

SPOTLIGHTING THE UNDERSPENDING: Public Health Receives Less Funding than Official Estimates Indicate

DECEMBER 2020

COVID-19 exposed a chronically under-resourced public health system, and new research suggests that far fewer dollars support this system than is indicated by official government estimates.

The U.S. continually debates whether its resources are allocated optimally across broad categories of interventions that improve health status, including spending on medical care, public health activities, and social determinants like housing, food, education, and childcare. A growing body of evidence suggests that current resource allocation may be far from optimal, and far different from how other countries with superior health status and more effective COVID-19 response.

Public health is defined as activities designed to protect and improve health for entire communities of people. Examples include efforts to monitor health needs and risks in communities, educate the public about disease prevention and health promotion strategies, and reduce health risks in the air, water, food, and places where people live, work, learn and play. **New research from a team at Johns Hopkins University focuses specifically on the allocation of state government resources for public health activities by analyzing expenditure data collected by the U.S. Census Bureau.**^{1,2,3} The official government estimate (Public Health Activity Estimate) includes substantial spending on individual health care services, including disability-related clinical care, behavioral health, and publicly supported outpatient clinics.

The results of this study, funded by Systems for Action, a national program of the Robert Wood Johnson Foundation, can inform decision-making about investments in public health to support COVID-19 response and recovery.



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KEY FINDINGS

The research findings demonstrate that **state governments allocate significantly fewer resources to public health activities than previously thought** based on official U.S. statistics. When counting only dollars spent on public health activities -- excluding individual health care services -- public health spending is estimated to range between \$35 billion and \$64 billion. This is 34%-61% of the official estimate. This result suggests that the American resource allocation problem in health may be larger than previously understood, resulting in far fewer government resources devoted to public health activities than is desirable and optimal.



Research reveals a **substantial misalignment in public sector spending** in the United States. Medical care spending far exceeds investments in social services and public health.



Geographic disparities continue to grow, rooted in structural, economic, and social spending differentials. Rural public health faces many challenges, including the so-called "double disparity" of worse health outcomes and behaviors alongside more modest investment in health and social services compared with nonrural peers.



RECOMMENDED ACTION

Delineate spending on public health activities from medical care spending to better track and monitor resource allocations and alignment to assure adequate investments in public health to be able to protect the public from emergencies such as COVID-19 as well as ongoing public health challenges. Detailed recommendations on measuring public health funding can be found in "For the Public's Health: Investing in a Healthier Future, an Institute of Medicine Report".⁴



Prioritize funding to ensure the public's health is protected. The Institute of Medicine's Committee on Public Health Strategies to Improve Health found that to enable the minimum public health services in every community in the U.S., it would be necessary to double federal spending on public health.⁴ In 2018, the Bipartisan Policy Center called for an extra \$4.5 billion per year for foundational public health activities.⁵ Adequate investment in public health systems and social services is essential to achieving health equity and eliminating persistent disparities in health outcomes. Budgeting with an eye on social determinants of health could allow the tracking of existing investments in population-based approaches to improving health.



Clarify the value of public health. Share what public health does, what it costs to do so, and the benefits of public health activities, particularly for investments in communities facing disproportionate health disparities.



Engage across sectors to improve community health and well-being and achieve health equity. Effective solutions require contributions from multiple levels of government and a wide range of sectors such as education, public safety, and the environment. Approaches such as "health in all policies" can improve overall policy environments that make the protection and promotion of health the default in communities. Learn more about research rigorously testing cross-sector approaches at <http://systemsforaction.org>.



VIEW THE STUDIES

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- [7] Cezar Brian C. Mamaril, Glen P. Mays, Douglas Keith Branham, Betty Bekemeier, Justin Marlowe, and Lava Timsina. (2018), Estimating the Cost of Providing Foundational Public Health Services. *Health Serv Res*, 53: 2803–2820. <https://doi.org/10.1111/1475-6773.12816>

Systems for Action is a national research program funded by the Robert Wood Johnson Foundation and based at the University of Colorado School of Public Health.



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