ordinance 17781, included
36 \$500,000 to serve as a catalyst to support one-time costs associated with
37 transformation.

38 9. The catalyst fund resource is held in general fund reserve.

39 10. The executive, in partnership with Public Health - Seattle & King
40 County and the Department of Community and Human Services,
41 developed guidelines on the intended use of and allocation processes

42 associated with the catalyst funds, including future reporting back to the
43 council.

44 11. The catalyst fund, while administratively appropriated to the
45 department of community and human services, is a resource that will
46 come under the joint oversight of Public Health - Seattle & King County
47 and the department of community and human services.

48 12. The catalyst fund will be managed jointly between the two
49 departments and department directors, who together with the executive
50 office will engage in collaborative decision making on how the catalyst
51 fund is utilized within the transformation planning efforts.

52 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

53 SECTION 1. There is hereby appropriated \$500,000 from the general fund to the
54 department of community and human services for implementation of the health and
55 human services transformation plan.

56 SECTION 2. Ordinance 17695, Section 41, as amended, is hereby amended by
57 adding thereto and inserting therein the following:

58 HUMAN SERVICES GF TRANSFERS - From the general fund there is hereby
59 appropriated to:

60 Human services GF transfers \$500,000

61 SECTION 3. Ordinance 17476, Section 70, as amended, is hereby amended by
62 adding thereto and inserting therein the following:

63 COMMUNITY AND HUMAN SERVICES ADMINISTRATION- From the

64 community and human services administration fund there is hereby appropriated to:

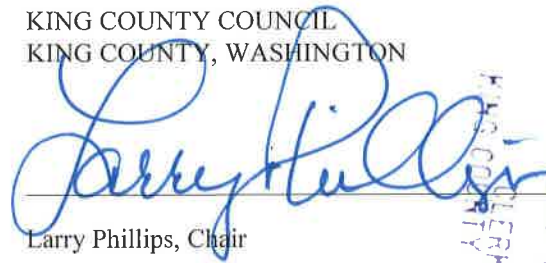
65 Community and human services administration \$500,000

66

Ordinance 17829 was introduced on 5/12/2014 and passed by the Metropolitan King County Council on 6/9/2014, by the following vote:

Yes: 9 - Mr. Phillips, Mr. von Reichbauer, Mr. Gossett, Ms. Hague,
Ms. Lambert, Mr. Dunn, Mr. McDermott, Mr. Dembowski and Mr.
Upthegrove
No: 0
Excused: 0

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



Larry Phillips, Chair

CLERK
KING COUNTY COUNCIL

2014 JUN 20 PM 3:32

RECEIVED

ATTEST:



Anne Noris, Clerk of the Council

APPROVED this 20 day of June, 2014.



Dow Constantine, County Executive

Attachments: A. Proposal for the Health and Human Services Transformation Catalyst Fund



King County

Proposal for the Health and Human Services Transformation Catalyst Fund

April 22, 2014

Introduction

Following the Metropolitan King County Council's acceptance of the Health and Human Services Transformation Plan, the county's 2014 adopted budget includes \$976,000 to accelerate its implementation.

- \$476,000 is appropriated for staffing and consulting costs for the Department of Community and Human Services and Public Health-Seattle & King County who are jointly leading the health and human services transformation work.
- \$500,000 is designated for a "catalyst fund" and held in general fund reserve pending Council approval of the proposed use of the funds.

This document lays out the proposed investment guidelines, fund management, and reporting for the \$500,000 in the catalyst fund. The following is outlined:

1. Overview of the Transformation Plan
2. 2014 catalyst fund outcomes
3. Proposed use of the 2014 catalyst fund and guidelines for funding allocation
4. Catalyst fund management and reporting
5. Investment timeline

1. Overview of Transformation Plan

In November 2012, the Metropolitan King County Council unanimously passed Motion 13768, requesting that the King County Executive develop a plan for an "accountable, integrated system of health, human services, and community-based prevention" in King County. To advise on the principles, strategies, and initial action steps that would result in a better performing health and human service system that furthers King County's commitment to equity and social justice principles and aligns with King County's Strategic Plan, the County Executive convened a thirty-member panel that met from February to May 2013. It included representatives from human services, health care delivery, prevention, public health, philanthropy, labor, local government, and other sectors. The result was the development of the King County Health and Human Services Transformation Plan, accepted by council in July 2013.

