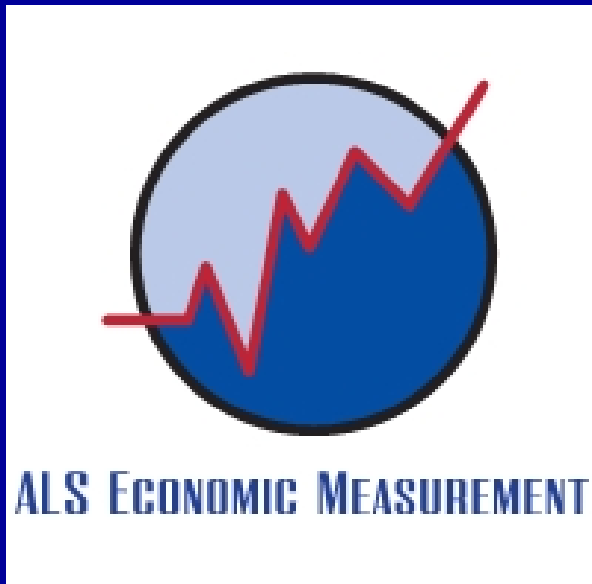


Measuring Spending on Public Health Activity in National Health Accounts



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Challenges to Measuring Spending on Government Public Health Activity

1. Lack of a universally accepted definition of public health activity
2. Lack of consistent accounting and classification systems used by governments to measure spending on public health
3. Lack of applicable data on public health expenditures by State and Local governments



Lack of a universally accepted definition of Public Health Activity

- In economic accounting systems - such as the SNA, SHA, NIPA, and the NHEA - the terms used to describe the actors in the system, the activities being measured, and the type of transactions monitored must be precisely defined.
- There is considerable ambiguity in the everyday use of terms such as: public health, public health care, public health activity, public health infrastructure, etc.



Lack of a universally accepted definition of Public Health Activity

- The SHA, in the International Classification of Health Activities for Health Accounts (ICHA-HC) functional classification, includes both personal health care services provided by governments and population-based health services.
- The U.S. NHEA definition of public health activity purportedly only counts population-based services.




Lack of a universally accepted definition of Public Health Activity

- Is public health a true public good, i.e. a collective service?
- Is the activity “health care” or health-related?
- Is the activity within the “production boundary” (SNA) for the health sector?
- Are the services delivered within the “consumption boundary” (more SNA) for the intended population?



Inconsistent classification and accounting systems are used to measure spending on public health activity

- UN, OECD, WHO, CDC, PHS and CMS all have differing definitions as do the 50 States within the U.S.
- Some define personal health care delivered by governments as public health; while others include only population-based health services.
- Some include environmental monitoring undertaken by agencies not classified as public health services – others do not.
- Some include medical transportation and emergency disaster services – other do not.



Lack of applicable data on public health spending by State and Local governments

“Public health is typically difficult to evaluate due to a general dearth of available, accessible, accurate, and specific information about public health systems and performance, such as tracking the use of taxpayer dollars or measuring rates of many diseases in communities. Trust for America’s Health (TFAH) has recommended that this information should be considered essential for maintaining an accountable, responsive, and coordinated system designed to protect the health of communities.”

Trust for America’s Health. Ready or not? *Protecting the Public’s Health from diseases, Disasters, and Bio-Terrorism*. 2005



Lack of applicable data on public health expenditures by State and Local governments

- Many studies since the Institute of Medicine's 1998 publication of *The Future of Public Health*.
- A 2004 JPHMP, article *Public Health Finance: a Conceptual Framework* makes the point that these studies, “represent important attempts to give conceptual and methodological order to an embryonic field , but have not to date led to adoption of a practitioner or scholarly consensus”.

Moulton, A.D., et. al. JPHMP 2004, 10(5)



Government Public Health Activity Spending in 2009

- Spending on government public health activity grew 4.3 percent to \$58.2 billion
- \$196 per capita in spending for government public health activity
- Spending on government public health activity accounted for 2.8% of total NHE, down from 3.2 % in 2002
- Public health activity as a percentage of total public spending was 6.1 percent, compared to 7.3 percent in 2002



Suggestions for Data Development

The current definition(s) are not adequate to:

1. Measure expenditures for public health care activity in the NHEA
2. Distinguish between personal health care services and population-based health care services.

Establish a workable, universally accepted definition of public health services

Governments at all levels as well as advocacy groups and public health system researchers should participate in this process.



Suggestions for Data Development

The federal government could:

1. Expand existing data collection instruments – Census of Governments, and the Survey of Government Finances – to capture more detailed financial data on public health spending.
2. Modify the Census of Governments manual so that definitions of all government health care activities are reflective of some internationally recognized classification structure.
3. Modify identification codes in the Budget of the United States to capture some measure of the functions of government so that health care activities were identified on a consistent basis.



Suggestions for Data Development

State and local governments could:

1. Develop accounting systems that enable public health departments to track expenditures for public health activities.
2. Work to identify the revenue streams dedicated to providing public health services.



Suggestions for Data Development

Public health advocacy groups and researchers could :

1. Engage interested parties at all levels of government
2. Participate in the process of defining public health services
3. Encourage participation in any forthcoming surveys of public health spending

Recent Developments

1. The Public Health Systems Working Group has been formed. This group will further research in measuring public health expenditures and revenue streams.
2. CMS contributed to a volume published in 2007 by the National Academy of Sciences on a Research Agenda for the State and Local Governments Division of the Census Bureau.

Recent Developments

1. CMS is participating in the revision of the SHA and will endeavor to improve the definition and classification of public health activity.
2. CMS and the BEA published a reconciliation of all measures of health care spending in the NHEA and the NIPA. Efforts continue to improve the estimates of government public health activities



Conclusion

The importance of the emerging field of public health systems research should not be overlooked. This field can provide an important bridge between public health practice and public health financing.

Information garnered through public health systems research can inform policy and provide measures of the nations' public health systems' capacity and efficiency.