#### University of Kentucky

From the SelectedWorks of Glen Mays

Fall November 3, 2013

#### Update on Public Health Financing and Economics Studies from the PHSSR and PBRN Programs

Glen Mays, University of Kentucky



Available at: http://works.bepress.com/glen\_mays/118/

# Update on Public Health Financing & Economic Studies

### from the PHSSR and PBRN Programs

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publichealtheconomics.org

APHA Public Health Financing Roundtable • Boston, MA • 3 November 2013





# Acknowledgement



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# What we do

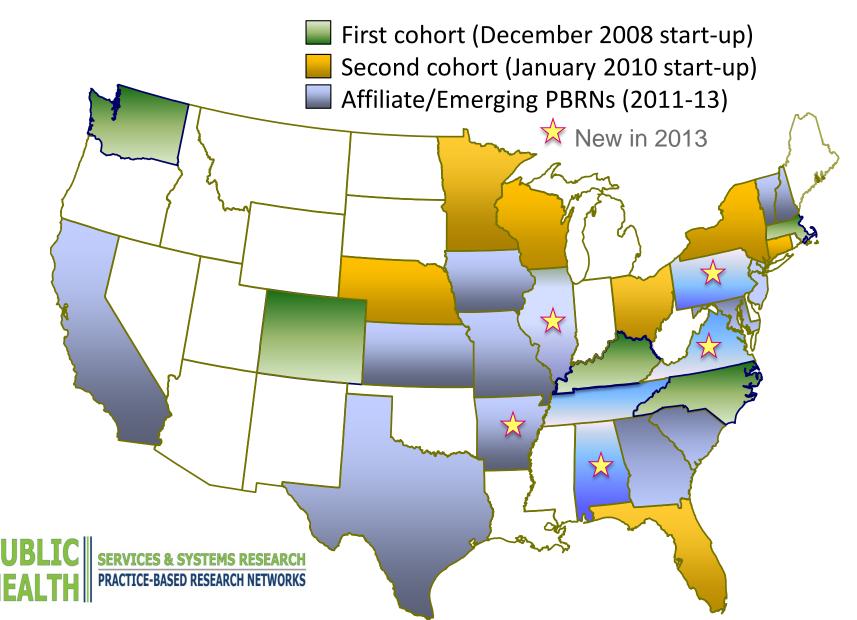


Research to reveal how to improve the *organization*, *financing*, and *delivery* of public health services at local, state and national levels, and the *impact* of these activities on *population health* 



http://www.publichealthsystems.org/research-agenda.aspx

### Public Health Practice-Based Research Networks (PBRNs)



### Updates on two streams of research

- Understanding the effects of the recession on public health financing and service delivery
- Estimating *health and economic effects* attributable to changes in public health financing

