

**University of Kentucky**

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**From the Selected Works of Glen Mays**

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# Investing in a Healthier Future: IOM Dissemination Workshop

Glen Mays



Available at: [https://works.bepress.com/glen\\_mays/10/](https://works.bepress.com/glen_mays/10/)



**Institute of Medicine**

**Committee on Public  
Health Strategies to  
Improve Health**

**Dissemination  
Workshop**

**April 25, 2012**

# Charge to the Committee

The committee will develop recommendations for funding state and local public health systems that support the needs of the public after health care reform. Recommendations should be evidence based and implementable. In developing their recommendations the committee will:

- Review current funding structures for public health
- Assess opportunities for use of funds to improve health outcomes
- Review the impact of fluctuations in funding for public health
- Assess innovative policies and mechanisms for funding public health services and community-based interventions and suggest possible options for sustainable funding.

# Report Organization

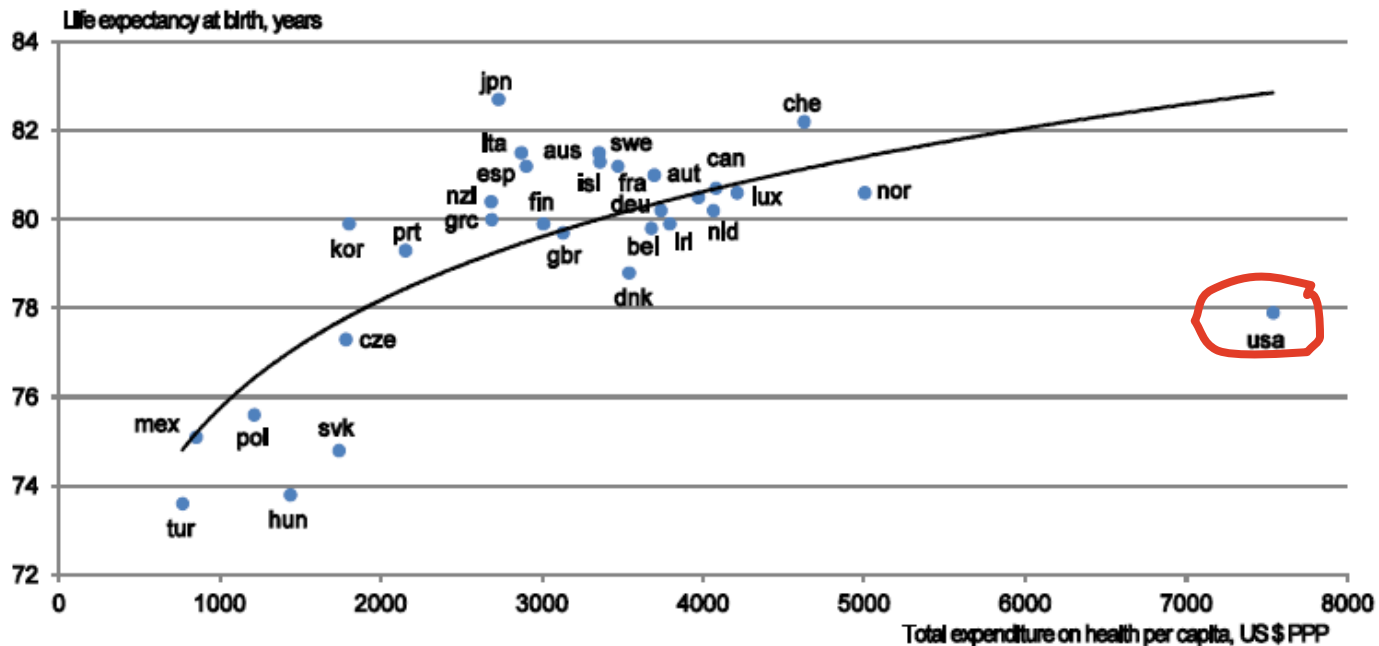
Four chapters:

- Introduction and context
- Reforming public health and its financing
- Informing investment in health
- Funding sources and structures to build public health

Ten recommendations

# What the US gets for its investment

Figure 1. There are large differences in life expectancy and health care spending across OECD countries 2008<sup>1</sup>



