

Foundational Public Health Services Policy Workgroup SUMMARY OF CURRENT SPENDING ON IMPORTANT PUBLIC HEALTH SERVICES

Introduction

In any given community, the governmental public health network should deliver important public health services (IPHS) which may, in that community, be just as important as foundational activities. A basic and defined set of public health services (FPHS) is not all that government public health is doing or should do. Additional services and activities may very well be critical to a specific community's health, but given the criteria, are not defined as Foundational Capabilities and Programs statewide. In some jurisdictions, these important services and activities may make up the majority of the work done by that LHJ, but may not be needed by all jurisdictions throughout the state.

As the FPHS Policy Workgroup moves closer to recommendations for an improved public health system, they have identified areas of risk that they want to better understand. Some members worry about losing IPHS if FPHS were fully funded by the State, because there is some risk that state or local elected officials would shift or restrict funding that is currently spent on IPHS in order to fund FPHS.

The purpose of this document is to help the Policy Workgroup better understand what that risk is by:

- Presenting a summary of how IPHS are funded today and the source of that funding; and
- Describing the level of risk involved when considering different types of funding.

Framework Overview

Important Public Health Services are services that fall outside of the criteria for Foundational Public Health Services. As a reminder, FPHS are:

- Services for which governmental public health is the only or primary provider of the service statewide.
- Population-based primary prevention services.
- Services that are mandated by federal, state, or local laws

IPHS are, by definition, services that may be needed some places and not in others around the state, and are designed to address emerging and/or specific local needs. Therefore, IPHS provided within any community may look very different from IPHS in another community, or IPHS provided by DOH. This document summarizes what we know about current spending on IPHS from available data sources. It's important to note that the statewide aggregate information presented is an estimate, and may not represent the experience at any given local health jurisdiction.

NOTE: Since BARS spending categories are not currently aligned with the FPHS framework, assumptions have been made on how to categorize BARS codes as closely as possible to create a reasonable statewide picture of current spending.

Overview of Current Spending on Important Public Health Services

Exhibit 1 shows how DOH and LHJs currently spend their funding, including both FPHS and IPHS. It's important to note that for flexible funding, such as the state general fund and local government funding, LHJs and DOH can choose where to spend this money – it is not dedicated or tied to specific services. **This chart therefore represents a snapshot of the years analyzed.** About \$560 M is currently spent on important public health services. Below is a brief overview of the funding that supports this spending, and where the flexible funds most at risk of being shifted are located.

Exhibit 1: Total Current Public Health Spending by LHJs and DOH by Funding Source (Annually, in 2013\$)

	TOTAL FUNDING			DOH FUNDING			LHJ FUNDING		
	ALL	FPHS	IPHS	ALL*	FPHS	IPHS	ALL	FPHS	IPHS
State General Fund	\$ 102 M	\$ 53 M	\$ 49 M	\$ 63 M	\$ 29 M	\$ 34 M	\$ 39 M	\$ 24 M	\$ 15 M
Dedicated State	\$ 73 M	\$ 11 M	\$ 61 M	\$ 52 M	\$ 0 M	\$ 52 M	\$ 20 M	\$ 11 M	\$ 9 M
State Fees	\$ 136 M	\$ 87 M	\$ 50 M	\$ 136 M	\$ 87 M	\$ 50 M	\$ 0 M	\$ 0 M	\$ 0 M
Federal Categorical	\$ 389 M	\$ 56 M	\$ 333 M	\$ 250 M	\$ 42 M	\$ 207 M	\$ 139 M	\$ 14 M	\$ 125 M
Local Flexible	\$ 85 M	\$ 30 M	\$ 54 M	\$ 0 M	\$ 0 M	\$ 0 M	\$ 85 M	\$ 30 M	\$ 54 M
Local Fees	\$ 72 M	\$ 62 M	\$ 11 M	\$ 0 M	\$ 0 M	\$ 0 M	\$ 72 M	\$ 62 M	\$ 11 M
TOTAL	\$ 857 M	\$ 299 M	\$ 559 M	\$ 501 M	\$ 158 M	\$ 344 M	\$ 356 M	\$ 141 M	\$ 215 M

* minus investments to LHJs from federal categorical (listed as Federal DOH in BARS) and state categorical (listed as State DOH in BARS)

Source: DOH, 2013; BARS, 2011; and BERK, 2014.

