



Shaping New York State public policy  
for people in need since 1872

## PRESERVING PUBLIC HEALTH FUNDING

### IMPLICATIONS OF THE 2005-06 *EXECUTIVE BUDGET* PROPOSAL

Preventing and combating disease and other health hazards has always been the unique role of public health. New York's public health system has historically been a national model in protecting the health of communities, but proposed funding cuts at a time when increased challenges present new threats, will further erode the ability of county health departments to provide necessary services.

#### **Public health in New York**

This is a world where there is increasing movement of people from place to place and country to country, where outbreaks of new infectious diseases are occurring more frequently concomitant with reemergences of old pathogens; where demographic changes have increased the numbers of immigrants and the elderly, and where many diseases are now chronic in nature. Particularly in New York, with such a high number of uninsured, an aging demographic and situated at the cross-road of world travel, there needs to be a greater investment in the public health infrastructure, not less.

In the past few years, New York health departments have had to cope with West Nile and monkey pox, deal with the shortage of flu vaccine, prepare for SARS and the impending threat of the Avian flu. They have also had to prepare for potential terrorist attacks with the knowledge and understanding that only comes from living through September 11 and the subsequent anthrax attacks. They have had to do all this AND preform the daily tasks required to keep New Yorkers healthy – from conducting restaurant and day care inspections, providing obesity and nutrition education and monitoring the water supply.

#### **Current county health department funding**

Public health in New York is currently a state-local partnership – the state sets public health policies while local governments implement public health activities. Since Article VI was authorized in 1986, financing has also been a partnership with the state committed to reimbursing counties a percentage of the costs they incur for providing services. Currently, county health departments receive a “base grant” determined by population and are also reimbursed a percentage of their expenditures for the services they perform.

Mandated functions are reimbursed at 36%. These include:

- ✓ Disease control (TB, STDs, SARS)
- ✓ Control of zoonotic and arthropod diseases (Rabies, West Nile, Lyme)
- ✓ Maternal and child health activities
- ✓ Child and adult immunizations
- ✓ Restaurant inspections
- ✓ Protection of water supplies
- ✓ Enforcement of the Clean Indoor Air

Other services that are necessary for the health of the community but not specifically included in the public health law are reimbursed at 30%. These important services include:

- ✓ Home health care
- ✓ Day-care inspections
- ✓ School-health
- ✓ Dental clinics for the uninsured
- ✓ Emergency medical services
- ✓ Laboratory services
- ✓ Services that prevent diseases

## **Proposed funding changes in the 2005-06 Executive Budget**

The 2005-06 *Executive Budget* would reduce the General Public Health Works Program (Article VI) funding for local county health departments and create a “capped” funding mechanism for the future. The appropriation for Article VI is a \$221 million, which equates to a **4.7% reduction in aid for local departments**. Each county health department will receive an allocation based on a percentage of its last three-year’s Article VI spending that would be increased in future years by an inflation factor. The budget also assigns \$10 million of the funding for the Commissioner of Health to use to assist localities for public health emergencies. No criteria for the release of these funds are contained in the budget language.

### **Implications of the funding changes**

Impact on services – In an environment of emerging and chronic needs, resources must be sufficient to ensure that essential public health services are not neglected or abandoned. This proposal will make it much more difficult for county health departments to address these needs. The existing funding mechanism encourages counties to use their money wisely but allows them the ability to respond to the needs of their citizens. The proposed cap in funding will mean that the counties will respond more cautiously to public health issues.

- Existing programs may be dropped
- Programs and services to address emerging health issues may not be added
- Health departments will rely more heavily on unpredictable grant funding

A funding cut will not only strain the counties ability to provide existing services, it will make it more difficult to ensure that they have an adequate and competent staff and will delay invest in technology. Proper staffing and technology are needed to collect and analyze data, provide services and interventions and identify new needs.

Impact on future funding – The proposal under-funds county health departments by cutting the appropriation by 4.7%. Experience shows that funding formulas for “capped” programs tend to under-reimburse over time. Also, the formula for future increases is inadequate for public programs. The Consumer Price Index – All Urban Consumers (CPI-U) under represents the costs of public services (such as health care) does not reflect new or expanded legislative or court mandates and doesn’t take natural disaster or public health emergencies into account.

Impact on the health care safety net – Although public health services protect all New Yorkers regardless of insurance status or income level, public health departments often serve those who can’t get services in other systems. Moreover, protecting and improving the health of *all* citizens greatly reduces health care costs. These funding changes will impact the integrity of the health care safety net.

### **What should be done to ensure public health services**

The move from an entitlement to a cap as proposed in the *Executive Budget* has major public policy implications for county administrations, health departments, citizens that avail themselves of the services provided, the medical community and the public in general. Any changes to funding for public health must be done in through public hearings and a statewide, open debate on the implications of the proposal. There must be adequate review and input by communities, local governments and public health experts. ***Until such time as the proposal has an opportunity to be broadly discussed, it must be strongly opposed.*** New York’s public health system must be considered in its role as protector of the state’s health, not as strictly a budget issue.

*“As a nation, we are stuck in a ‘disease du jour’ mentality – smallpox one day, SARS the next – which takes our eye off the major issue: building a public health defense that is actually strong enough to cover us from all points of attack.*

*-- Lowell Weicker, Jr., former U.S. Senator, Governor from Connecticut and President, Trust For America’s Health*