The Health and Human Services Transformation Plan is designed to tackle social and health inequities in King County by supporting residents and communities in realizing their full

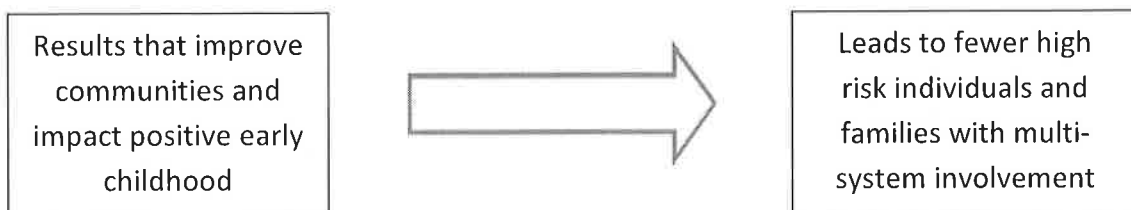
potential. When residents are able to achieve their full potential, the overall economic health, global competitiveness, and prosperity of the region, as well as the well-being of our future generations, are improved.

The plan's overarching goal is to *improve health and well-being by shifting from today's costly, sick-care and crisis-oriented system, to one that focuses on prevention and embraces recovery*. To achieve this goal, the Transformation Plan acknowledges work is needed to better integrate health and human services for individuals and families. At the same time, the plan recognizes that neighborhood conditions have a lot to do with residents' health and well-being in the first place. When people live in safe, supportive, thriving neighborhoods, they are less prone to chronic diseases, exposure to crime and violence, and childhood adversities – and therefore more likely to live longer, healthier, happier lives.

The Transformation Plan calls for actions to strengthen the system of services for people, and to strengthen neighborhood conditions, focusing first on the people and the places experiencing the greatest inequities. This work is segmented into two levels -- the individual and community level strategies—and lays out two “go-first” strategies within them.

- Improve health and social outcomes, while simultaneously reducing costs, for individuals in King County who have complex health and social needs commonly characterized by high use of services and supports. This is the individual-level strategy.
- Support specific communities in making gains that shape the health and well-being of their residents and the vibrancy of the neighborhood. This is the community-level strategy.

There is an important relationship between the two strategies. For example, people who have experienced four or more adverse childhood experiences (ACEs), exposure to child abuse and/or neglect, are more likely to smoke, have mental illness, chronic disease and criminal justice involvement later in life (high risk adults with multisystem involvement). Therefore, reducing exposure to adverse childhood experiences would potentially impact these other factors as well. For example, improving housing affordability and quality is linked to improving health and reducing criminal justice interactions. Strategies that can intervene early on in the life course are especially well-positioned to improve health and social outcomes, resulting in fewer high risk individuals and families with multisystem involvement.



As a result of collective work under the Health and Human Services Transformation Plan, what will be different for residents and communities? Over time, they see improvements in important issues affecting them such as:

Outcomes that signal the system is performing better for individuals

- Increased satisfaction with quality of life
- Improved health status and wellness
- Increased housing stability
- Increased participation in meaningful activities
- Reduced avoidable costs in hospitals, emergency rooms, crisis services, and jails

Outcomes that indicate a more vibrant, resilient community/neighborhood

- Reduced levels of adverse childhood experiences (ACEs)
- Reduced risks for leading causes of death and disability, including tobacco and obesity
- Improved housing affordability and quality
- Improved education and economic opportunity (including living wage jobs, wealth-building opportunity)
- Improved community safety
- Improved access to preventive and primary physical and behavioral health services

Building New Partnerships

An important recent development for the community-level strategy, one of the go-first strategies, has been the emergence of a partnership with The Seattle Foundation (TSF). While King County was proceeding with Transformation Plan work, TSF completed a strategic planning process and began developing its new Center for Community Partnerships, which has a mission of advancing collaborative, systemic change to achieve greater economic and racial equity in King County. TSF seeks to work in specific neighborhoods in order to make systemic change and increase racial and economic equity. This work aligns strongly with King County's Transformation work.

It became clear to both TSF and to King County that these initiatives held overlapping goals and approaches. Rather than proceeding on independent tracks, together, King County and The Seattle Foundation saw the potential for greater impact by working in partnership. King County and TSF are now actively co-launching collaboration under the umbrella of "**Communities of Opportunity.**" This framework sets the stage for engaging additional community partners and investors in a collective impact approach that begins with community priorities and goals and authentically engages those who are affected by disparities.

