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For the Public's Health

Investing in a Healthier Future



In 1914, New York City Health Commissioner Herman M. Biggs remarked that “public health is purchasable,” adding that “within natural limitations, a community can determine its own death rate.” That powerful idea resonates today. The poor performance of the United States in life expectancy and other major health outcomes, as compared with its global peers (see Figure), reflects what the nation prioritizes. It spends extravagantly on clinical care but meagerly on other types of population-based actions that influence health more profoundly than medical services.

At the request of the Robert Wood Johnson Foundation, the Institute of Medicine (IOM) convened a committee in 2009 to consider three topics of relevance to population health: data and measurement, law and policy, and funding. In this final report, *For the Public's Health: Investing in a Healthier Future*, the IOM committee assesses both the sources and adequacy of current governmental public health funding and identifies approaches to building a sustainable and sufficient public health presence going forward, while recognizing the importance of the other actors in the health system, including clinical care and others.

In its new report, the committee continues arguments it introduced in its first report that, to its detriment, society's fixation on clinical care, its delivery, and its financing overshadows population-based activities that more efficiently and effectively improve the nation's health. Population-based prevention efforts can improve Americans' health more efficiently than clinical care alone, according to the committee. The health system's failure to develop and deliver effective preventive strategies continues to take a growing toll on the economy and society. Data collection, reporting, and action—

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including public policy and laws informed by data and quality metrics—are needed to improve the physical and social environment for better health. As the backbone of the health system, public health departments could help communities and other partners engage more successfully in broad-based efforts that lead to better population health. To do so, public health departments need to be resourced adequately.

Revitalizing Public Health

The committee identifies a critical first step to remedy the nation’s lackluster health outcomes and unsustainable health care expenditures: setting national targets in life expectancy and per capita health spending. Put simply, the committee recommends closing the gap between the United States and comparable high-income nations within 20 years.

Public health departments can play several

crucial roles in helping the nation reach these goals. In the past, public health has leveraged many partners to control—and even vanquish—contagious diseases through effective prevention strategies, sharply diminish environmental lead exposures, and nearly halve tobacco use. Today, public health departments can continue to bring together partners to assess community needs, and to plan and implement activities intended to meet key challenges in the areas of chronic disease, injury, emerging infectious diseases, mental health, and environmental health.

Investing in a Healthier Future

The committee notes considerable shortcomings in the way all levels of government organize and fund the public health infrastructure. Problems include inflexibility, fragmentation, a dearth of coordination, lack of a coherent framework to guide funding decisions, and the fact that fund-

