

**National Context**

10-28-13

**For the Public's Health: Investing in a Healthier Future, Institute of Medicine, 2012**

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

Funder: Robert Wood Johnson Foundation

Recommendations – Summarized (for full text see Attachment A)

1. HHS should set life expectancy targets, 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.
2. HHS should enable greater state and local flexibility in the use of grant funds.
3. PH should endorse a minimum package of public health services.
4. PH should work with partners to develop adequate clinical care capacity in communities.
5. An expert panel should develop a model chart of accounts for use by PH at all levels to enable better tracking of funding related to programmatic outputs and outcomes across agencies.
6. Congress should direct HHS develop a robust research infrastructure for establishing the effectiveness and value of public health and prevention strategies....
7. Expert panels should determine the components and cost of the minimum package.
8. Congress should double the current federal appropriate for public health.
9. State and local public health funding that is currently used to pay for clinical care should be reallocated by state and local governments to population-based prevention and health promotion activities conducted by public health departments.
10. Congress should 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.

**Follow-up to IOM Report**

Funding: RWJF

**Workgroup 1 – Capabilities**

- Staffing: RESOLV - <http://www.resolv.org/>
- Task: Define minimum package
- Recommendations due: December
- WA Participants: David Fleming, Jennifer Tebaldi (pending)
- Meetings: 4/12/13, 9/30/13 (joint with Cost Estimation WG), 10/18/13, 11/22/13 and 12/13/13 (joint with Cost Estimation WG)

**Workgroup 2 – Cost Estimation**

- Staffing: UK - PH PHSSR/PBRN NCC
- Task: Develop methods to estimate the cost of implementing a set of Foundational Public Health Capabilities identified by the Foundational Capabilities workgroup.
- Recommendations due: December or early next year
- WA Participants: Jennifer Tebaldi, Justin Marlow
- Meetings: 9/30/13 (joint with Cost Estimation WG), 10/22/13 – Michael Hodgins, from BERK to participate and share info on WA process, then monthly- topics will be determined per input from the Foundational Capabilities Workgroup- as they define, this group will cost out.

**Workgroup 3 – Chart of Accounts**

- White Paper by UK – Glen Mays & CB Mamaril, due soon. CB is collecting information from systems that have some form of a chart of account. In Washington, he interviewed Marie about BARS.
- Task: Create an actual chart of accounts based on info from workgroups 1&2
- To begin in December 2013
- WA Participants:
- Meetings: TBD

**Delivery and Cost Studies (DACs)**

Funding: RWJ

Staffing: UK – National Coordinating Center for Public Health Services & Systems Research and Practice-Based Research Networks

WA Rep: Betty Bekemeier

11 Funded Projects (3 received 12 months of funding; 8 received 18 months of funding (WA is in this group)

Kick-off Meeting – July 2013

Meetings: Sept 2013 (Measure / Methods - on-site workshop); Monthly virtual meetings for grantees – 10/31/13, 11-12:30PT

**4 State DACs (FL, NC, OH, WA)**

18 month project (same as above)

WA Rep: Betty Bekemeier

Calls:10/21/13

**WA-DACS**

18 month project (same as above)

PI: Betty Bekemeier, Jennifer Tebaldi, Justin Marlow

Calls: 6/20/13, 7/29/13, 8/15/13, 8/23/13, 9/5/13

**ATTACHMENTS**

- A. For the Public's Health: Investing in a Healthier Future, Institute of Medicine, 2012 - Recommendations (full text)
- B. RWJ Workgroup on Public Health Cost Estimation (Workgroup Charge & Membership Lists)
- C. RWJ Workgroup on Public Health Capabilities (Workgroup Charge & Membership List)
- D. WA-DACS – Project Summary

**For the Public's Health: Investing in a Healthier Future, Institute of Medicine, 2012**  
**Recommendations (full text)**  
[www.iom.edu/PHfunding](http://www.iom.edu/PHfunding)

1. The Secretary of the Department of Health and Human Services 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.
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.
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.
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.
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.
6. The committee recommends that Congress direct the Department of Health and Human Services 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. 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.
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 at local and state 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.
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.
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.

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 (see Recommendation 8 above).

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.

## Robert Wood Johnson Foundation Workgroup on Public Health Cost Estimation

### Statement of Charge:

The Robert Wood Johnson Foundation's **Workgroup on Public Health Cost Estimation** will recommend an approach for estimating the cost of developing and maintaining a set of "Foundational Public Health Capabilities" by governmental agencies that have responsibility for implementing public health programs and policies within the U.S. at state and local levels. The capabilities to be examined by the Workgroup were originally articulated in the Institute of Medicine's 2012 Report, *For the Public's Health: Investing in a Healthier Future*, and currently are being defined and specified by the **Foundational Capabilities Workgroup of the Public Health Leadership Forum**, convened by the Robert Wood Johnson Foundation and RESOLVE.

