



# SUSTAINABLE FUNDING FOR FOUNDATIONAL PUBLIC HEALTH SERVICES: A PROGRESS REPORT

June 2013

For Washington State Association of Local Public Health Officials

# OUR PUBLIC HEALTH FUNDING SYSTEM IS BROKEN

1

- We consider it a legislative success when we don't get cut very much
- Meanwhile, inflation and population growth have steadily undermined our budgets for 15 years or more
- It's not just the **Great Recession**, it's a long term structural defect
- Now, in many local health agencies and at the Department of Health, the most basic public health services are threatened

# WHAT DO WE NEED?

2

- Stable support for basic public health functions
- Funding that tracks with population growth and inflation
- Enough to assure every community has the basics needed for the public health system to work statewide

*What we need everywhere for the system to work anywhere*

- Recognizing that the basics aren't all we should do but knowing that the system cannot work if the basics are not in place



We've called this **Foundational Public Health**

# THE QUESTION

3

- If you ask decision makers for such funding, they soon ask, **What would we get for the money?**
- If your answer is **Trust Us**, the conversation soon ends
- To have any hope for sustainable funding, we have to answer this question clearly
- This requires a list of boundaries...
- Not a list of everything we could ever do, but an honest list of the things we consider basic, taking into account our responsibility for population based health

# WHY FOUNDATIONAL PUBLIC HEALTH?

4

To secure sustainable funding for  
basic public health services statewide

# INSTITUTE OF MEDICINE AGREES

5

- In late 2012, the institute of Medicine issued a report on public health funding called  
*For the Public's Health: Investing in a Healthier Future*
- They showed that basic public health funding is a national problem
- And they made the very same connection we did
- You can't be effective pursuing basic funding if you can't clearly state what the basics are
- CDC is also getting involved
- **Public Health Basics** – becoming a national discussion

# WHAT'S OUR PLAN?

6

- Define **Foundational Public Health Services**
- Cost them out statewide
- Develop practical policy options for sustainable foundational funding
- Develop a broad based coalition of supporters and advocate for the necessary legislation
- Don't quit

# FOUNDATIONAL PUBLIC HEALTH

7

- Chose this term instead of **minimum, basic, or core**
- The idea of a foundation seems right – it's not the whole house, but the rest of the house doesn't work unless the foundation is solid
- A PHIP workgroup began in 2012
- Last spring and summer, the proposed list was widely shared, discussed and modified

# DEFINING FOUNDATIONAL SERVICES

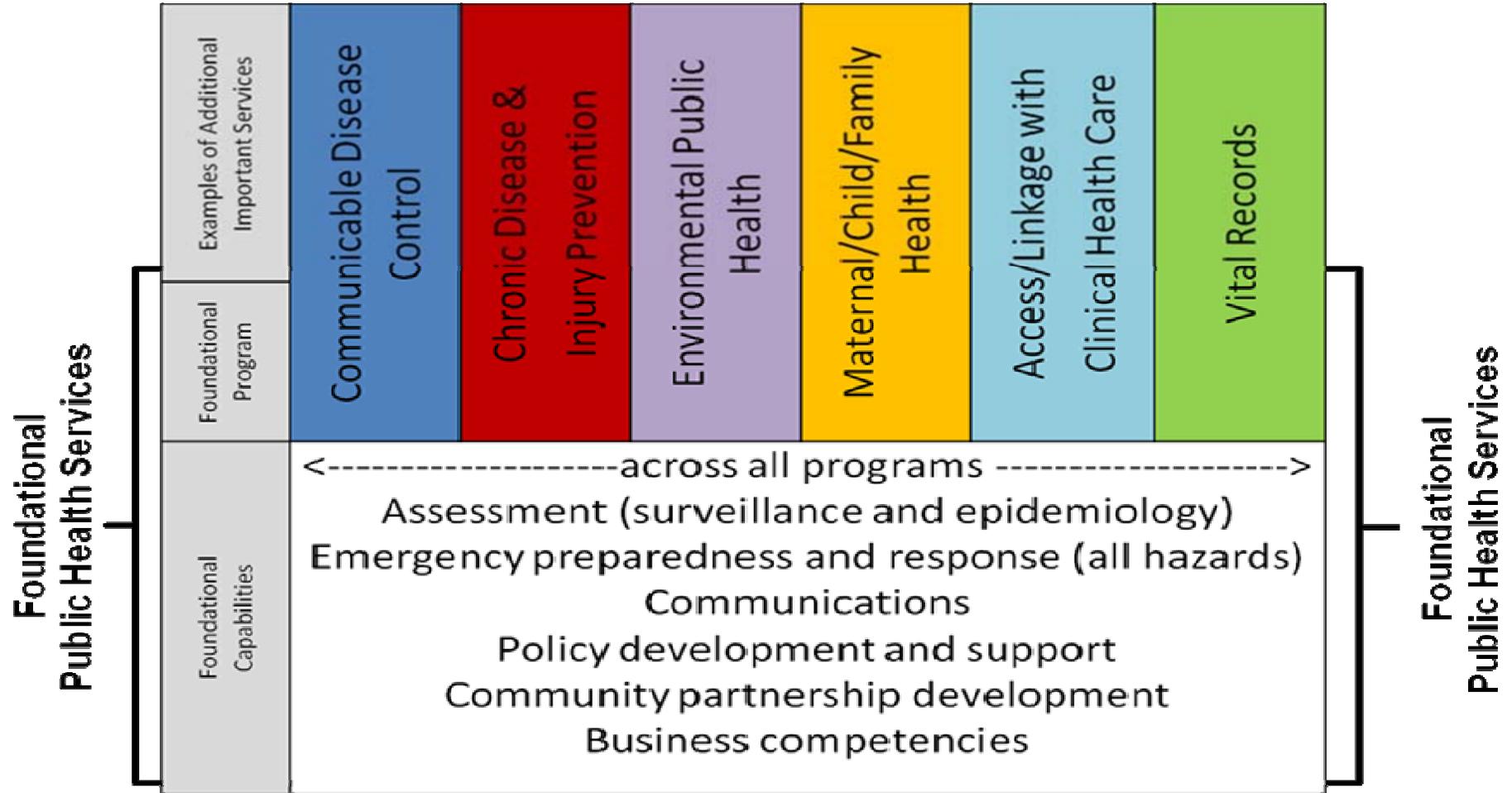
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- What we need to do everywhere for the system to work anywhere
- It's not **everything** we need to do. There are important categorical services that go beyond the basics and which vary according to local needs and priorities.
- The list had to be specific enough to cost it out
- It had to take into account our unique responsibility for population based issues and services