2. 2014 catalyst fund outcomes

The \$500,000 catalyst fund is a tool to support work outside of King County government that will help make the shift from costly, uncoordinated care and services to an integrated system that is focused on prevention and embraces recovery. The fund will put resources in the hands of partnering agencies and community organizations that can help facilitate these changes.

The proposed Catalyst Fund represents a departure from previous investment strategies of King County. Rather than spread dollars across programs to fund ongoing services, the catalyst fund will provide one-time resources to spark change in organizations in ways that move the region faster toward the future state envisioned by the Transformation Plan. Furthermore, it takes the county from its current top-down funding process to one that engages communities in identifying the strategies that are most likely to spur positive change within their communities and neighborhoods.

The proposed catalyst fund invested in the community in the latter half of 2014 will provide an opportunity to transform the way King County and its partner organizations do business as well as test and evaluate methods that are likely to help achieve the overall outcomes described in section 1 above.

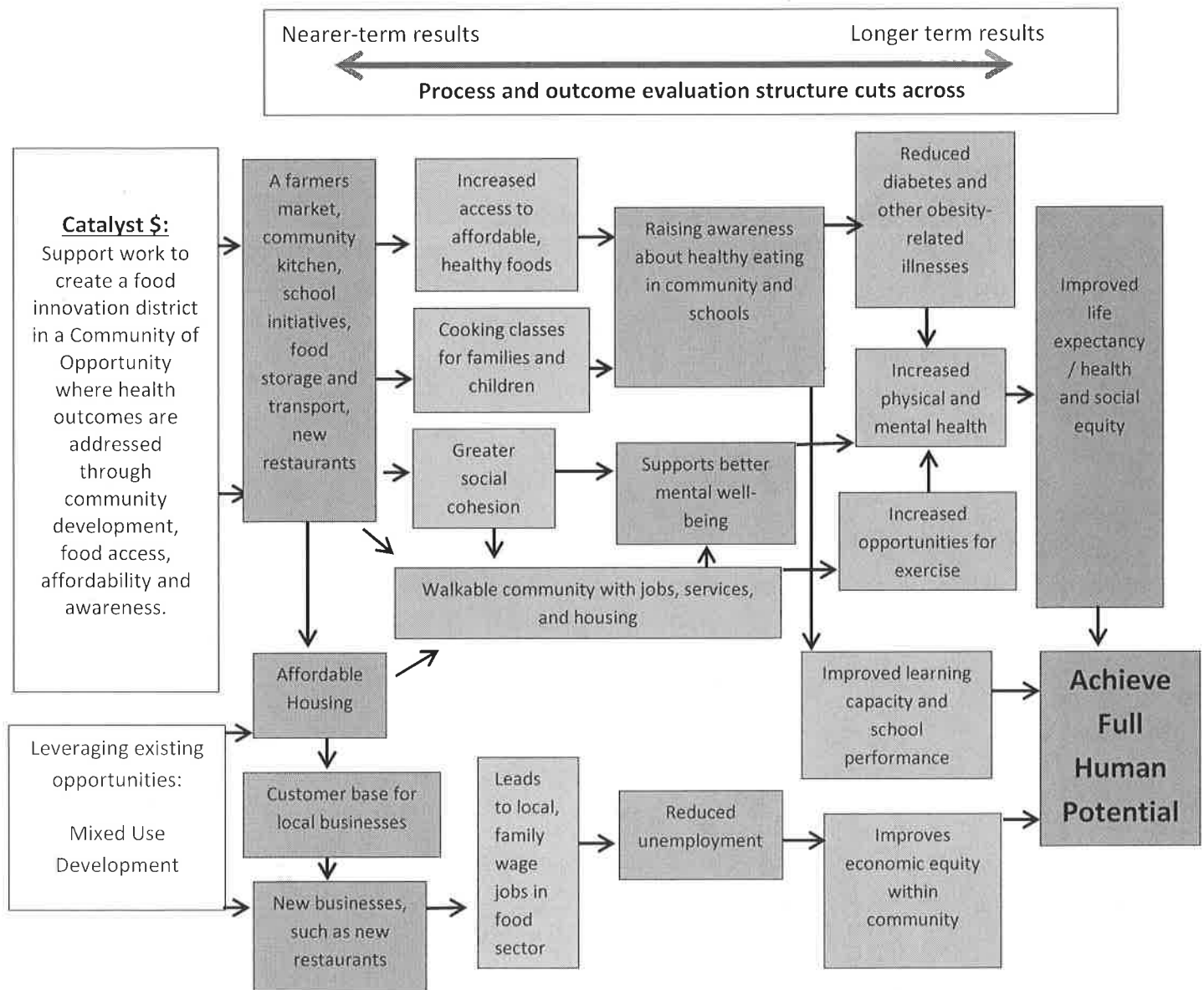
The proposed catalyst fund will:

