

# A Public Health 5-Year Financing Plan Proposal

## Public Health Today

Struggle between public health and politics is a part of American history. Public health relies on expert knowledge derived from such areas as epidemiology, biostatistics, and informed community concern to identify and deal with the health needs of whole populations. Central tenets to decision making are a professional ethic and commitment to use such knowledge to fulfill the public interest in reducing human suffering and enhancing the quality of life.

The dynamics of politics, however, make it difficult to fulfill this commitment. Crises, hot issues, and the concerns of organized interest groups often drive decisions. Decisions are made largely on the basis of competition, bargaining, and influence rather than comprehensive analysis. The idea that politics can be restricted to the legislative arena while the work of public agencies remains neutral and expert is not credible and public health has had great difficulty accommodating itself to these political dynamics.

Along with this, public health has an identity crisis. In talking with local residents about funding for public health, I am continually surprised by an apparent lack of understanding by almost every-one as to just what Public Health is — what it does, and for whom.

The Public Health system is a *public service* (read *funded by the public to serve the public*), and it is in the *prevention* business, society's most cost-effective approach to protecting everyone's health. The great epidemics of the past were reined in by public health measures, and our sanitation and immunization programs have been largely responsible for a relatively disease-free America, lengthening our life span from the mid-40's in 1900 to the mid-70's today.

In Washington State, the state and local governments' 33 public health agencies have, by law, a shared responsibility for protecting the public's health. Although the State Dept. of Health is mandated to "exercise general supervision over the work of all Local Health Departments," the LHD is *part of our county government*, independent of state supervision. The local Board of Health is statutorily comprised of our three county commissioners, appointed so by the Revised Code of Washington. Two additional board members were added by resolution in July 1999.

Our local health department has presently been restructured into three major divisions: **Environmental Health; Community and Family Health Services (Nursing); and Assessment and Healthy Communities.** These all have sub-units with specific tasking and oversight.

**Environmental Health** encompasses programs of immediate interest to all citizens – especially to homeowners, builders, developers and business folk – for such things as design approval for septic systems, siting of wells, inspection of failing drain fields, licensing and inspection of food services, solid waste disposal, air quality, chemical and physical hazards, shellfish monitoring, pool and school inspections. These programs are largely funded by fees set by the BOH, and while everyone in the community benefits from these programs, *they are paid for almost solely by homeowners, builders, developers, and business folks of Island County – not by the tax-generated current expense fund (CEF).*

The **Community & Family Health (Nursing)** division serves individuals who require assistance in a broad range of services, such as support for women with infant children (WIC);

maternal support services; registrar activities (birth and death certificates); communicable disease reporting and case management (HIV counseling and education, immunizations, tuberculosis treatment and follow-up, sexually transmitted disease reporting and follow-up, and public health nurse casework). Again, most funding from these programs comes from either state grants or fees whenever possible. Limited local funding is made available for these services.

**“Healthy Community” Assessment** is a major activity of the LHD. This division provides Island County residents perspective on health issues with data derived information on health status and risks; it facilitates communities and their support agencies in identifying and prioritizing issues of concern; and it assists citizens and private enterprise in coordinating resources necessary to resolve identified needs. Local capacity grants are the only available funding source for this very important activity that benefits all residents and taxpayers of Island County.

Almost all activities of these latter two divisions are entirely grant supported, each program annually facing dissolution should grants not be awarded. These grants and support programs are those providing services almost exclusively to the community's less fortunate, be they physically, mentally, or financially burdened (who also have few advocates and little if any political voice or influence).

As our population has increased, so too have services in all divisions of the health department. Increasing fees and seeking grants has largely funded this heavy demand for service. Fees are spiraling upward — now among the highest in the state, while grants are becoming ever more competitive and difficult to obtain. As stated previously, most environmental health programs are supported by permit fees paid *almost exclusively* by new homeowners, business folks, and builders. Little funding comes from the general expense fund, i.e., the public who benefit just as much as do those who now pay for these programs.

**Background**

Most Washington counties pay **40 to 50%** of their health department's budget from general expense funds, with an average per-capita payment exceeding \$12 ... *and even this is but half the average of the remaining 49 states’ support to their local health departments.* (Where does this rank Island County in local funding support for its health department programs at \$6.18 per capita?)

Prior to 1977, Public Health was funded by a statutorily mandated millage of 21.5 cents per \$1000 assessed value per jurisdiction. This funding was broken into the following increments:

TB Hospitals	6.25 cents
TB Programs	6.25 cents
Public Health	<u>9.00 cents</u>
Total .....	21.5 cents / \$1,000 <b>(would provide \$3,139,000 today)*</b>

In 1977, the mandate to distribute the appropriated millage in this manner was rescinded by the legislature, permitting the counties (jurisdictions) to distribute all these funds for health care in a manner determined by local officials to be more appropriate for their jurisdiction (**i.e., incorporated into the Current Expense Fund**). *The millage, per se, was not rescinded, nor was the responsibility of the local Board of Health in anyway alleviated from its obligation to fund public health services* (RCW 70.05.140 and WAC 246.05).

