

EQUITABLE, ADEQUATE, STABLE PUBLIC HEALTH FUNDING

Note to readers and users of the *Healthiest Wisconsin 2020* Profiles: This *Healthiest Wisconsin 2020* Profile is designed to provide background information leading to collective action and results. This profile is a product of the discussions of the Focus Area Strategic Team that was convened by the Wisconsin Department of Health Services during September 2009 through November 2010. The objectives from this Focus Area have been recognized as objectives of *Healthiest Wisconsin 2020*. (Refer to Section 4 of the *Healthiest Wisconsin 2020* plan.) A complete list of *Healthiest Wisconsin 2020* Focus Area Strategic Team Members can be found in Appendix A of the plan.

Definition

Adequate and stable public health funding means financing the broad governmental public health system to assure equitable provision of public health services across the life span. Financing of Wisconsin's public health system must be stable and adequate to meet the goals of *Healthiest Wisconsin 2020* and address the objectives of the 23 focus areas for the decade and beyond.

Importance of the Focus Area

Governmental public health departments in Wisconsin are required by state statute to carry out regulatory, program, and service mandates. Wisconsin's public health statutes and administrative rules are some of the most current in the United States. These mandates are largely unfunded by state resources and instead are funded by federal resources, local tax dollars, program revenue, or outside grants. The level of state funding severely limits the ability of Wisconsin to address its public health problems and represents a missed opportunity to improve the health of the people of Wisconsin and thereby realize significant savings in reduced health care costs gained through improved health across the life span for all.

Despite its progressive public health policy, Wisconsin is heavily dependent on federal funds and local property tax levy revenues to finance state and local governmental public health activities. State revenue funds account for only 7 percent of available dollars to support public health efforts to prevent disease and improve the health of Wisconsin residents. The remaining 93 percent of funding for the system comes from federal grants and local tax levy (these two categories make up 75 percent of the funding), and small private grants, donations, program revenue, and segregated appropriations.

Reliance on federal funds limits the ability of state and local lawmakers and health officials to address Wisconsin's highest priority public health needs, since these revenue sources are usually restricted and cannot be used in a flexible manner. The federal restrictions on use of these funds can dictate priorities that are not the community's priority. The following is a brief description of each type of funding source.

Federal funds refer to grant money received from the federal government. These funds are usually received by the Wisconsin Division of Public Health, which retains approximately 20 percent to fund its programs. Most of this federal funding is passed on to local partners, including local health departments (about 17 percent) and private community-based organizations (the remaining 63 percent). Federal funds are designated for specific purposes, such as the Maternal and Child Health Block Grant; the Women, Infants and Children (WIC) Program; Immunization Grants, Public Health Preparedness Grants; and the Prevention Block Grant.

State funds (7 percent of public health funding in Wisconsin) refer to state general purpose revenue funds (taxes) granted to the Wisconsin Division of Public Health, which retains about 12 percent for programs and operations, and allocates approximately 26 percent to local health departments and 62 percent to private community-based organizations. These state general purpose revenue funds support a wide range of prevention programs in local communities; for example, lead poisoning prevention, the Wisconsin Well Woman Program, and cancer screening programs.

Program revenue funds are those collected by state or local governments for services such as licensing, fees, certifications, and registrations. Donations are any monies received as gifts. Non-governmental source grants are funds obtained through a competitive grant process from private foundations such as the Robert Wood Johnson Foundation, the Wisconsin Partnership Program, the Healthier Wisconsin Partnership Program, and the United Way.

The challenges and inherent problems associated with heavy reliance on federal funding and local taxes include the following:

- All federal revenue is categorical: if priorities and appropriations change at the federal level, it directly affects the capacity of Wisconsin public health programs and the workforce needed to provide health protection and health intervention for serious health disparities that affect the quality of life for all people in Wisconsin. Such changes affect Wisconsin's ability to rapidly respond to current and emerging threats to the health of the public.
- If significant decreases in federal funding occur, which is likely given the national economic picture, state and local health departments will need to drastically reduce the services they provide. For example, reductions in the Maternal and Child Health Block Grant during the last presidential administration (years 2000 -2008) made it more difficult for the state and local health departments to meet the health needs of mothers and infants in Wisconsin.
- Because state and local funding for public health is small, and decreasing, governmental public health departments and their public health system partners are finding it difficult to fulfill effectively their mission to improve health in Wisconsin. Gains made in the past may be lost.