- Invest in one-time actions (to be carried out by entities outside of King County government) that catalyze health and human service system changes, not in ongoing services or operations.
- Invest in strategies that are known to impact the outcomes described in section 1 above.
- Build capacity of communities and organizations to participate in transformation in measurable ways.
- Leverage funding from other investors and partners (such as the emerging partnership with TSF).

Below are two examples of how a modest investment from the catalyst fund can involve multiple organizations and sectors, and how interventions can affect multiple outcomes in the near and long-term. These are examples based on things happening in communities within King County and are *for illustrative purposes only*. The actual catalyst fund supported interventions will be decided through a competitive selection process in the late spring/early summer 2014.

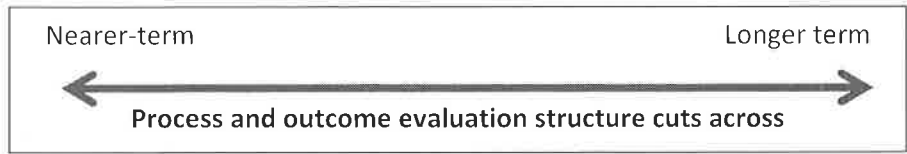
Community-Level Strategy (now being referred to as “Communities of Opportunity”). The example provided outlines how catalyst funding could support creation a food innovation

district. A food innovation district is a geographic concentration of food-oriented businesses, services, and community activities in order to promote a positive business environment, spur regional food system development, and increase access to healthy, local food.



For High Risk Individuals

The example provided below demonstrates how investing in this area could reorient existing programs and their interactions with each other in order to improve access to care, improve a person’s experience utilizing the network of services and ultimately lead to better care and improved quality of life, while simultaneously reducing costs.



Catalyst \$ Example

Activities that improve coordination and hand offs for high risk adults involved with multiple systems

Examples:

- a new agreement among a group of agencies to share data
- creation of a shared feedback report that shows clients' progress across a group of goals
- implementing an agreed-upon shift in workflows of existing programs
- development of a plan to add service capacity at a bottleneck point, or reprogram at a duplication point;
- a policy change that fixes a barrier
- changes in contracting for services that provides for more flexibility and integration of services

Providers across disciplines have appropriate tools to support a team approach to care and services, and assess progress across multiple goals

Clients have greater voice – they are center of a care team, and they also help shape the systems and programs of which they are customers

Systematic assessment for range of social and health needs takes place and people get linked

Effective coordination at key transition points, as people move from one setting to another

Individuals empowered to achieve goals through access to services and supports they need

Right services, right time, right setting, culturally appropriate

e.g, streamlined access to housing and housing supports; employment services; mental health and substance use treatment and a primary medical home

Improved housing stability

Improved management of chronic medical, mental health and substance abuse conditions

Improved use of preventive health, wellness, and recovery support services

Greater levels of employment / meaningful activities; stable or improved economic situation

Improved experience for individuals and higher quality of life

Reduced system costs such as hospitals, crisis services, jail

An evaluation framework is being developed for the Transformation Plan to measure overall progress on implementation as well as specific metrics related to the investment of catalyst fund dollars. It is critical to note that achieving high level outcomes such as reducing obesity rates or improving community safety cannot be produced in 2014. These initial investments are expected *to show how new strategies will lead to longer term actions and changes*. Therefore, year one metrics might include documented changes in short-term processes or intermediate outcomes associated with a particular investment. For example, the presence of the catalyst fund in the 2014 budget has already played a role in furthering engagement and partnerships with others:

