

OHA/Public Health – Program Area Totals

	2007-09 Actual	2009-11 Legislatively Approved	2011-13 Governor's Recommended	2011-13 Legislatively Adopted
General Fund	46,727,500	46,009,414	40,196,684	32,587,158
Other Funds	73,184,871	73,077,999	79,876,266	72,031,541
Federal Funds	200,607,692	262,744,113	249,819,305	244,662,175
Other Funds (NL)	38,384,054	40,000,000	40,000,000	40,000,000
Federal Funds (NL)	101,996,686	102,729,051	102,729,051	102,729,051
Total Funds	\$460,900,803	\$524,560,577	\$512,621,306	\$492,009,925
Positions	698	740	701	695
FTE	662.97	688.39	683.40	683.30

NOTE: The Governor's Recommended column includes those programs that were proposed to be moved to the Early Learning Council. This allows comparisons with the 2011-13 Legislatively Adopted column.

Summary Description

Public Health provides a diversity of services to improve and protect the health of all Oregonians. The program manages more than 100 prevention-related programs that halt the spread of disease, protect against environmental hazards, and promote healthy behaviors. Much of the work is carried out by local county health departments which are supported in their work by Public Health staff. For the purposes of this discussion, the program's budget is divided into two parts: special payments, and program support and administration.

Revenue Sources and Relationships

This budget includes significant amounts of Nonlimited expenditures. Within Public Health, Nonlimited Other Funds and Federal Funds support the Women, Infants, and Children (WIC) program. The Nonlimited Federal Funds of \$102.7 million represent WIC food grant expenditures and the \$40 million of Nonlimited Other Funds represent expenditures of rebates from the manufacturers of infant formula.

The Other Funds supporting the legislatively adopted budget come from licenses and fees (e.g., health records and statistics or the Medical Marijuana program), charges for services (e.g., newborn screening fees or public health laboratory receipts), or other revenues such as Susan G. Komen breast cancer grants. Other Funds revenue also includes transfers from other state agencies such as tobacco tax receipts from the Department of Revenue that are used to support the tobacco prevention and education program (TPEP) or provider taxes transferred from the Department of Consumer and Business Services for school-based health centers.

Federal Funds that support the public health budget include Medicaid for Family Planning through Title XIX, as well as Family Planning Title X and Oregon Contraceptive Care (CCare), formerly known as the Family Planning Expansion Project (FPEP), the Maternal and Child Health Block Grant, Immunizations, Emergency Preparedness and Response and Hospital Preparedness, Chronic Disease Prevention, Cancer Prevention and Control, Ryan White HIV/AIDS treatment grants, and numerous smaller federal Centers for Disease Control (CDC) grants that focus on other particular public health concerns. Public Health also receives federal support from the Environmental Protection Agency (EPA) in administering the State Drinking Water Program (Primacy) and the EPA State Revolving Loan Fund.

Budget Environment

During the 20th century, life expectancy in the United States rose from 47 years in 1900 to 77 years in 2000. Some studies suggest that of the 30 year increase, public health interventions account for 25 years and medical care innovations account for 5 years of the increase. In addition, public health interventions increased life expectancy at much less cost than clinical medical care. Nonetheless, public health budgets are often given short shrift and budgets for clinical care receive greater attention and support by policymakers. The irony is that when public health programs are working well, few people are aware of it.

Public Health budget drivers include population growth and characteristics (e.g., ethnic diversity, age and gender distribution, percentages of population engaged in risky or healthy behaviors) as well as emerging threats to the public health such as chronic diseases or environmental hazards. In March 2010, the Trust for America's Health, a non-partisan health policy organization, issued a report of state health indicators. Oregon

had the fourth highest asthma rate (15.3%), but ranked 49th in the percentage of adults who are physically inactive. We had the third lowest percentage of low birth weight babies of any state, but ranked 13th in children aged 19-35 months without all immunizations.

The point is that Oregon’s population has characteristics that require a dynamic and active public health response. Some of the characteristics are already better than most other states, and Oregon’s public health system can build on those. Alternatively, some of Oregon’s health indicators are poor compared to other states and ought to be a focus of attention.