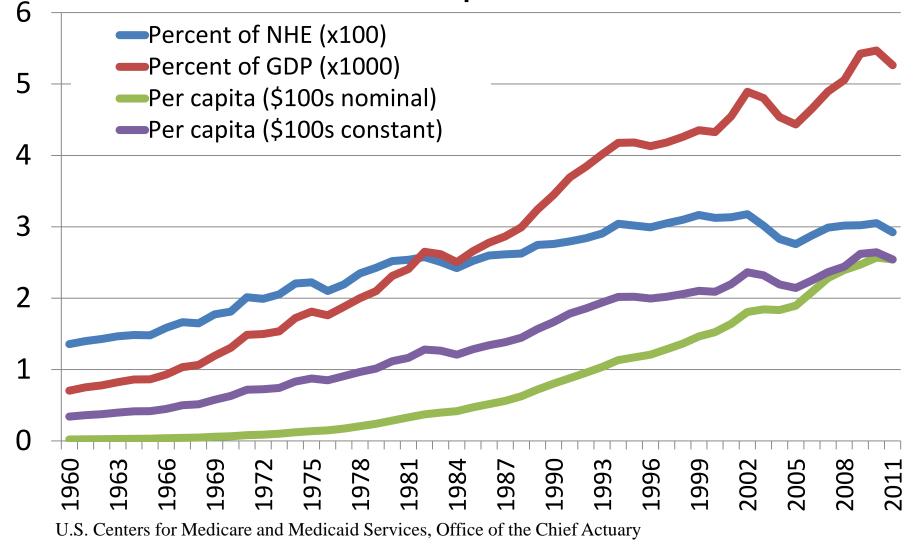


## Economic shocks to public health delivery

- Recessionary impact on state and local fiscal capacity, 2008-present
- Growth in demand for public services
- Estimated 55,000 state and local public health jobs lost since 2008
- Expiration of federal stimulus spending, 2011-12
- Diversion of ACA Prevention & Public Health funds
- 2013 Sequester

### What we know, sort of...

Governmental Expenditures for Public Health Activity, USDHHS National Health Expenditure Accounts



## Public health responses

- Changes in scope and scale of services delivered
- Intensive margin: effort exerted by governmental public health
- Extensive margin: other organizations contributing to public health
- Quality/effectiveness: degree to which services meet community needs

## Data used in empirical work

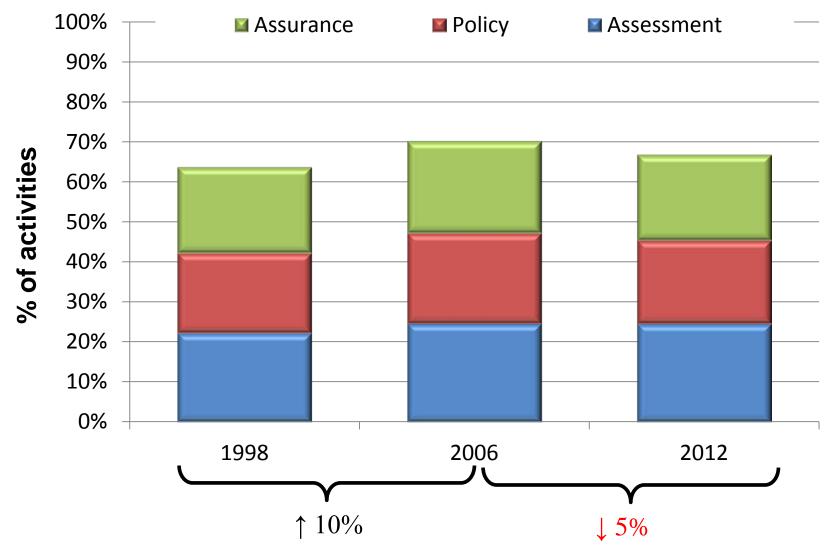
### **National Longitudinal Survey of Public Health Systems**

- Cohort of 360 communities with at least 100,000 residents
- Followed over time: 1998, 2006, 2012
- Measures reported by local public health officials:
  - Scope: availability of 20 recommended PH activities
  - Intensive Margin: effort contributed by the local PH agency
  - **Extensive Margin:** other organizations contributing to PH
  - Quality: perceived effectiveness of each activity
- Linked with secondary data on agency and community characteristics

