MDH Minnesota Department of Health

Fall 2016

Public Health Funding Matters

Public health operates at the local, state and federal levels to ensure the conditions that create health for all. External factors, such as the recession and changing population health challenges, have stressed the current system. Public health is working closely with others in the community to promote health equity, and to transform into an emerging model that focuses on building a complete multi-sector infrastructure for healthy communities (U.S. Department of Health and Human Services, 2016). To play their role in this evolving model, local public health departments need adequate and sustained funding and strong leadership to mobilize community action, form strategic partnerships and leverage data for action to address the most urgent community needs.

Overview

About 3-5% of U.S. spending on health care is directed to population health promotion and disease prevention (Teutsch; Mays & Hogg). This under-investment has been linked to increases in preventable disease and premature death in the U.S., as compared to other high-income countries. Other studies have shown a link between higher public health spending and decreased illness and death (Erwin, Mays & Riley; Mays & Smith). A recent study showed that every $1 invested in California county health departments saved $67 -$88 through improved general health (Brown).

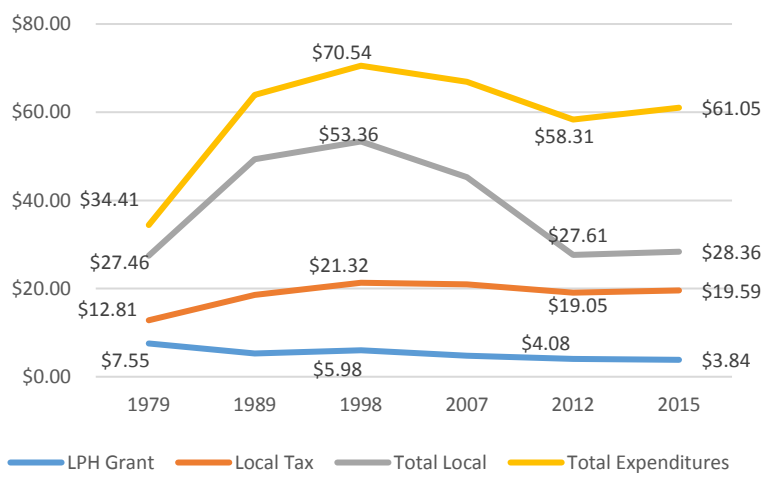
Minnesota's Investment

Minnesota state and local governments have made important investments in public health, yet the system is still heavily dependent on federal funding. This puts the overall system at risk due to shifting federal priorities. State and local funding streams provide the opportunity for local input into how funds are used and create a necessary flexible funding source to ensure local needs are met. Currently, Minnesota ranks 43rd among states in per capita funding for public health (America's Health Rankings, 2015).

Local Health Department Expenditures and Funding Sources

In 2015, almost half of all expenditures made by Community Health Boards (CHBs) came from local sources, comprised of tax levy, reimbursements and fees for services. Overall, the single largest source of funding for local public health services is the local tax levy. State legislators recently invested an additional $1.8 million in funding over two years to CHBs through the Local Public Health Act, yet that amount was not enough to keep pace with inflation (Figure 1).

Figure 1. Local Per-Capita, Inflation-Adjusted, Expenditures, 1979-2015



Data from 2015 indicate that expenditures attributed to Local Public Health Act funding was $3.84 per capita across the state, which represents just 6% of the total expenditures. Some resource poor local health jurisdictions may also have a less robust tax base, further limiting their ability to collect and allocate tax levy to public health. State investment can address the disparities in community wealth and support the resilience of local public health departments (Erwin, Shah & Mays).

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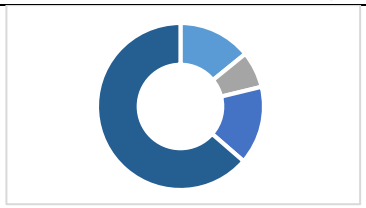
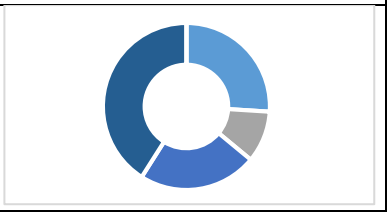
Differences in Funding: Local Case Example

Table 1.	2 Medium-Sized, Greater Minnesota CHBs	
Sources of Expenditure Funding		
Local Tax Levy	14%	26%
Other Local	7%	10%
State	15%	23%
Federal	63%	41%

Source: PPMRS, 2015

State investment can address the disparities in community wealth and support the resilience of local public health departments (Erwin, Shah & Mays).

The two charts in Table 1 represent funding patterns for two medium sized CHBs in Greater Minnesota. The differences are large, though not unusual. Differences like this also emerge when comparing large or small CHBs in metro or rural areas. Minnesota's heavy reliance on federal funding, coupled with inequities and differing capacity of local jurisdictions to provide adequate funding, could make it difficult to sustain the delivery of high-quality public health services delivered statewide moving forward.

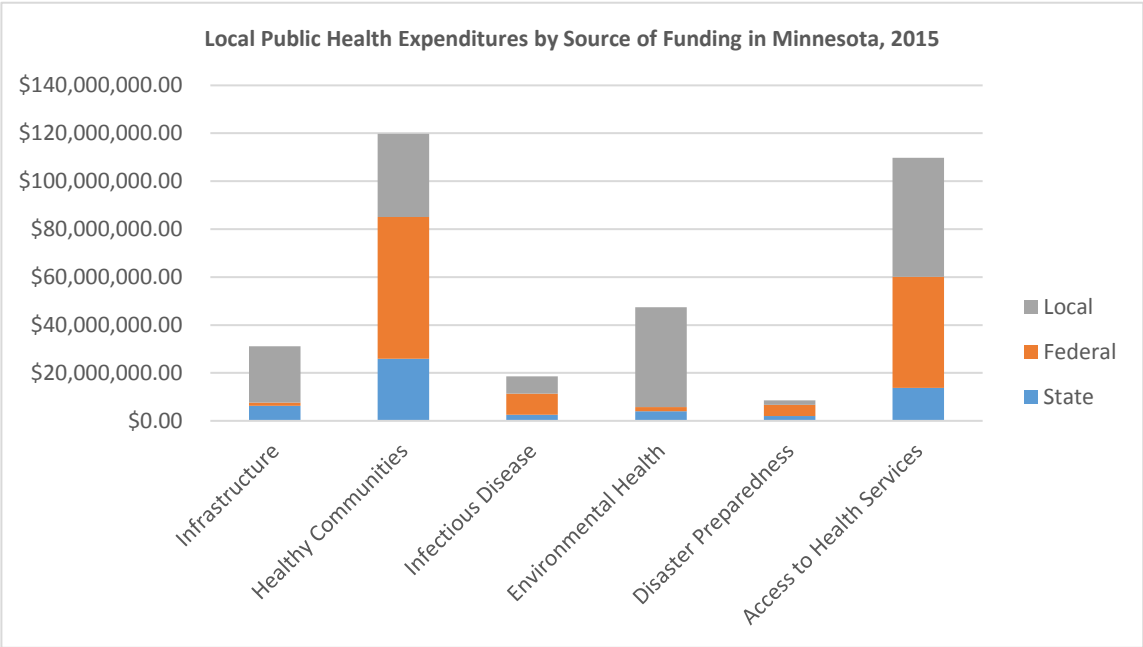


Figure 2 shows the sources of local public health expenditures in 2015 for each area of public health responsibility.

Sources:

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