Like many other health and human services programs, public health faces significant funding challenges. The Oregon Coalition of Local Health Officials conducted an assessment in 2008 of the capacity of the public health system in Oregon to fulfill its mission. This public health advocacy group issued a report in October 2008 which stated: “After years of flat or declining resources and increasing costs, there is now an imminent threat to local public health’s ability to continue serving Oregonians. This statewide capacity assessment revealed significant gaps in all Essential Functions of Public Health and a related gap in the system statewide. The gap identified in this report between Oregon’s current local public health capacity and what it would take to make [local public health departments] fully functional is \$69.4 million a year.”

Legislatively Adopted Budget

The 2011-13 legislatively adopted budget is \$492 million total funds (\$32.6 million General Fund). The total funds budget is 6.2% less than the 2009-11 legislatively approved budget level and 4% below the 2011-13 Governor’s budget. The legislatively adopted General Fund budget of \$32.6 million is about 29% below the legislatively approved level of \$46 million.

The adopted budget includes standard reductions to continue allotment reduction savings from the 2009-11 biennium, the elimination of inflation, a reduction in personal services compensation, and an additional 6.5% reduction to services and supplies. It also includes the 3.5% supplemental ending balance hold back which represents a total of \$1.2 million General Fund. Most programs are maintained at their 2009-11 spending levels. One notable exception is the Drinking Water program. As in the Governor’s budget, all remaining General Fund is eliminated out of the Drinking Water program and the Emergency Management and Trauma System (\$5.7 million). The General Fund is partially replaced with increased medical marijuana fee revenue. The General Fund reduction in the 2011-13 adopted budget also reflects the transfer of the Care Assist Prescription Drug program to Health Services.

The Governor’s budget proposed a transfer of the Babies First program, the Maternal and Child Health grant program, and the WIC program to a new entity called the Early Learning Council. This transfer would have reduced the Public Health budget by \$194.5 million total funds (\$1.5 million General Fund, \$40 million Other Funds Nonlimited, \$50.3 million Federal Funds, and \$102.8 million Federal Funds Nonlimited). For the time being those programs remain within this budget, and for the sake of comparison are also included in Public Health in the Governor’s budget numbers. The Early Learning Council is expected to be revisited in the February 2012 legislative session.

Public Health Programs – (Special Payments Only)

	2007-09 Actual	2009-11 Legislatively Approved	2011-13 Governor’s Recommended	2011-13 Legislatively Adopted
General Fund	25,779,959	25,794,810	18,105,983	22,779,200
Other Funds	6,208,384	6,734,070	12,434,070	10,033,125
Federal Funds	105,416,084	142,231,368	130,026,941	132,026,441
Other Funds (NL)	38,384,054	40,000,000	40,000,000	40,000,000
Federal Funds (NL)	101,559,911	101,929,051	101,929,051	101,929,051
Total Funds	\$277,348,392	\$316,689,299	\$302,496,045	\$306,767,817

Program Description

Special Payments of \$306.8 million are about 62% of Public Health’s total funds legislatively adopted budget for 2011-13. Of this total, about half is paid to counties to support local public health departments in their efforts to

promote public health initiatives, and the rest is distributed to providers of services – most of it, in the form of WIC food vouchers.

The WIC program is the Special Supplemental Nutrition Program for Women, Infants, and Children and is federally funded through the U.S. Department of Agriculture. The program is designed to improve health outcomes and influence lifetime nutrition and health behaviors in a targeted, at-risk population. WIC serves pregnant women, breastfeeding women with children under 12 months old, non-breastfeeding women with children under 6 months old, and infants and children under 5 years old in households with incomes less than 185% of FPL. The program provides nutrition education, breastfeeding promotion and support, breast pumps (in certain circumstances), monthly vouchers for supplemental, prescribed nutritious foods, and information and referral to other health programs like immunization and social service programs.

There are 34 local public health departments in Oregon. These local public health departments provide public health prevention services and some clinical services including public health nurse home visiting, HIV screening and counseling, immunization programs, and communicable disease testing, treatment, and follow-up. Some public health departments such as Multnomah County's provide primary care through safety net clinics. At a minimum, local public health authorities must provide: communicable disease management; tuberculosis case management; immunizations; tobacco prevention, education, and control activities; public health emergency preparedness; maternal child health services; family planning (e.g., CCare); WIC; vital records; and environmental health services. Oregon statutes require local public health authorities to submit annual plans that OHA must review and approve or disapprove. Most counties supplement state and federal funding with local resources to carry out local public health activities.