Today, in the state of Washington, 21 local health jurisdictions exceed the ‘9.0 cents per thousand’ contribution from Current Expenses to their Health Departments (formerly mandated for “public health”, per se); 11 jurisdictions exceed 15.25 cents per thousand in contributions; and 7 jurisdictions exceed the 21.5 cents per thousand level of funding.

Island County is among those jurisdictions contributing less than even the 9 cents per thousand from their current expense fund toward the Public Health Pooling Fund, *distributing an equivalent 3.41 cents per \$1000 of assessed value toward public health activities\**... even though the millage formerly dedicated to specific public health activities is still being collected (incorporated into “current expense”. To assist in the funding process for Public Health the BOH presently approves fees and permit costs for new construction, sanitation systems, and licenses, etc. at rates among the highest in the State. *This approach to financing health department programs unfairly burdens businesses and new home owners*, while the general public – the real beneficiaries of a strong public health program – are only very minimally contributing to public health financing via the Current Expense Fund.

Public Health programs have a truly low community profile, seldom attracting attention unless something ‘goes wrong’. Perhaps this is as it should be. These programs are a ‘service’ to the public, with the payoff being a healthier community... and Island County **is** a healthy community – we have statistics to demonstrate this. All public health programs have been important factors in this attainment, and while much has been accomplished, there are many issues yet to be addressed.

The talents of some of our Health Department staff are recognized at state and national levels, and some of the department’s programs are on the cutting edge of the profession. The local financing of our health department must be improved if these advances are to be continued. This can be *and should be* accomplished by embarking upon a 5-year course to achieve this goal, beginning with commitment by the BOH to a consistent funding process. **Dedicated and predictable local financing would facilitate the following good management practices:**

1. Permit the development of long-range health improvement plans specific to identified needs
2. Improve resources to attract and retain talented staff personnel
3. Facilitate establishing dependable, solidly based multi-year programs

### **Commitment to Responsible Planning**

Contribution from the Current Expense Fund (CEF) should be based on a formula, using at least part of the already collected millage that was formerly designated for very specific public health programs. Such resolve by the BOH in meeting their responsibility to provide public health services would greatly facilitate stable health department operations. Restoration of the formerly established rate would provide that stable funding to address our tuberculosis and communicable disease programs. (The ‘95 legislature specifically mandated the local health officer to be responsible for all local tuberculosis infection oversight, realizing that the funding for tuberculosis issues was already being collected by the local jurisdictions.)

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**\*Present taxable** valuation of Island County is \$14.6 billion, \$26.4 million of which is local property tax. CE fund contribution to Public Health for 2009 = \$507,648 — **only \$337,000 of which is not dedicated to a Board mandated activity**, i.e. discretionary in nature. This *effective* CE fund transfer amount represents a **\$6.18 contribution per capita for Island County residents** for public health programs (April 1, 2008 estimated Island County population is 82,000).

**Recommendation:**

**To address Island County’s public health department funding needs, a dedicated 10 cents per \$1000 assessed value contribution would today place about \$1,460,000 of general revenue into the Public Health Pooling Fund.** The effective annual ‘per-capita contribution’, were one to look at budgeting in this manner, would be \$17.80 ...much more in line with other jurisdictions, (a \$952,352 increase over the present *effective* county CE fund contribution).

Adoption of this funding process would serve a three-fold purpose:

**First**, it would stabilize the ever escalating cost of permits and fees, more evenly spreading the burden of providing public health services among the tax-paying general public, who are truly public health’s greatest beneficiaries. Relief from these now unevenly placed burdens upon our business folks, builders, and homeowners – who presently shoulder this burden alone – is not only just, **it is the fair thing to do.**

**Secondly**, it would clearly identify the local government’s funding source for and commitment to providing its “share” of support in combination with that of federal and state funding for public health. This financing process would obviate the annual budget crisis precipitated by not having a long-range plan to address the Board's fiduciary responsibility to adequately fund public health.

**Thirdly**, being mindful that ‘public health’ is a **service**, *not a revenue generating activity*, per se, such funding would greatly alleviate dependence upon conducting grant-only programs that are specific to identified needs of our less fortunate neighbors. That health department funding should come from local sources is indeed most appropriate — this is our county... these are our people... it is **our** responsibility.

**This funding process could be incrementally phased in over the next five years, with proportionate increases annually until an equivalent 10-cent millage is contributed in the year 2114, exclusively to fund public health programs. This step-wise process would spread the expense of public health programs equitably to all taxpayers in consonance with that of neighboring counties. The year 2009 CE fund transfer effectively totals \$537,000. This CE fund transfer should be raised by \$200,000 in the 2010 budget, with appropriate increases annually thereafter until the base 10-cent millage contribution is accomplished.**

I strongly urge the Board of Island County Commissioner’s to adopt this very basic funding process, for which they are legislatively responsible and accountable.

Roger S. Case, MD    Public Health Officer, Island County

(revised, 12/01/08)