Imagine you are told that your department’s budget is cut by half.
Question

Where would you shift your emphasis to?

A. Clinical care
B. Prevention-based care
C. Population-focused programs
D. Other (Please specify in the Chat box)

This actually happened to the Kane County, Illinois, Health Department.
Today’s presentation

- Introduction to Kane County.
- What happened?
- How can a health department successfully adapt?
- What did Kane County do?
- What are the results to date?
Kane County, Illinois

- 515,000 residents
- Second & fifth largest cities
- 70% urban/suburban, 30% rural
- One third Hispanic
- Second youngest county in Illinois
- Fastest growing segment: 45-64 year olds
## Strategy development activities 2007–2010

<table>
<thead>
<tr>
<th>Date</th>
<th>Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec. 2006</td>
<td>5-year Community Health Assessment/Plan Adopted</td>
</tr>
<tr>
<td>May 2007</td>
<td>Community Leaders Summit re: Health Leadership Transition: Set 2030 Vision</td>
</tr>
<tr>
<td>Sep. 2007</td>
<td>First-ever Health Department Strategic Plan/Strategy Map</td>
</tr>
<tr>
<td>Feb. 2009</td>
<td>Strategic Plan Update, “3-Keys” Strategy Affirmed</td>
</tr>
<tr>
<td>Nov. 2009</td>
<td>Board Commitment to Public Health Accreditation</td>
</tr>
</tbody>
</table>

What happened?
### Local health department budget cuts

<table>
<thead>
<tr>
<th>Survey date</th>
<th>Percentage of LHDs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec 2008</td>
<td>27%</td>
</tr>
<tr>
<td>Aug 2009</td>
<td>45%</td>
</tr>
<tr>
<td>Feb 2010</td>
<td>38%</td>
</tr>
<tr>
<td>Nov 2010</td>
<td>44%</td>
</tr>
</tbody>
</table>

Percentage of LHDs


### Local health department workforce cuts

29,000 jobs lost between 2008 and 2010, about 19% of 2008 workforce

<table>
<thead>
<tr>
<th>Jobs lost to layoffs or attrition</th>
<th>Jobs affected by reduced hours or mandatory furlough</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008 7,000</td>
<td>2008 Not known</td>
</tr>
<tr>
<td>2009 16,000</td>
<td>2009 More than 13,000</td>
</tr>
<tr>
<td>2010 6,000</td>
<td>2010 18,000</td>
</tr>
<tr>
<td>Total 29,000</td>
<td></td>
</tr>
</tbody>
</table>

KCHD at crossroads: SFY 2011

- Illinois cut grants and set a policy of late payment to vendors, including local government
- KCHD lost $1m in state grant revenue & experienced payment delays up to 200 days

Health department cash balance
Target Fund Balance

Projected cash balance: best and worst case

6/10  7/10  8/10  9/10  10/10  11/10  12/10  1/11  2/11  3/11  4/11  5/11

Best

Worst

How does a health department adapt?
Managing decline in public organizations

- Clear authority to make change
- Continuity in top management
- Rapid and accurate feedback on impact
- Budgetary flexibility
- Incentives: performance improvement and resource conservation
- Targeted cuts

Levine et al., 1982

Time

The New Beginning

The Neutral Zone

Ending, Losing, Letting Go

Managing Transitions, by William Bridges
Making change: 3 interactive components

- **Lead with the intellect – develop clear goals**
  What looks like resistance is often lack of clarity.

- **Engage the emotion and passion**
  What looks like resistance is often exhaustion.

- **Have a successful organizational structure/blueprint**
  What looks like a people problem is often a situation problem.

*Switch: How to Change Things When Change Is Hard, by C. Heath & D. Heath.*

What did Kane County do?
Strategy

- Transform the Kane County Health Department to completely focus on population health
  - Transfer direct client services to 3 federally qualified health centers
  - Reduction in workforce by 50%
  - Re-organization using PHAB* standards as framework
- Clearly articulate a plain-speak “public health value proposition”
- Use rapid cycle improvement—specifically Plan, Do, Check, Act—to drive and sustain re-organization

*Public Health Accreditation Board

KCHD re-organization timeline

16 weeks

6/24 2010 11/8

Meeting with Board & Health Comm. Chairs

Direct services transferred & 62 staff laid off
2010 agency reorganization

Before

- 50% grant-funded
- $10 million budget

After

- 20% grant-funded
- $6 million budget

What does restructuring look like?

**Slimmer**
From 5 units to 3 units within the Department

**Flatter**
Eliminating more than half (20/36) management and exempt positions

**Focused**
Every job description re-written: combining duties & adding public health essential service responsibilities
### 2010 agency focus change

<table>
<thead>
<tr>
<th>Before</th>
<th>After</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Mixed, individual-level programs and services &amp; population focused</td>
<td>• Population-focused health, 10 essential services</td>
</tr>
<tr>
<td></td>
<td>• All job descriptions include: QI, population focus, essential services, preparedness &amp; response</td>
</tr>
</tbody>
</table>

### Restructuring principles

- Assure ability to efficiently provide essential and mandated public health services
- Effectively address the identified community health priorities
- Protect the most vulnerable populations
- Maintain a long-term, strategic focus
Core public health services

- Emergency preparedness and response
- Communicable disease monitoring, analysis and response
- Evidence-based interventions to improve maternal and child health and prevent chronic disease
- Environmental health protection: food, water, toxins such as lead
- Community health assessment, planning and evaluation/quality improvement
- Health communication and education
- Public policy development

Roles and responsibilities

- Council on Linkages

- Job titles and job descriptions
  - Every job has changed
  - Population focus in every job
  - Essential services in every job
  - Quality improvement in every job
  - Emergency response in every job
  - Increased educational requirements most jobs

- Union role
New job descriptions & capacity

- Community Health Specialist I
- Community Health Specialist II
- Community Health Specialist III
  - Health Planner
  - Epidemiologists (2)
  - Coordinators (5): Health Data & Quality, Emergency Response, Health Communications, Community Health Initiative (2)

Re-org results so far...

- Financial sustainability
- Maternal & child health services
- Population-focused practice
- QI & accreditation
Financial sustainability

KCHD CFY 2010                  KCHD CFY 2011
Revenue: $8,822,749             Revenue: $6,683,413
Expend.: $9,536,488             Expend.: $6,272,264
($713,739)                     $411,149

Financial sustainability

Kane County Health Department Cash Balance, 2010-13

$4,000,000
$3,500,000
$3,000,000
$2,500,000
$2,000,000
$1,500,000
$1,000,000
$500,000
$0

Financial sustainability

Adapt to current revenue constraints while positioning for long term growth by:

• Develop/enhance competency in public health finance by KCHD management and staff

• Improve the efficiency and effectiveness of KCHD practice

• Articulate the value of public health to stakeholders of KCHD


Impact on maternal and child health services
2040 Plan

Quality of Kane
Healthy People, Healthy Living, Healthy Communities
- It's about Quality of Life

Kane County 2040 Plan

2040 Plan challenges

- Water supply
- Mobility & connectivity
- Safe, affordable & diverse housing
- Healthy population
KCHD and the NACCHO QI roadmap

Dec 2010
EXIT 2
Not Involved with QI Activities

Jan 2013
EXIT 5
Formal Agency-Wide QI

Accreditation prep at KCHD

KCHD didn’t step back from accreditation despite reorganization

2011
Community assessment & planning

2012
Organizational strategic planning
Application filed

2013
Final documentation submitted
Awaiting site visit
“Sweet are the uses of adversity,
Which, like the toad, ugly and venomous,
Wears yet a precious jewel in his head.”

—William Shakespeare