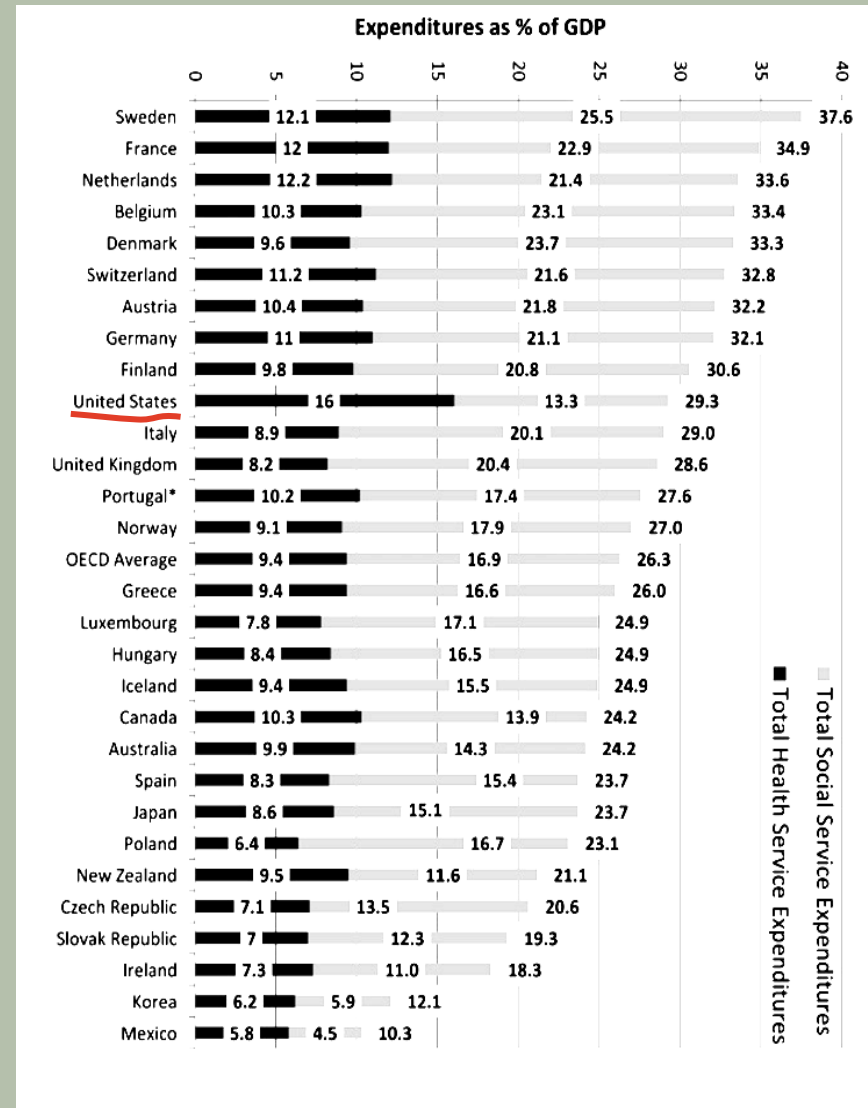
1. Or latest year available.

Source: OECD Health Data 2010.

# US Social Spending

Compared to other wealthy countries, the US allocates far more of its social spending on health care than on other important services.

Source: Bradley et al., 2011:3 (BMJ)



# Achieving better value

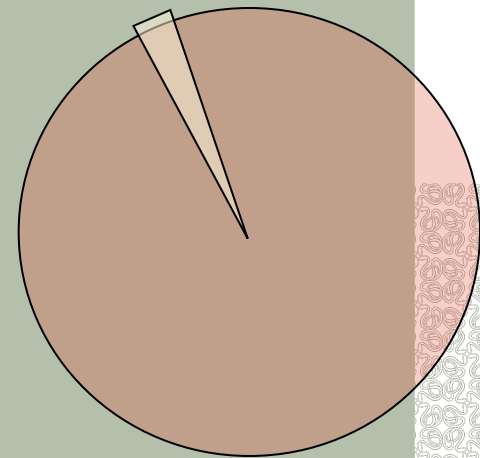
- The US lags behind its peers on health status while outspending every country in the world on health, largely in clinical care costs.
- Rising spending on medical care diverts funds from education, business development, and other systems that keep nations globally competitive.
- We need to make our health dollars buy more.
  - Eliminating inappropriate and unnecessary care
  - Limiting administrative costs
  - Achieving universal access
  - ***Implementing population-based health improvement strategies***