- On March 12, The Seattle Foundation (TSF) board voted to move forward on partnering with King County to co-design the Communities of Opportunity initiative. TSF has approved \$2.5 million over five years to support the neighborhoods selected.
- In February, Living Cities—a coalition of 22 national foundations—invited King County to participate as one of five locations in the U.S. in the second cohort of its Integration Initiative. The Integration Initiative is designed to harness leadership for change, and support efforts to overhaul obsolete systems in ways that will fundamentally reshape communities and policies to meet the needs of low-income residents. King County will receive a \$100,000 planning grant to support the Communities of Opportunity partnership and may be invited to apply for implementation resources in 2015.
- On March 6, at the first meeting of the Transformation Plan’s community advising partners group, funders agreed to explore the formation of a funders collaborative associated with the Transformation Plan. Initial conversations are taking place this spring.

3. Proposed use of the catalyst fund and guidelines for funding allocation

The catalyst fund would encompass a “portfolio” of investments that include upstream prevention strategies and downstream crisis service delivery improvements. To preserve flexibility during the upcoming investment processes, specific dollar amounts within the individual and community level strategy are not being proposed. However, it is expected that the portfolio will apply a majority of the funds toward greater investment in upstream, prevention-oriented activities as called for in the Transformation Plan.

Individual Level Strategy

For this part of the catalyst fund’s portfolio, the objective is to achieve better results for high-risk adults in ways that simultaneously reduce overall costs and improve efficiency, by testing changes in the coordination of health and social services across the sectors and systems that people touch.

To do this, the county will:

- Work with community partners to select and focus on a subpopulation of high risk adults as a testing ground taking into consideration populations that have particular impact on the county budget (such as those with behavioral health conditions and justice system involvement).
- Use catalyst investments to implement a few key infrastructure improvements in 2014 *across* agencies or systems (such as changes in protocols and workflows across systems and agencies, technology tools that support information sharing, etc.)
- Coordinate improvements with other investors who share the goals, including Medicaid, managed care plans, foundations, and others.
- Examine realignment opportunities with existing county funds directed to the high risk populations.

Community-level Strategy

To extract the greatest impact from catalyst fund resources—as well as garner support from communities and partners—King County intends to act as a joint investor under the Communities of Opportunity collaborative with The Seattle Foundation.

This means that King County and TSF will:

- Co-convene a Communities of Opportunity Design Committee that will advise on the specific processes for geographic area identification, investment strategies, and evaluation.
- Create a mechanism that will incorporate portions of the King County Catalyst Fund together with The Seattle Foundation resources to be invested in a coordinated way, as appropriate and mutually agreed to
- Collaborate on a joint solicitation/notice of fund availability for investment in Communities of Opportunity
- Coordinate respective decision-making on use of funds
- Develop common reporting/evaluation mechanisms for grantees in common

The King County catalyst funds will remain under County control and stewardship in 2014, to assure procurement principles are adhered to. However, this would not rule out alternate arrangements (such as moving from a coordinated fund to an actual pool) in future years should resources be available.

For the communities of opportunity part of the catalyst fund's portfolio, there are two objectives.

- Changes in community conditions take time -- the return on investment can take years. Therefore, in 2014, one objective of the fund is to help create "early wins" and build momentum by building upon place-based work that is already underway -- essentially

flowing into existing streams of work and infusing a catalyst to enable them to accelerate results.

For this group of investments:

- A pool of eligible, geographic areas will be identified, in a to-be-designed solicitation process that will be done collaboratively between King County and The Seattle Foundation¹ in the beginning of 2014. Identification of this priority pool of geographic areas will be based on several factors, including data regarding the current health, social, and economic well-being of those communities. Health and well-being in all areas of the county will be examined to identify those communities with the most to gain. Councilmembers will be informed about the status of the selection process and the proposed communities in a timely way.
- Communities of Opportunity would then solicit for investment opportunities among initiatives operating within or across those areas. For example, a healthy food systems initiative that provides healthy foods for purchase by local communities, creates job potentially through clustered food production businesses, shared community kitchens, and business training, and strengthens healthy food demand in a community. Given the momentum-building goals of launching the Communities of Opportunity in 2014, the intent is to look for and then build upon selected activities and initiatives already in place. Strong candidates would have cross-sector partnerships already in place with concrete community-driven action plans that build on existing assets.
- Other criteria will be informed by the April – June 2014 work of the Communities of Opportunity Design Committee.
- A key goal of community transformation is to assure that communities have the skills, capacities and resources they need to lead and accomplish durable changes. Therefore, a second objective for the use of the catalyst fund under Communities of Opportunity is to strengthen the capacities, leadership, and engagement of and by communities—again in selected geographic areas that rank low on measures of health, well-being, and economic situation. This could take the form of modest grants that could be used for activities such as neighborhood convenings, developing plans and priorities, and grant-writing. Further details and parameters will be developed through the Design Committee.