# THE LIST

- The **Foundational Public Health Services** include:  
**Capabilities** and **Programs**
- Foundational **capabilities** cut across all program areas
- Foundational **programs** include specific activities such as basic environmental health regulatory programs and communicable disease surveillance and response
- As an appendix we also showed examples of additional important services to demonstrate that there are necessary categorical services that go beyond the basics in response to local needs and priorities

# THE CHART



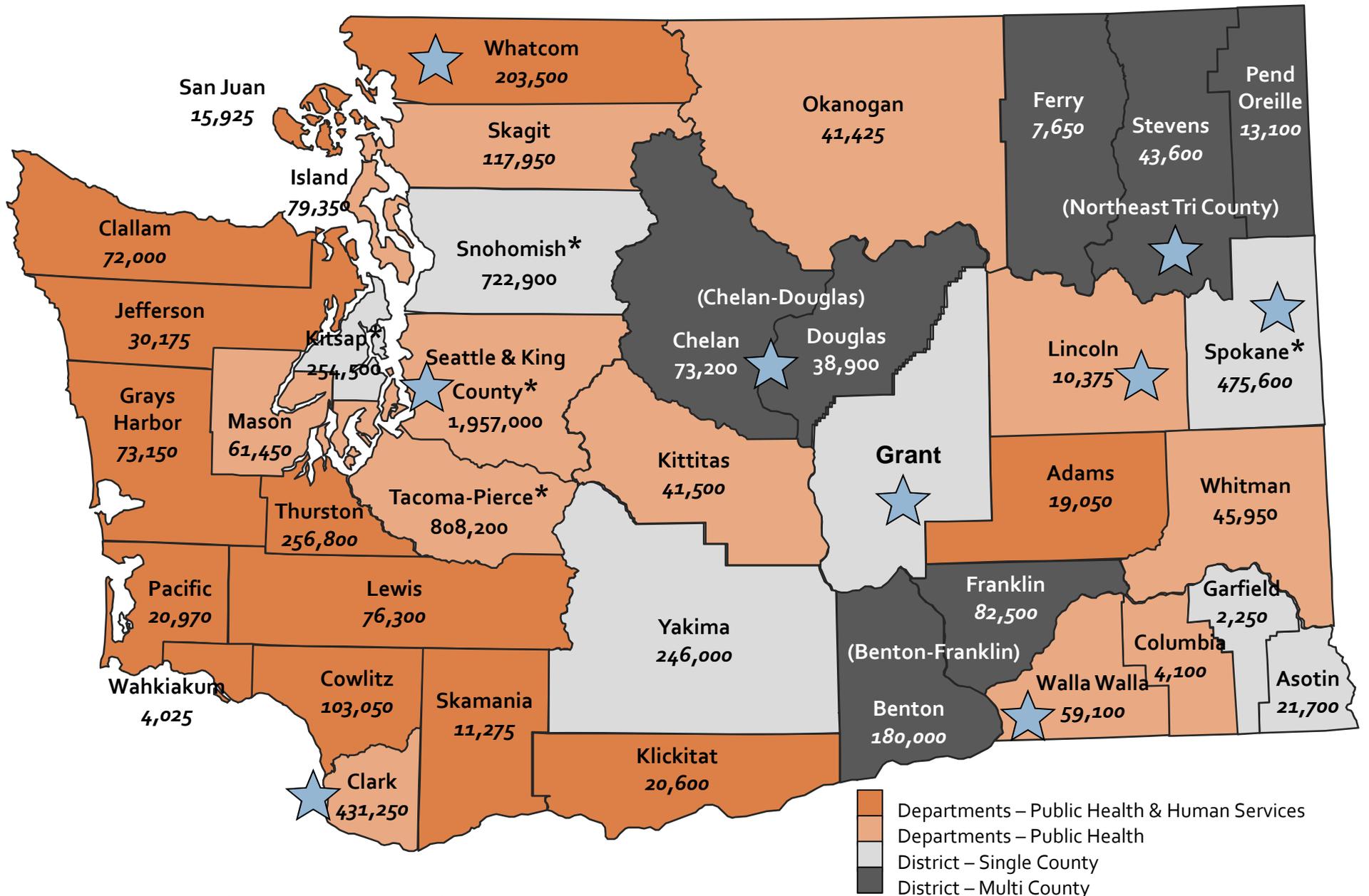
## Foundational Public Health Services

# THE COSTS

11

- Through PHIP (with Department of Health dollars), retained Berk & Associates as consultants to help develop a cost model for Foundational Public Health
- Worked with 9 local health agencies and the Department of Health to develop a detailed cost model
  - From Lincoln County to Public Health – Seattle & King County
- Each participant filled out a long questionnaire and participated in in-depth follow up interviews
- Cost data then extrapolated for statewide estimates

# LOCAL HEALTH JURISDICTIONS IN WASHINGTON



Washington State Total Population, 6/2012 – 6,817,770

Source: Office of Financial Management

\* Agency is lead by full-time physician health officer  
 ★ LHJs Contributing Estimates to the FPHS Cost Model

# CONCLUSIONS ABOUT THE COST MODEL

13

- The model is flexible and able to provide information for different assumptions
- The cost data that is being used to extrapolate for statewide costs is solid and reasonable
- The revenue data allows us to identify costs not covered by grant/contract or fee, that should be funded by state and local tax dollars
- The model is a good tool for better understanding our current funding system and determining options and recommendations for a model of predictable funding
- Final report on the cost model early July