FIGURE: Life Expectancy at Birth (yrs), Health Spending by Country

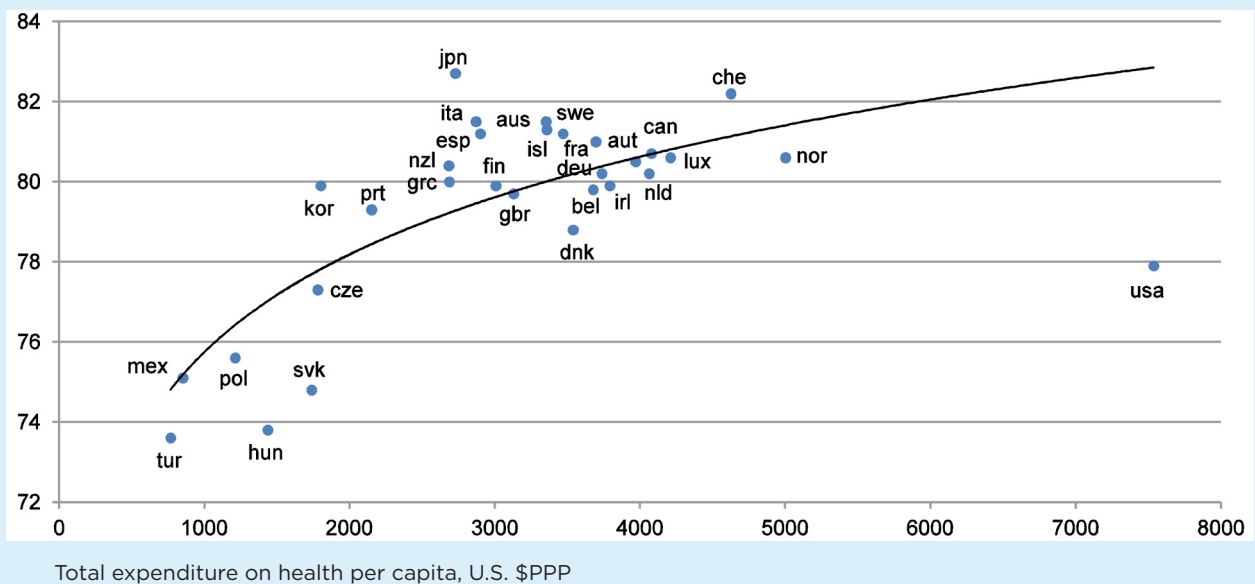


FIGURE KEY: aus is Australia, aut is Austria, bel is Belgium, can is Canada, che is Switzerland, cze is the Czech Republic, dnk is Denmark, fin is Finland, fra is France, deu is Germany, grc is Greece, hun is Hungary, irl is Ireland, isl is Iceland, ita is Italy, jpn is Japan, kor is Korea, lux is Luxembourg; mex is Mexico, nld is the Netherlands, nzl is New Zealand, nor is Norway, pol is Poland, prt is Portugal, svk is the Slovak Republic, tur is Turkey, esp is Spain, swe is Sweden, gbr is the United Kingdom, and usa is the United States.

SOURCE: Organisation for Economic Co-operation and Development 2010, “Health Care Systems: Getting More Value for Money.”

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ing does not always match need—priority health problems that cause the most deaths and disease and where the opportunities for prevention are greatest often are insufficiently funded. To ensure that all communities can experience a common standard of health protection and promotion and to enhance understanding of what communities and the nation receive in return for their public health investments, the committee introduces the concept of a *minimum package of public health services* that includes foundational capabilities and basic programs that all public health departments should have.

The committee recommends that all public health agencies and associations endorse the need for the minimum package and also recommends that federal departments and agencies that fund state and local public health departments take steps to facilitate more flexible and rational budgets and efficient use of resources.

The passage of the Affordable Care Act may create opportunities for public health departments to focus more intensively on delivering population-based services because the law will trigger a concerted effort to shift clinical care out of health departments. Accordingly, the committee recommends that public health departments work with other public and private providers to develop adequate alternative capacity in a community's clinical care delivery system.

Building stronger and more transparent public health departments requires a financial management and services research infrastructure that is consistent across jurisdictions and capable of

producing accurate data on programmatic activities. Given both the lack of a universally accepted definition of what constitutes public health activity and inconsistencies in financial data collection and reporting, it has proven difficult to better understand revenue and expenditures in public health. As a first step, the committee recommends that relevant national organizations collaborate to establish a technical expert panel to develop a chart of accounts for use by all public health agencies to enable better tracking of revenue, expenditures, and how both relate to health outcomes.

The committee also recommends steps to achieve the needed robust research infrastructure, including dedicated funding modeled on high-growth, high-adaptation industries, such as biotechnology, that rely on research and development innovations to sustain them.

Bolstering Public Health Investment

The report provides evidence to show that public health is not funded commensurate with its mission, and recommends that expert panels be convened to define and estimate the cost of the minimum package of public health services and to establish equitable federal investment in the medical care and public health systems. Public health funding is also unstable, and that weakens the ability of public health departments to prevent disease and protect the health of their communities in the face of a wide array of threats.

Accurately estimating the amount needed to fund public health is not possible at this time



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due to incomplete data. The committee provides a preliminary estimate of needed funding and recommends doubling Congressional appropriations for public health, from approximately \$12 billion to \$24 billion. This infusion of support represents a small fraction of the more than \$2.5 trillion the nation currently spends on health, most of which goes toward medical care. The committee points to evidence that suggests this investment will be highly effective in building a healthier population, thus limiting the ongoing growth of the clinical care system. The committee recommends that Congress authorize a dedicated, stable, and long-term financing structure—a national tax on all health care transactions—to generate the enhanced federal revenue required to deliver the minimum package of public health services in every community.

Conclusion

To improve health outcomes in the United States, we will need to transform the way the nation invests in health to pay more attention to population-based prevention efforts; remedy the dysfunctional manner in which public health funding is allocated, structured, and used; and ensure stable funding for public health departments. This report points the way to positioning public health departments to help communities examine and take action on the multiple factors that shape their health; to support the clinical care delivery system in improving its effect on population health; and to inform the funding policies that affect the fundamentals of where and how we live, learn, work, and play. 

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