- Health priorities in Wisconsin will be driven by the federal agenda. For example, if Wisconsin's Department of Health Services determines that groundwater protection, diabetes prevention, and reductions in infant mortality are important, it has little discretionary revenue to direct to these priorities. The priorities that are deemed important at the federal level may not be what are most important for improving the health of the people of Wisconsin.
- Significant variation exists in the tax bases of Wisconsin's 72 counties. Wealthier counties can provide a broader and deeper array of public health programs and services, leading to geographic disparities in service availability and delivery across the state. Thus, Wisconsin is a patchwork of variability with respect to public health service delivery. Residents of counties contributing little local tax levy receive fewer preventive services, while counties contributing more local tax levy support better-funded, more comprehensive public health services.

Wisconsin's state health department is dependent on federal revenue to finance 75 percent of its public health activities. Local health departments are dependent on the local property tax levy for 50 percent of their funding and on federal dollars for 25 percent of their funding to finance public health activities. In 2005, general purpose revenue (state) funds contributed 7.5 percent of the state health department budget and 6.6 percent of local health department revenues.

Wisconsin Data Highlights

- State funding for public health ranges dramatically across the country from a low of \$3.55 per person in Nevada to a high of \$169.92 per person in Hawaii. The national median is \$28.92 per person (Trust for America's Health, 2010).
- In 2009, Wisconsin was listed as lowest of the 50 states for per-capita state funding of public health. Wisconsin's spending on public health is about one-third of the national average (\$35.43 versus \$93.53) (United Health Foundation, *America's Health Rankings*, 2009).
- A 2009 report prepared by the United Health Foundation lists Wisconsin as 50th out of the 50 states for per-capita state funding of public health.
- An analysis by Trust for America's Health (2008) indicates that the application of evidence-based prevention programs to improve health and prevent disease can provide a 6.2 to 1 return on investment in health care savings for Wisconsin.
- Trust for America's Health indicates that, in federal fiscal year 2008, Wisconsin ranked 43rd out of 50 states for federal grant funding from the U.S. Centers for Disease Control and Prevention.
- Trust for America's Health indicates that, in federal fiscal year 2008, Wisconsin ranked 46th out of 50 states for federal grant funding from the Health Resources and Services Administration.

- A survey of Wisconsin’s local health departments conducted in 2005 found that local tax levies supported approximately 50 percent of the work of county and municipal health departments (*Wisconsin Local Health Department Survey, 2007*).
- Recommendations in a 2007 public health funding report prepared for the Wisconsin Public Health Council called for an annual increase in state funding of \$33 million a year for state and local health departments to focus on the issues of alcohol abuse, obesity, and health disparities.
- A 2007 report card on the health of Wisconsin prepared by the University of Wisconsin’s School of Medicine and Public Health graded the overall health of the people of Wisconsin a “B minus.” The same report, however, gave an overall grade of “D” for health disparities in Wisconsin. At the time of the report card, Wisconsin’s rank for one measure of health (age-adjusted mortality) had slipped from 11 to 14 over the prior 10 years, and if these trends continue, would slip to 18 in another 10 years.

Objective 1

By 2020, increase public health funding from diverse sectors to implement the objectives of *Healthiest Wisconsin 2020*.

Objective 1 Indicator

Wisconsin’s state rank in per-capita public health funding from all sources (federal, state, and local sources) (Trust for America’s Health, *Shortchanging America’s Health* report).

Objective 1 Rationale

Health indicators suggest that Wisconsin is falling behind other states concerning the health of state residents. Wisconsin needs to effectively use an adequate and stable mix of resources – from federal, state, local, and private sources – to address the priorities of the 2020 State Health Plan and improve the health of the population.

Objective 2

By 2020, establish stable revenue sources to support state and local governmental health departments for public health services required by Wisconsin statute.

Objective 2 Indicator

Wisconsin’s state rank in per-capita state funding for public health (United Health Foundation’s *America’s Health Rankings* report).

Objective 2 Rationale

Wisconsin has unique public health challenges. For example, *America’s Health Rankings* indicates that Wisconsin is the worst in the nation for binge drinking. Also, the University of Wisconsin Population Health Institute gave Wisconsin a grade of “D” for health disparities. To significantly improve the health of the public by addressing these and other priorities of *Healthiest Wisconsin 2020* will require sufficient, flexible and stable state public health funding.

Potential evidence- or science-based actions to move the focus area objectives forward over the decade

- Wisconsin’s Public Health Council (2007) released a report calling for additional state investment to support state and local public health initiatives to reduce the burden of health disparities, alcohol abuse, and obesity in the Wisconsin population.
- The University of Wisconsin Population Health Institute, in its report, *What Works? Policies and Programs to Improve Wisconsin’s Health*, presents evidence indicating that “adequate and stable financing of local health departments” is an effective policy approach to help save lives and improve the quality of life.

References

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