Revenue Sources and Relationships

Public Health special payments are supported with \$22.8 million of General Fund, which comprise about 7% of the 2011-13 legislatively adopted level. Other Funds subject to limitation (\$10 million) comprise about 3% of this budget. Much of this is tobacco tax to support TPEP or payments to School Based Health Centers funded with provider taxes, but increases in medical marijuana fees also fund certain programs included here. Nonlimited Other Funds of \$40 million are rebates from manufacturers of infant formula and are used in the WIC program. This revenue is about 13% of the special payments budget.

Federal Funds revenue of \$234 million in the budget supports approximately 76% of this public health special payments budget. The largest source of federal revenue (\$101.9 million) is expended within the WIC food voucher program and these expenditures are not subject to expenditure limitation. The amount is included in the budget to provide a perspective on total program expenditures. Approximately \$65 million of federal revenue is generated by Medicaid and is used to support the Family Planning Title XIX program (CCare) – a 9 to 1 federal match program that provides contraceptive services, including annual medical exams and contraceptive supplies to eligible clients. Other federal revenue sources include the Emergency Preparedness and Response and Hospital Preparedness Grant, the Maternal and Child Health Block Grant, the Preventive Health Block Grant, HIV Prevention Project, as well as numerous other individual federal grants.

Legislatively Adopted Budget

The 2011-13 legislatively adopted budget for public health programs is \$306.8 million total funds. This is 3.1% less than the 2009-11 legislatively approved budget, but 1.4% more than the Governor's budget. The General Fund budget of \$22.8 million is 11.7% less than the 2009-11 budget. Comparisons with the Governor's budget are not useful because of mistakes in the Governor's budget, both in the total level of General Fund and in the split between Special Payments and Program Support.

Most programs are funded at about the same level as the 2009-11 biennium, after the allotment reductions were implemented. The budget restores funding for some programs that were reduced in the Governor's budget. This includes \$2 million for CCare, \$1.2 million for the immunization program, \$269,000 for the WIC/Seniors Farmers Market program, and \$500,000 for the School Based Health Centers. The supplemental ending balance hold back reduced this budget by \$0.9 million General Fund.

A total of \$1.7 million was transferred from the Tobacco Use Reduction Account (TURA) to the General Fund. The 2009-11 revenue forecast for TURA increased late in the biennium. Rather than carrying the TURA

revenues forward into the 2011-13 biennium, the money was transferred to the General Fund and the \$1.7 million of General Fund was then used to restore the immunization program and CCare.

Public Health – Program Support and Administration

	2007-09 Actual	2009-11 Legislatively Approved	2011-13 Governor's Recommended	2011-13 Legislatively Adopted
General Fund	20,947,541	20,214,604	22,090,701	9,807,958
Other Funds	66,976,487	66,343,929	67,442,196	61,998,416
Federal Funds	95,191,608	120,512,745	119,792,364	112,635,734
Federal Funds (NL)	436,775	800,000	800,000	800,000
Total Funds	\$183,552,411	\$207,871,278	\$210,125,261	\$185,242,108
Positions	698	740	701	695
FTE	662.97	688.39	683.40	683.30

Program Description

The Program Support and Administration budget for Public Health consists of six program offices.

The *Office of the State Public Health Director* is responsible for strengthening the application of policy, planning, and performance measurement across the Division. The office provides support and technical assistance to county health departments and oversees county health plans and funds from OHA. In addition, the office conducts emergency readiness training to prepare state and local public health officials for possible emergency incidents including such things as threats of terrorism, tsunamis, or other environmental hazards, or epidemics such as H1N1.

The *Office of Environmental Public Health* program area establishes policies and carries out activities designed to improve the health and safety of Oregonians. It monitors the health status of communities and the performance of the health care systems, and has a regulatory role in ensuring that 3,600 drinking water systems, 18,000 restaurants, 13,600 radiation sources, 3,400 swimming pools, 2,300 tourist facilities, and 362 miles of coastline are safe. Services are provided primarily through county health departments and other community and tribal health organizations. The program provides services directly where there is no local health provider or where highly specialized services require a centralized program. The program provides technical assistance, consultations with health care providers, and targeted health education programs.