# POLICY QUESTIONS

14

- ✓ Funding for what? (Foundational Public Health Services are defined)
- ✓ How much funding? (Can make estimate based on various assumptions)
- What is the right mix of revenue
  - Who should pay how much for what?
  - Should there be a local match for state dollars? Or vice versa?
  - Should there be an expected/minimum % of cost recovery for fee-based services?
- How should funds be distributed across the state?  
Across services? What is fair/equitable?
- How should payers/funders monitor the impact of the funds  
(e.g. accountability, Return on Investment)?

# REVIEW: Where we've been and what we need to do...

15

- ✓ Defined **Foundational Public Health Services**
- ✓ Costed them out statewide
- Develop practical policy options for sustainable foundational funding
- Develop a broad based coalition of supporters and advocate for the necessary legislation
- Don't quit

## NEXT STEPS: Policy options

16

### PHIP Foundational Public Health Services Workgroup **Phase II**

- Recruiting members, including beyond public health officials
- Will continue meeting over the next year
- Developing specific policy options and proposals for sustainable funding of the foundational capacities and services
- **Target:** June 2014

## NEXT STEPS: Advocacy

17

- WSALPHO will coordinate development of broad support for sustainable funding proposals, in parallel with policy work
- Doctors, nurses, hospitals, clinics, employers, professional organizations, special interest groups, unions...
- Aiming to have proposals ready for the next biennial legislative session in 2015
- And beyond as needed...

## NEXT STEPS: Don't quit

18

- Odds are it won't pass the first time
- It took 8 years of struggle to get a separate state department of health
- If this takes that long, it will be worth it
- We need to have the staying power to see this through

# QUESTIONS AND DISCUSSION