## Recommendation 1

The Secretary of HHS should set national goals on life expectancy and per capita health expenditures that by 2030 bring the US to average levels among other wealthy countries.

# Public health funding

- 3.1% of 2.5 trillion spent on health (77.2 billion) is spent on the work of governmental public health agencies.
  - That is \$251 out of \$8,086 per person spent on health overall.
- Public health has a history of unpredictable, inadequate, and uncoordinated funding.
- Public health also has a track record of achievement in vanquishing the historic causes of death and disease



# What more money will buy

A package of “foundational” and “programmatic” public health services that:

- protect and promote the health of populations
- are available and visible in all communities
- serve as a framework for program and financial management

## Recommendation 7

To guide more appropriate allocation of funding, the National Prevention, Health Promotion, and Public Health Council should oversee an expert panel charged with developing the minimum package and determining how much money is needed for every public health department to deliver at least the minimum package.

The Council should also oversee another expert panel in determining the proportions of federal health spending that need to be invested in the medical care and public health systems.

The information developed by the panels should be included in the council's annual report to Congress.

# Funding for the Minimum Package

Current federal funding levels for public health departments fall short of what is needed to allow departments to function smoothly in fulfilling their duties.

Governmental public health needs adequate funding to enable it to deliver the ***minimum package of public health services***—those foundational and programmatic services needed to promote and protect the public's health.

# Estimating what public health needs

The information needed to make an accurate estimate of the financial needs to support the public health system is limited.

Report includes several ways to use the available information to arrive at a conservative initial estimate

- A \$24 billion investment by the federal government (doubling of the current \$11.6 billion federal portion as defined by the National Health Expenditure Accounts)

## Recommendation 8

To enable the delivery of the ***minimum package of public health services*** in every community across the nation, the committee recommends that Congress double the current federal appropriation for public health, and make periodic adjustments to this appropriation based on the estimated cost of delivering the ***minimum package of public health services***.

# Sources of funding for public health

Sufficient, stable, sustainable funding is needed to support state and local public health departments.

Various options for revenue generation exist. The best meet three criteria:

- Have a meaningful connection to population health
- Raises sufficient funds
- Does not have significant deleterious economic consequences

## Recommendation 10

To enable the federal government to support public health departments in delivering the *minimum package of public health services* in every community, Congress should establish a new funding source by enacting a national tax on all medical care transactions

# Recommendations in brief

- 1: Sets goals for life expectancy and per capita health spending
- 2: Urges federal funders to enable greater flexibility and encourage greater coordination among the public health agencies they fund**
- 3: Calls on all relevant groups to endorse the need for a minimum package of public health services**
- 4: Urges public health departments to work with clinical care providers to develop adequate alternative capacity for clinical care services (i.e., outside health departments)**
- 5: Calls for a technical panel to develop a model public health chart of accounts**

# Recommendations in brief

**6: Asks Congress to direct DHHS to develop a research infrastructure for public health and identifies specific components**

7: Calls for expert panels under the National Prevention Council to determine (a) components and cost of minimum package and (b) federal funding for medical care and public health

8: Asks Congress to double the federal appropriation for public health

**9: Calls for public health department funds for clinical care services to shift to population-based services (after clinical care moves out)**

10: Asks Congress to enact a tax on medical services to fund public health, and to take other steps to optimize the use of the new funds

# QUESTIONS?

# Report Messages

- The United States gets poor value from its current health expenditures. It needs to change its investment strategies by simultaneously decreasing medical care system waste, and bending the curve to decrease health risks to its citizens.
- Public Health has the mandate and the skills to develop an evidence-based understanding of population health needs, and can develop strategies and collaborations to address these needs.
- Better coordination and deployment of current funding is critical, as are additional sources of predictable, adequate and sustainable funding.

