



County and City Health Departments: The Need for Sustainable Funding Through Health Reform

Policy Highlight

POLICY PERSPECTIVE

In recent months, the debate over health reform has swirled around such topics as Medicaid expansion, setting up new health “insurance exchanges,” requirements for individuals and employers to contribute to health care financing, and how new insurance benefits will be financed. While this important drama over covering the uninsured and how to pay for it unfolds, another battle is being fought, deep in the trenches of communities. This battle is largely obscured from the public’s view and media radar screens. It occurs outside of the peripheral vision of fiercely engaged lobbyists and Congressional staff. This is the day-to-day battle waged by county and city health departments to improve the public’s health while trying to survive in the face of budget cutbacks and increased demands for services. Various national health reform proposals address these needs in different ways, providing new funding for the work of state and local health departments as they work to improve the health of the public.

Background

The ability of local health departments to protect and improve health is in jeopardy, according to a new Robert Wood Johnson Foundation-funded report by Health Management Associates, an independent research group. The report focuses mainly on the impact of budget cuts on local health departments, acknowledging the close working relationship needed among state and local health departments to promote and protect the health of the populations they serve.

State, county and city public health departments fuel the nation’s “prevention” engine. Their mission is to keep Americans healthy and safe and prevent disease and injury. Local health departments in counties as small as Laq Qui Parle, Minn., and cities as big as New York work with state and federal governments, non-profit organizations and private sector partners every day to keep people from getting sick and protect them from health threats. Health departments help assure the safety of the water we drink, the restaurant food we eat and the air we breathe; they educate us about and respond to emerging health threats such as H1N1 influenza; they offer preventive care like vaccines; and they develop and enforce new policies and standards to create the conditions that make communities healthier.

But less than 5 percent of total health care spending in the United States is devoted to public health and prevention.¹ Furthermore, only a sliver of these resources fund the essential work of the nation’s nearly 2,800 local health departments. Recently, substantial funding cutbacks from local, state and federal government sources have shrunk response capacity in already-strapped local health departments (combined, these sources support the majority of local health department budgets). Fees and local donations aren’t enough to make up for the shortfall.

The report’s authors, Jack Meyer and Lori Weiselberg, conducted interviews with small, medium and large local health departments around the country to collect specific information on the recent budget picture and the nature and extent of funding cutbacks they have experienced. Among their findings: the combination of federal and state budget woes is dealing a “one-two punch” to local health departments that rely on federal and state grants and programs for a significant portion of their funding (most do). This, in turn, leads to reductions in vital community-based and clinical prevention services that are in high demand right now because of unemployment and reduced incomes due to the economic downturn.

Specifically, say Meyer and Weiselberg, health department funding cutbacks will translate into an overall deterioration of people’s health: higher rates of infectious diseases in communities because of fewer people being tested for conditions such as tuberculosis and syphilis; fewer community-based interventions to help prevent and control chronic diseases such as diabetes and asthma; and a lower level of preparedness

1 A.L. Sensening. 2007. “Refining Estimates of Public Health Spending as Measured in the National Health Expenditures Accounts: The U.S. Experience.” *Journal of Public Health Management and Practice* 13 (2): 103-14.

JOB LOSSES IN LOCAL HEALTH DEPARTMENTS

According to a survey done by the National Association of County and City Health Officials (NACCHO) 15,000 local health department jobs were lost in 2008 and the first half of 2009. In 2009 alone, 51 percent of the national local health department workforce was affected by job losses or reduced hours and pay.

OUR LOCAL PUBLIC HEALTH WORKFORCE

Most city and county health departments have a small number of professional staff to carry out their essential functions, including investigating and responding to health threats, preparing for emergencies, and ensuring that our food is safe. Roughly 155,000 people work for local health departments across the United States. But more than 60 percent of local health departments have fewer than 25 full-time employees, and only 12 percent have more than 100 full-time employees. Occupations include nurses, public health professionals, physicians, environmental health coordinators, nutritionists, health educators, epidemiologists and emergency preparedness coordinators.

for emergencies ranging from hurricanes to bioterrorism. The current H1N1 outbreak underscores the need for local health departments to be adequately staffed and funded in order to plan for and respond to this and other epidemics.

This report adds to the body of evidence, which includes the annual state public health funding report cards published by the Trust for America's Health, showing that without a reliable and stable revenue source, state and local health departments are left vulnerable to both the ups and downs of our economy and the unpredictability of federal, state and local budget processes.

Recommendations

Meyer and Weiselberg call for several new approaches to funding that could sustain the broad range of local public health activities that are vital to keeping Americans safe and healthy. Below are some of the key recommendations from their report.