Supporting neighborhood planning and capacity building would be done with an intent to position groups or systems for additional investments in future years from what Communities of Opportunity hopes will be a larger shared pool of resources, as

¹ The Seattle Foundation (TSF) is the community foundation for the entire King County region. TSF is leading a countywide philanthropic agenda that includes basic needs, economy, education, health and wellness, and neighborhoods and communities.

discussed earlier. Again, while the scope and size of future resources is unknown, the intent is that 2014 will be a year to “make the case” and attract additional investors.

4. Catalyst fund management and reporting

Please note that the proposed guidelines and catalyst fund use apply only to funds allocated in the 2014 budget. Should King County funding be secured after 2014, the guidelines and associated outcomes may be revised.

For allocation of the catalyst fund under both the individual-level strategy and Communities of Opportunity, the next steps will be the work of the two design committees in spring 2014 to inform the details for catalyst fund use. Standard county procurement processes would then be applied in early summer 2014, which may include letter of intent/requests for proposal processes, and/or the use of sole source waivers if applicable.

The procurement process will prioritize King County’s equity and social justice principles, assuring that county processes do not unintentionally pose administrative burdens that create barriers. If it is found that “standard procurement processes” pose barriers to underserved communities and are inconsistent with equity and social justice values, this will be openly raised and an alternative approach will be implemented.

As with the other resources designated for the transformation plan implementation, the catalyst fund will be managed jointly by the two departments, with shared decision-making in mutually agreeable processes. For administrative purposes the fund will reside in the Department of Community and Human Services. However, the departments intend to assure that the fund is not associated with one department or the other, but rather represents a collaborative partnership working in service of the Transformation Plan goal and in the spirit of integration.

Final decisions for use of the catalyst fund will be approved jointly by the Executive’s Office, PHSKC, and DCHS leadership. Both departments are committed to honoring the work and recommendations of community partners and collaborating to reach consensus for use of the fund. In the event consensus is not reached, the departments would work through normal channels for resolution with the Executive’s Office as referenced in the Memorandum of Understanding between the Departments.

Reporting

Ongoing communication and partnership in all levels of county government, including Council Members, the public, and stakeholders, is key to the success of the transformation work. The Executive’s Office intends to provide regular briefings and reporting to the Council on the progress of all of the transformation work, including the catalyst fund investments and impacts. The proposed reporting timeline is below²:

² Informal updates outside of the timeline below can be provided to Council Members at any time upon request

Briefing on identified Communities of Opportunity and initial catalyst fund investments	Summer 2014
Progress Report on Transformation Work	September 2014
Report on initial phases of Transformational Plan	December 2014

5. Investment timeline

Individual-Level Strategy

Identify subpopulation of high risk adults	May 2014
Design committee meetings to identify system improvement strategies	May – June 2014
Identify process improvements that warrant catalyst fund support in 2014	July 2014
Implement system improvement activities and evaluate	July – Dec 2014

Communities of Opportunity

Design Committee meetings to inform criteria:	April – May 2014
Finalizing of investment criteria and solicitation design:	June 2014
Solicitation process:	July 2014
Contracts executed:	September 2014

A note on how these Catalyst Fund Guidelines were developed:

This proposal for the Catalyst Fund's design and objectives was developed jointly by Executive Office, PHSKC, and DCHS, and with engagement of Council staff. The draft was brought to the Transformation Plan's Advising Partners group for review and comment. Community partners in the Advising Group expressed particular interest in assuring the general fund catalyst resources be used in the following ways:

- *Strategically to create change*
- *Aligned with the investments of other funders where possible*
- *Not be spread so thin that its impact is negligible.*

The Advising Partners Group comprises 20 people from various health, human services, philanthropy, and governmental organizations. They have agreed to come together for at least six months to work together to shape an effective approach to the Transformation Plan's implementation.