**For more information about this report, visit**

**[www.iom.edu/PHfunding](http://www.iom.edu/PHfunding)**

**For more information about the project, including  
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**[www.iom.edu/PHstrategies](http://www.iom.edu/PHstrategies) or email**

**[publichealth@nas.edu](mailto:publichealth@nas.edu)**

# Complete Report Recommendations (by chapter)

# 1 Introduction and Context

# Recommendation 1

The Secretary of HHS should adopt an interim explicit life expectancy target, establish data systems for a permanent health-adjusted life expectancy target, and establish a specific per capita health expenditure target to be achieved by 2030. Reaching these targets should engage all health system stakeholders in actions intended to achieve parity with averages among comparable nations on healthy life expectancy and per capita health expenditures.

# Reforming Public Health and Its Financing

A large, stylized red number '2' is positioned behind the title text, serving as a background element.

## Recommendation 2

To ensure better use of funds needed to support the functioning of public health departments, the committee recommends that:

- (a) The Department of HHS (and other departments or agencies as appropriate) enable greater state and local flexibility in the use of grant funds to achieve state and local population health goals;
- (b) Congress adopt legislative changes, where necessary, to allow the Department of HHS and other agencies, such as the Department of Agriculture, the necessary funding authorities to provide that flexibility; and
- (c) Federal agencies design and implement funding opportunities in ways that incentivize coordination among public health system stakeholders.

## Recommendation 3

The public health agencies at all levels of government, the national public health professional associations, policymakers, and other stakeholders should endorse the need for a *minimum package of public health services*.

## Recommendation 4

The committee recommends that as clinical care provision in a community no longer requires financing by public health departments, public health departments should work with other public and private providers to develop adequate alternative capacity in a community's clinical care delivery system.

# 3 Informing Investment in Health

## Recommendation 5

The committee recommends that a technical expert panel be established through collaboration among government agencies and organizations that have pertinent expertise to develop a model chart of accounts for use by public health agencies at all levels to enable better tracking of funding related to programmatic outputs and outcomes across agencies.

## Recommendation 6

The committee recommends that Congress direct DHHS to develop a robust research infrastructure for establishing the effectiveness and value of public health and prevention strategies, mechanisms for effective implementation of these strategies, the health and economic outcomes derived from this investment, and the comparative effectiveness and impact of this investment. The infrastructure should include

- A dedicated stream of funding for research and evaluation.
- A national research agenda.
- Development of data systems and measures to capture research-quality information on key elements of public health delivery, including program implementation costs.
- Development and validation of methods for comparing the benefits and costs of alternative strategies to improve population health.

## Recommendation 7

Expert panels should be convened by the National Prevention, Health Promotion, and Public Health Council to determine

- The components and cost of the *minimum package of public health services* for local and state governments and the cost of main federal functions.
- The proportions of federal health spending that need to be invested in the medical care and public health systems.

The information developed by the panels should be included in the council's annual report to Congress.

# 4 Funding Sources and Structures to Build Public Health

## Recommendation 8

To enable the delivery of the *minimum package of public health services* in every community across the nation, the committee recommends that Congress double the current federal appropriation for public health, and make periodic adjustments to this appropriation based on the estimated cost of delivering the *minimum package of public health services*.

## Recommendation 9

The committee recommends that state and local public health funding currently used to pay for clinical care that becomes reimbursable by Medicaid or state health insurance exchanges under Affordable Care Act provisions be reallocated by state and local governments to population-based prevention and health promotion activities conducted by the public health department.

## Recommendation 10

The committee recommends that Congress authorize a dedicated, stable, and long-term financing structure to generate the enhanced federal revenue required to deliver the *minimum package of public health services* in every community.

Such a financing structure should be established by enacting a national tax on all medical care transactions to close the gap between currently available and needed federal funds.

For optimal use of new funds, the Secretary of HHS should administer and be accountable for the federal share to increase the coherence of the public health system, support the establishment of accountabilities across the system, and ensure state and local co-financing.

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