- The federal government should assign high priority to full funding for state and local health departments under grants from the Department of Health and Human Services and the Department of Agriculture and from agencies such as the Centers for Disease Control and Prevention, Health Resources and Services Administration, the Office of the Surgeon General, the Food and Drug Administration, and the Environmental Protection Agency.
- The federal government should provide a dedicated and sustainable source of federal funding to secure the vital activities of state and local public health departments through a new prevention and public health investment fund. This fund should be insulated from the budget cuts that accompany economic slowdowns and ongoing political battles.
- State, city and county governments should make every effort to preserve adequate funding for local and state health departments, even in this difficult economic climate.

Policy Opportunities

Even if national health reform is achieved, the vital role of state and local health departments in protecting and improving health will remain as important as ever. In fact, as we plan for and implement national reforms, health departments can and should play a critical role in assuring that people newly insured, as well as those who remain uninsured, have access to preventive and clinical services. State and local health departments must also continue to implement and evaluate prevention programs and policies that keep people healthy and in some cases reduce health care costs.

Congressional health reform proposals include several forms of support for state and local health departments. One feature involves a dedicated trust fund that would provide a secure and sustainable source of funding for health departments. These reform plans also contain provisions to promote wellness and both clinical and community-based prevention serving all residents of a state.

Although it will take several years to implement national health reform, in the interim, policy-makers and government officials can learn from innovative local health department prevention programs that are linked by evidence to positive health outcomes. In addition to prevention programs, many initiatives to enroll the uninsured in integrated systems of care that provide medical homes and "single point

IMPACT OF STATE FUNDING IN CHICAGO

Most of the Chicago Department of Public Health's budget comes from state and federal government grants. This past fiscal year, a large state grant that the Department relies on was on the chopping block. In order to demonstrate the critical need for the grant funding (which eventually came through), Department employees calculated that without another year of funding, 6,400 fewer children would be vaccinated against diseases such as measles, mumps and polio; 1,600 women would miss out on mammograms; and 61 fewer drug treatment slots would be available for people fighting heroin addiction.

ABOUT THE AUTHORS

Jack Meyer, PhD., is a Principal in the Washington, D.C. office of Health Management Associates.

Lori Weiselberg, MPH, is a Senior Consultant in the Chicago office of Health Management Associates.

MORE INFORMATION

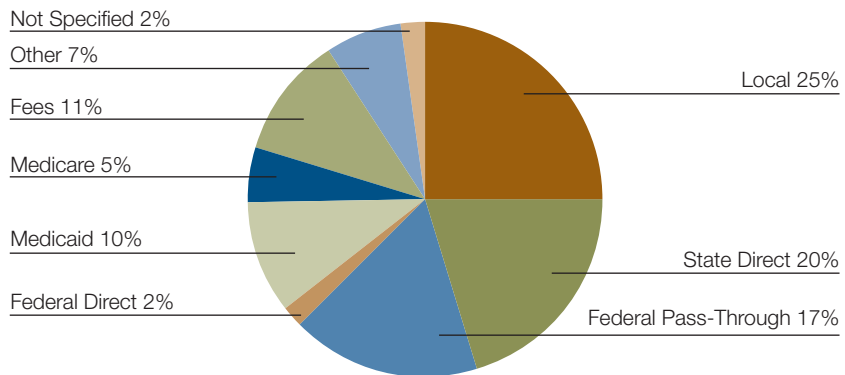
Jack Meyer and Lori Weiselberg. "County and City Health Departments: The Need for Sustainable Funding and the Potential Effect of Health Reform on Their Operations." A Report Prepared by Health Management Associates for the Robert Wood Johnson Foundation and the National Association of County & City Health Officials. December 2009.

of entry" access to the health care system, as well as efforts to reduce inappropriate use of the medical care system, originate in state or local health departments.

While there are many national health reform issues that divide people with varying political perspectives, working to prevent diseases that threaten public health and drive up medical spending is not a partisan cause. In fact, a recent Robert Wood Johnson Foundation/Trust for America's Health public opinion survey showed that 71 percent of Americans favor increasing the national investment in disease prevention and that prevention is one of the most popular elements of health reform. We can and should achieve a consensus about the need to ensure that public health departments are at full strength so Americans have access to opportunities to be as healthy as they can be, such as smoking prevention and cessation programs and flu vaccinations. The forthcoming national public health accreditation effort, due to roll out in 2011 and supported by the Robert Wood Johnson Foundation, is a start—it will give all state, local and tribal health departments the opportunity improve the services they provide and become more accountable to the communities they serve. Whatever health care reform the nation achieves in 2009, the need for well-funded local and state health departments will not diminish.

HOW ARE LOCAL HEALTH DEPARTMENTS FUNDED?*

Local health departments (LHDs), on average, receive 25 percent of their funding from local sources—including city/township revenue and county revenue. Another 20 percent of local health department funding comes from direct state funds. Federal funds that "pass through" states en route to localities account for another 17 percent of the typical local health department revenues.



Source: National Association of County and City Health Officials, 2009

* Among LHDs reporting detailed revenue data.