### Background:

The Institute of Medicine's 2012 report on public health financing recommended the convening of expert panels to identify the components and costs of a "minimum package of public health services" that are recommended for implementation in every U.S. community. The report recommended that this "minimum package" include a core set of public health programs that target specific preventable health risks, along with a set of "foundational public health capabilities" that are deemed necessary to support the delivery of public health programs. In response to this recommendation, the Robert Wood Johnson Foundation, in collaboration with the US Centers for Disease Control and Prevention and several national professional associations, formed the **Public Health Leadership Forum**, an expert panel process to identify a recommended set of core programs and foundational capabilities for the nation. The **Foundational Capabilities Workgroup** was formed as a part of the Forum to identify and define the elements to be included as foundational public health capabilities. The Public Health Leadership Forum and its Foundational Capabilities Workgroup are being convened by RESOLVE.

The Robert Wood Johnson Foundation has asked the National Coordinating Center for Public Health Services and Systems Research based at the University of Kentucky to empanel a second workgroup, the **Workgroup on Public Health Cost Estimation** to develop a methodology for estimating the costs of developing and maintaining the set of foundational capabilities as defined by the Foundational Capabilities Workgroup. Working in parallel with the Foundational Capabilities Workgroup, this Cost Estimation Workgroup will consider relevant cost-accounting models and cost estimation methodologies, and review and critique related cost estimation studies, in order to make recommendations on an approach for estimating costs associated with developing and maintaining foundational capabilities among governmental public health agencies at both state and local levels.

### Process:

To establish a clear understanding of how workgroup activities are delineated, an initial joint meeting of the Cost Estimation Workgroup and the Foundational Capabilities Workgroup will take place in Washington, DC on September 30, 2013 to review the charges, scopes, and work plans of each body. It is also important for both workgroups to consider the inter-connected nature of the work and how the activities of both workgroups relate to each other, so that information sharing and any other assistance can be coordinated to enable each workgroup to successfully accomplish their respective tasks.

After this initial meeting, the Cost Estimation Workgroup will convene via a monthly conference call (virtual meeting) to develop and refine a recommended cost estimation approach. A second in-person joint workgroup meeting will take place in Washington, DC in December to reach agreement on final recommendations and discuss subsequent implementation considerations.

**RWJF Workgroup on Estimating the Cost of Foundational Public Health Capabilities**  
**Workgroup Members**  
September 25, 2013

**RWJF Member:** Herminia Palacio, MD

**University of Kentucky Members:** Glen Mays, PhD, Cezar Mamaril, PhD and Dwight Denison, PhD

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ATTACHMENT C

## Washington Delivery and Cost Study (WA-DACS)

### Key Features

October 2013



#### Project Title

Costs and Cost-drivers of Providing Foundational Public Health Services in Washington State and Relationships with Structural and Community Factors

#### Funder

Robert Wood Johnson Foundation



#### Partners

Washington Public Health Practice-Based Research Network (PBRN)

Public Health Improvement Partnership (PHIP)

Foundational Public Health Services (FPHS) Workgroup



#### Primary Investigators (PI)

Betty Bekemeier, UW

Jennifer Tebaldi, DOH



#### Co-Investigator

Justin Marlowe, UW



#### Project Period

July 15, 2013 – January 14, 2015 (18 months)

**Aim 1** – Estimate and validate the cost per unit of service for selected Foundational Public Health Services for Washington local health jurisdictions (LHJ)

**Aim 2** – Determine how organizational and community factors influence the cost of public health system service delivery in Washington State

**Aim 3** – Determine how variation in the cost of Foundational Public Health Services produced in Washington relates to the equity of resource allocation

Study Approaches					
Costing Method	Focus	Data Collection Methods	Sample Size	FPHS Examined	Research Aim(s)
Approach 1 Resource Based	Future	Survey - collect estimate of what it would cost to deliver FPHS as defined	16 LHJs**	All FPHS Capabilities & Programs	1
Approach 2 Activity Log Based	Present	Activity log kept by LHJ staff to track current time and effort spent on FPHS	1 to 2 LHJs	1 service area (e.g. Food Safety)	1
Approach 3 Modeling Based	Past	Administrative data to analyze what was spent on FPHS in the past	All 35 WA LHJs (2008-2012)	All Foundational Programs	1, 2, 3

\*\*Of these 16 LHJs, 8 completed the cost estimation instrument as part of 2013 FPHS Workgroup activities. The original 8 LHJs will only be asked to complete a brief survey, providing covariate data for the additional modeling proposed in this study. The remaining 8 "new" LHJs will complete the costing instrument and the additional covariates survey instrument.

### Practice Leader Involvement

Practitioner members of the FPHS Workgroup and the WA PH PBRN will be included in:

- 1) the development and refinement of approaches
- 2) the provision of data
- 3) review of preliminary analyses
- 4) interpretation
- 5) identification of study implications and recommendations for practice and policy-making

Study Timeline	Q1	Q2	Q3	Q4	Q5	Q6
	J/A/S	O/N/D	J/F/M	A/M/J	J/A/S	O/N/D
Hire & orient Research Assistant	x	x				
Obtain IRB approval, as needed	x					
Adapt WA's existing cost survey instrument	x					
Collect & compile existing, relevant administrative data	x	x				
Develop effort diary data collection tool		x	x			
Train UW RA on guiding WA LHJ leaders through the data collection process		x				
Collect primary data from LHJs		x	x			
Derive cost estimates			x	x		
Conduct statistical analyses				x	x	
Conduct collaborative data validation and analytic interpretation activities				x	x	
Develop/disseminate preliminary fact sheet				x		
Prepare fact sheets, presentations, & manuscript(s)						x