Federal Categorical & Fee Funding (\$393 M, or 70% of IPHS spending)

Dedicated Federal (\$333 M) & Fee Funding (\$61 M) spent on IPHS:

- Federal categorical funding and fee funding are funding sources tied to specific costs and cannot be used to support other areas of public health.
- This spending is supported by funding sources that would **not** be affected under any new funding proposal related to this framework.
- Since these forms of funding **cannot** be used to fund other services, there is no risk of these funds shifting, and this spending is not examined any further in this document

Flexible State General Fund and Dedicated State Funding (\$111 M, or 20% of IPHS spending)

Flexible State General Fund Funding spent on IPHS (\$49 M):

- About \$34 M of state general fund dollars are spent on IPHS by DOH.
- About \$15 M in state general fund dollars are spent on IPHS by LHJs.

Dedicated State Funding spent on IPHS (\$61 M):

- Like federal categorical funding, the Legislature directs what these funds are to be spent on.
- About \$61 M comes from dedicated state sources. The majority of dedicated state funding that is spent on IPHS is spent by DOH.
- Only about \$9 M of dedicated state funding is spent by LHJs on IPHS.

Flexible Local Government Contributions (\$54 M, or 10% of IPHS spending)

Flexible Local Government Contributions spent on IPHS (\$54 M):

- About \$54 M comes from local government contributions. This type of funding is allocated to LHJs by local governments.
- LHJs choose how to spend funding from local government contributions
- Local funding is highly-leveraged to match federal grants that pay for IPHS.

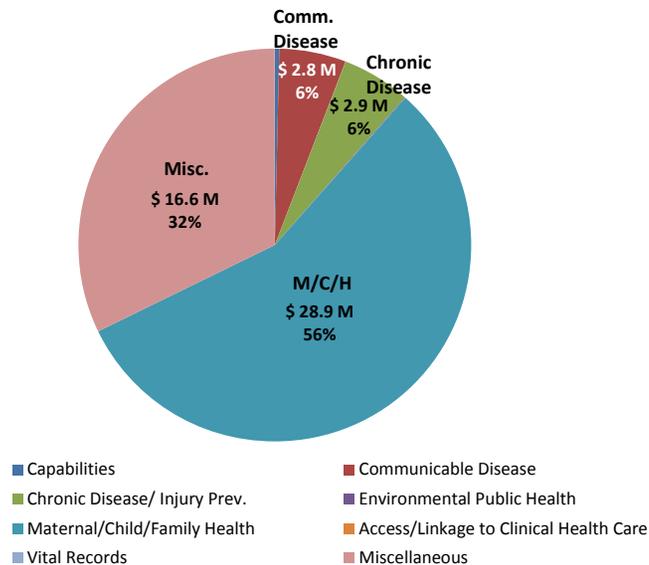
Flexible Local Government Contributions

This section of the document describes how local funding is spent on IPHS today. Out of the \$85 M in local government contributions supporting public health, about \$30 M is spent on FPHS and about \$54 M is currently spent on IPHS. This IPHS spending represents about 25% of the \$215 M total that LHJs spend on IPHS statewide.

In general, local policy makers and local boards of health work together to determine funding needs, local funding availability, and how to spend this money in a way that best serves their community. The source of this revenue, how this money flows to LHJs and the restrictiveness/flexibility that LHJs are given in how to spend these funds varies around the state.

Under the FPHS framework, it would still be necessary for local entities to work together to ensure that the public health priorities of their community are being met with available funding. In many jurisdictions, the ability to fund IPHS will be improved, because new state funding for FPHS will replace some of the county's current spending on FPHS.

Local Government Contributions Spent on IPHS by LHJs (\$54 M)



Source: BARS, 2011; and BERK, 2014.

- 56% goes to non-FPHS Maternal/Child/Family Health activities. This spending is categorized in BARS primarily as general MCH work (\$9 M) and family resources work (\$8.5 M), and is otherwise spread fairly evenly across other MCH categories such as Oral Health, Children with Special Health Care Needs, Family Planning, and WIC.
- 32% is categorized as miscellaneous. The majority of this amount (\$11.9 M) is identified as services by other agencies, and \$4.7 M is general miscellaneous.
- Small portions are spent on communicable disease control (6%) and chronic disease and injury prevention (6%).
- LHJ staff state that local government funding is highly leveraged to match or provide maintenance of effort (MOE) funding for federal grants, or support administrative costs of programs that are otherwise supported by dedicated dollars.

IPHS are overwhelmingly funded by dedicated/categorical dollars that could not be readily reallocated to other uses and will not be affected by a proposal to fund FPHS. As for the IPHS supported by flexible funds, decision makers have various reasons for doing this now. Those reasons would not change, and the availability of those funds would not change, if FPHS funds became available. How likely is it, realistically, that the process/difficulty of getting local government contributions for these programs would change if the state was funding 100% of FPHS?