### Data used in empirical work

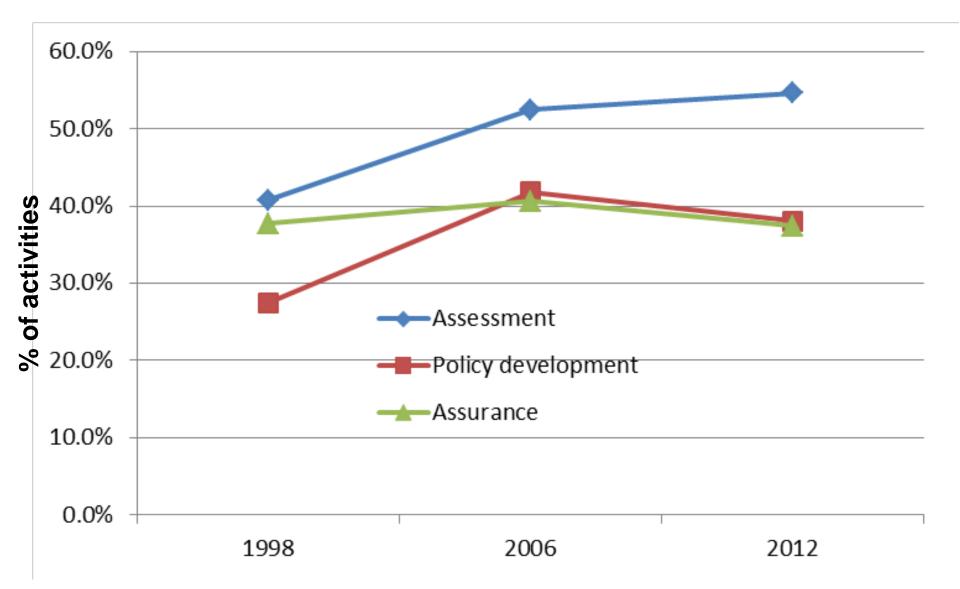
- NACCHO Profile: financial and institutional data collected on the national population of local public health agencies (N≈2800) in 1993, 1997, 2005, 2008, 2010
- Residual state and federal spending estimates from US Census of Governments and Consolidated Federal Funding Report
- Community characteristics obtained from Census and Area Resource File (ARF)
- Community mortality data obtained from CDC's Compressed Mortality File
- Medical care spending data from CMS and Dartmouth Atlas (Medicare claims data, HSA-level)

#### **Results: Delivery of recommended public health activities**



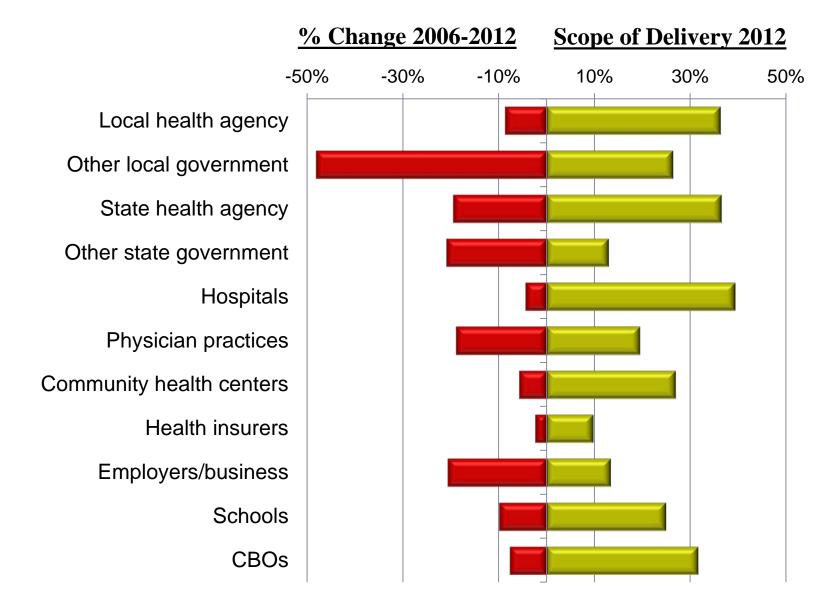
National Longitudinal Survey of Public Health Systems, 2012