The *Office of Family Health* program area supports programs for individuals and families at risk because of age, income, or other factors. The Office is composed of five principal programs. The Women's and Reproductive Health program works to reduce unintended pregnancies, promote healthy birth outcomes, increase awareness of women's health issues, and conduct screening for breast and cervical cancer. The Maternal and Child Health program promotes the health and well being of pregnant women and children by providing a variety of primary preventive activities and health services. In addition, it promotes oral health awareness and education, and increases access statewide. Adolescent Health programs focus on teen pregnancy prevention, school-based health centers, nutrition, and adolescent mental health. The Immunization section works to prevent diseases that can be thwarted by using vaccines. The Nutrition and Health Screening program supports Women, Infants, and Children (WIC) expenditures by providing nutrition education, breast feeding information, and other assistance including breast pumps, food vouchers, and referral services.

The *Office for Disease Prevention and Epidemiology* program area identifies and investigates disease outbreaks, hazardous exposures, and other health threats. The Office collects, analyzes, and distributes health-related information and implements public health programs to reduce the occurrence of acute and chronic disease. Programs include: Acute and Communicable Disease Program; Center for Health Statistics; Health Promotion and Chronic Disease Prevention; Injury Prevention and Epidemiology Program; and a program designed to reduce illnesses and death from sexually-transmitted diseases (STD), tuberculosis (TB), and human immunodeficiency virus (HIV). This Office's budget includes funding for tobacco use education and prevention.

The *Office of State Public Health Laboratories* provides testing of human and non-human samples needed by state and local agencies and health care providers, responds to public health threats and emergencies, and

assures, through regulation, the quality of testing in other clinical and environmental laboratories. The laboratory conducts newborn screening for Oregon's citizens and also for Idaho, Alaska, Hawaii, Nevada, and New Mexico. It tests for diseases caused by viruses and other microorganisms to support outbreak investigations and public health surveillance. Laboratory staff oversee the Laboratory Response Network for biological and chemical terrorism preparedness.

The *Office of Community Health and Health Planning* works with public and private entities to ensure that hospitals and other health care institutions providing medical care can meet state and federal operational standards. Office staff oversee other health care providers such as emergency medical technicians, ambulance services, and trauma systems, and supports the activities of the Patient Safety Commission. Key programs include Emergency Medical Services and Trauma Systems, Health Care Regulation and Quality Improvement, and Oregon Medical Marijuana Program.

Revenue Sources and Relationships

The 2011-13 legislatively adopted budget for Public Health program support and administration is \$185.2 million total funds. General Fund of \$9.8 million is about 5% of the budget. Other Funds revenue is comprised of licenses and fees, charges for services, sales income, and smaller Other Funds revenue sources. In addition, Other Funds revenue reflects funds that are transferred from other state agencies including the Department of Revenue for the Tobacco Prevention and Education Program, and the Employment Department for childcare health consultation. Altogether, Other Funds revenue of \$62 million supports about 33% of program support and administration expenditure limitation.

Federal Funds of \$113.4 million make up about 61% of the adopted budget for 2011-13. Federal Funds sources include Ryan White grants, Public Health Emergency Preparedness, WIC administrative support, Maternal and Child Health Block Grant, Immunization, and Breast and Cervical Cancer funds from the Centers for Disease Control.

Legislatively Adopted Budget

The 2011-13 legislatively adopted budget for public health program support and administration is \$185.2 million total funds, which is 10.9% less than the 2009-11 legislatively approved budget. General Fund of \$9.8 million are less than half the 2009-11 approved level. The decrease in funding includes the standard reductions to continue allotment reductions from the 2009-11 biennium, the 6.5% reduction to services and supplies (\$0.6 million General Fund), and the supplemental ending balance hold back that reduced this budget by \$0.4 million General Fund. A total of 11 vacant positions were eliminated (4.60 FTE) for a reduction of \$0.7 million total funds.

As in the Governor's budget, all remaining General Fund is eliminated out of the Drinking Water program and the Emergency Management and Trauma System. Most of the \$5.7 million reduction is in this budget unit. That General Fund is replaced with \$5.1 million Other Funds from increased fees on medical marijuana. While the Emergency Management and Trauma System is funded at about 2009-11 levels, the Drinking Water program is reduced about 13% total funds and six staff.

The General Fund reduction in the 2011-13 adopted budget also reflects the transfer of the Care Assist Prescription Drug program to Health Services (\$3.5 million General Fund and \$23.5 million total funds).