Flexible State General Fund and Dedicated State Funding

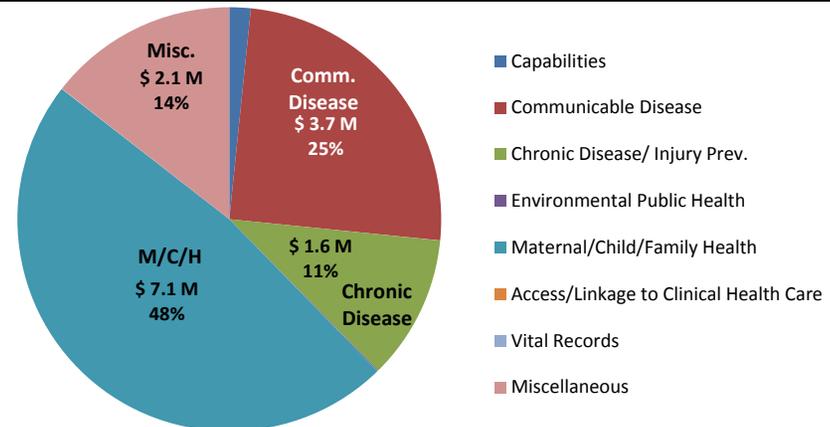
This section of the document describes how state funding is spent on IPHS today. It is broken into two sections. The first two pages focus on how flexible state general fund dollars are spent, and the second section focuses on dedicated state funding. Flexible dollars are most likely to be at risk for future shifts or restrictions. It is unlikely that dedicated funding source will be impacted by a proposal to fund FPHS.

Flexible State General Fund Dollars Spent Allocated to LHJs

Local Health Jurisdictions. LHJs receive state general fund dollars that are allocated directly to each LHJ by the Legislature each biennium. These funds are flexible, in that LHJs can choose how to spend this funding. Based on our BARS analysis, LHJs receive \$39 M per year in state flexible funding and choose to spend about \$24 M per year on FPHS and about \$15 M per year on IPHS.

The State Legislature determines how funds are allocated to LHJs. The Legislature would also be the decision maker to determine if any changes would be made to the flexibility of this funding. Changes in this allocation would be adopted through the Legislature's regular biennial operating budget process.

Flexible Allocations Directly from State General Fund Spent on IPHS by LHJs (\$15 M, 7% of IPHS spending by LHJs)



Source: BARS, 2011; and BERK, 2014.

- 48% goes to non-FPHS Maternal/Child/Family Health activities, including:
 - Title X Family Planning (\$2 M)
 - WIC (\$0.6 M)
 - Family Resources/Social Services (\$0.5 M)
 - Other miscellaneous MCH activities (\$3.9 M)
- 25% goes to non-FPHS Communicable Disease Control activities, including:
 - Immunization (\$0.7 M) and non-FPHS activities related to STDs, TB, and HIV/AIDS (\$1 M)
 - Laboratories (\$0.7 M)
 - Other miscellaneous communicable disease activities (\$1.2 M)
- 14% to unknown miscellaneous
- 11% to Chronic Disease and Injury Prevention, including cancer prevention and control

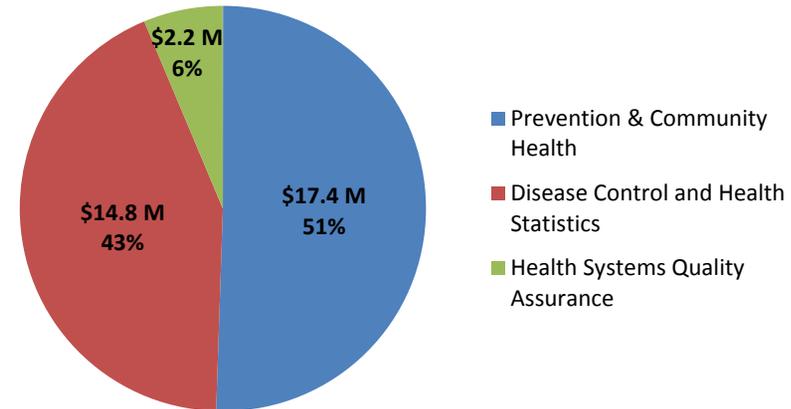
Flexible State General Fund Dollars Spent on IPHS by DOH

Department of Health. DOH receives state general fund dollars that are allocated directly to DOH each biennium. These funds are flexible, in that DOH can choose how to spend this funding. Based on data received from DOH, DOH receives about \$63 M per year in state general fund dollars, and spends about \$29 M per year on FPHS and about \$34 M of this money on IPHS.

The State Legislature determines how much funding is allocated to DOH. The Legislature would also be the decision maker to determine if any changes would be made to the flexibility of this funding. Changes in this allocation would be adopted through the Legislature's regular biennial operating budget process.