#### **Results: Delivery of recommended public health activities**



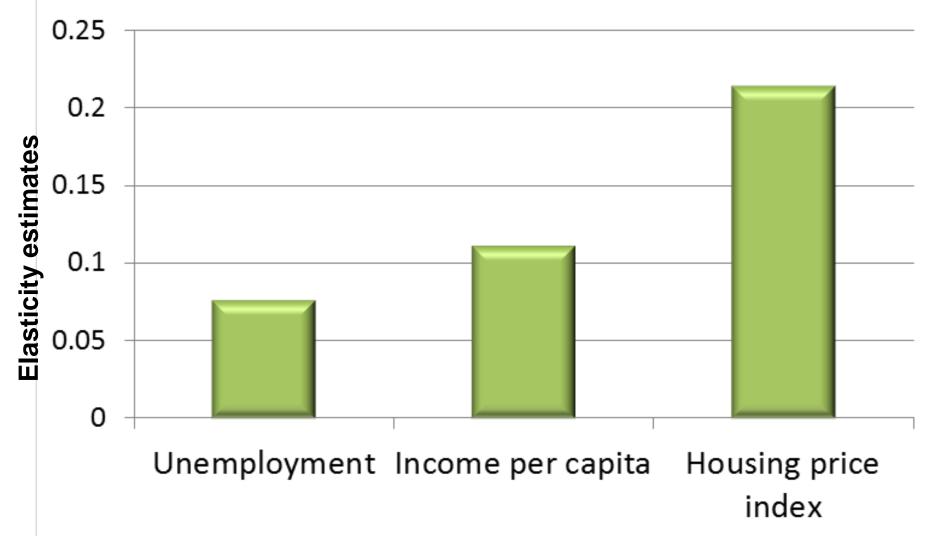
National Longitudinal Survey of Public Health Systems, 2012

### **Results: changes in intensive and extensive margins**



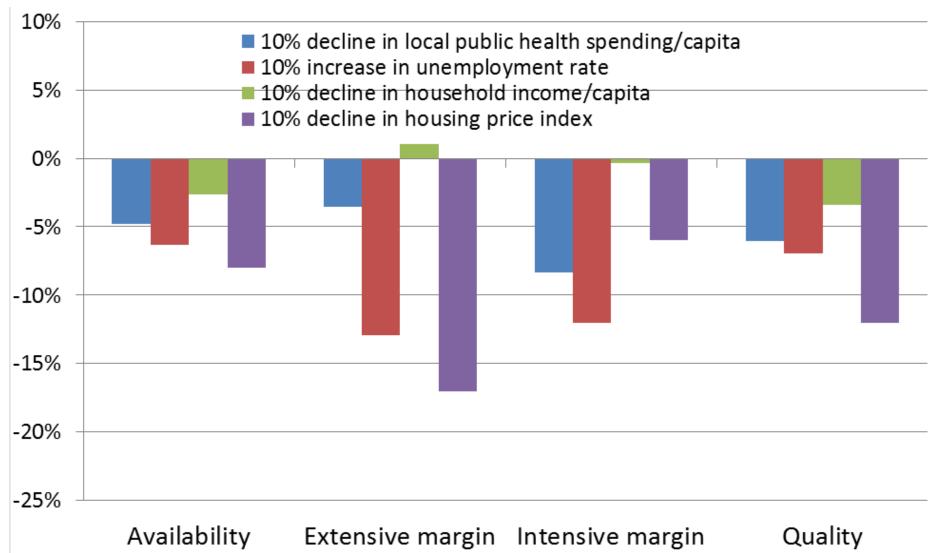
National Longitudinal Survey of Public Health Systems, 2012

#### **Results: Effects of economic indicators on PH spending**



GEE regression estimates with logarithmic link function, controlling for population size, age composition, racial composition, physician and hospital supply, and governance structure

#### **Results: Effects of economic indicators on PH delivery**



GEE regression estimates with logarithmic link function, controlling for population size, age composition, racial composition, physician and hospital supply, and governance structure

# Estimating health & economic effects of spending changes

- Who benefits from public health spending and how long does it take?
  - Larger gains in low-resource communities
  - Larger gains in communities that offer a broader scope of public health activities
  - Effects accumulate over time: largest with 10-year lag periods

- Tuesday at 3:30pm, BCEC Room 160C

# Effects of public health spending on medical care spending 1993-2008

Change in Medical Care Spending Per Capita Attributable to 1% Increase in Public Health Spending Per Capita

<u>Model</u>	<u>N</u>	<u>Elasticity</u>	<u>S.E.</u>
One year lag	8532	-0.088	0.013***
Five year lag	6492	-0.112	0.053**
Ten year lag	4387	-0.179	0.096*

log regression estimates controlling for community-level and state-level characteristics

\*p<0.10 \*\*p<0.05 \*\*\*p<0.01

Mays et al. forthcoming 2013



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