Flexible Allocations Directly from State General Fund Spent on IPHS by DOH (\$34 M, 10% of IPHS spending by DOH)

The Legislature allocates this funding, and DOH chooses how to spend it



- About 51% goes to Prevention and Community Health IPHS activities, including:
 - Family Planning (\$9.1 M)
 - Breast, Cervical, and Colon Health Screening (\$0.7 M)
 - Neurodevelopment Centers (\$0.7 M)
 - Early Hearing Loss (\$0.4 M)
 - Other miscellaneous prevention and community health services
- About 43% goes toward Disease Control and Health Statistics, including:
 - HIV Control and Prevention (\$11.3 M)
 - STD Control and Prevention (\$0.3 M)
 - Other miscellaneous disease control and health statistics services
- About 6% goes toward Health Systems Quality Assurance, including:
 - Washington Poison Center (\$1.2 M)
 - Area Health Education Centers (\$0.5 M)

Dedicated State Funding Spent on IPHS by DOH

Due to data limitations, we are unable to provide analysis at this time of how dedicated state funding is spent on IPHS by DOH.

Dedicated State Funding Spent on IPHS by LHJs

Given that this funding is dedicated to specific purposes, it is unlikely that this funding would be impacted by proposals to fund FPHS.

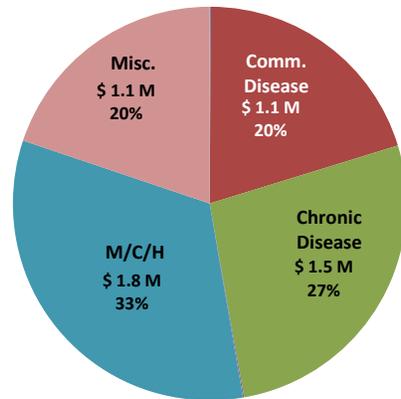
Dedicated state funding allocated to LHJs, which totals about \$20 M per year, comes to LHJs in two main ways:

Dedicated General Fund Allocations that come through DOH. Dedicated funding for IPHS from the state general fund is allocated by the Legislature to DOH. In some cases, DOH chooses to invest this money in LHJs and community partners. DOH allocates their funding to LHJs for specific purposes, so LHJs do not have the choice of what services to spend the money on. Based on BARS data, we estimate LHJs currently spend about \$5.5 M per year of this funding on IPHS.

Dedicated Funding from Other State Agencies. Similar to how funding comes through DOH to LHJs, funds received by other state agencies (like Department of Ecology or Department of Social and Human Services) from various sources are invested in LHJs and other partners. These agencies allocate their funding to LHJs for specific services and programs. Based on BARS data, we estimated that LHJs currently spend about \$3.7 M per year of this funding on IPHS.

Dedicated General Fund Allocations that come through DOH Spent on IPHS (\$5.5 M, 3% of IPHS spending by LHJs)

The Legislature and/or DOH allocate funding and direct LHJs how to spend this funding

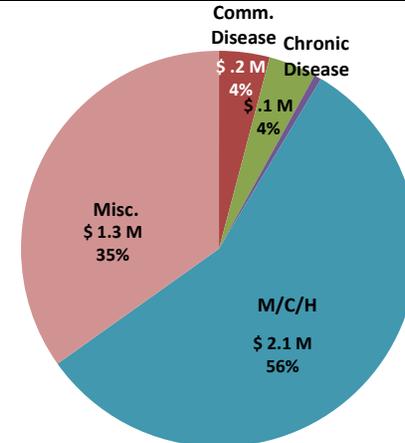


Source: BARS, 2011; and BERK, 2014.

- 33% goes to non-FPHS Maternal/Child/Family Health activities, including:
 - Title X Family Planning (\$1 M) and non-Title X Family Planning (\$0.5 M)
- 27% goes to non-FPHS Chronic Disease and Injury Prevention, mostly in the form of spending on cancer prevention and control (\$1.2 M)
- 20% goes to non-FPHS Communicable Disease Control, including \$0.9 M toward HIV/AIDS
- 20% is categorized as miscellaneous, including \$1.1 M to services by other agencies

Dedicated Funding from Other State Agencies Spent on IPHS (\$3.7 M, 2% of IPHS spending by LHJs)

The Legislature and/or other state agencies allocate funding and direct LHJs how to spend this funding



Source: BARS, 2011; and BERK, 2014.

- 56% goes to non-FPHS Maternal/Child/Family Health activities. This spending is categorized in BARS primarily as general MCH work (\$1.0 M) and other family and individual health services (\$0.9 M)
- 35% is categorized as miscellaneous
- Small portions are spent on communicable disease control (4%) and chronic disease and injury prevention (4%).