

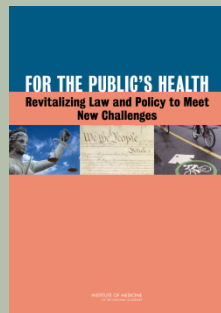
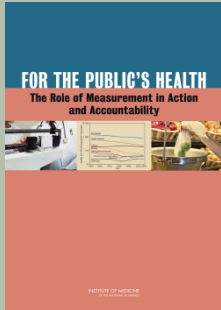
# Healthy People for a Healthy Economy: The Promise of Public Health

**October 12, 2012**

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Chair, IOM Committee on Public Health  
Strategies to Improve Health

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# About the Institute of Medicine

**The Institute of Medicine (IOM) is part of the National Academies and was founded in 1970.**

**The National Academy of Sciences was established by Congressional charter in 1863.**

**IOM serves as adviser to the nation to improve health.**

# Study overview

**Sponsor** The Robert Wood Johnson Foundation

**Duration** November 2009 – April 2012

**Committee** 18 members with diverse expertise

**Deliverables:**

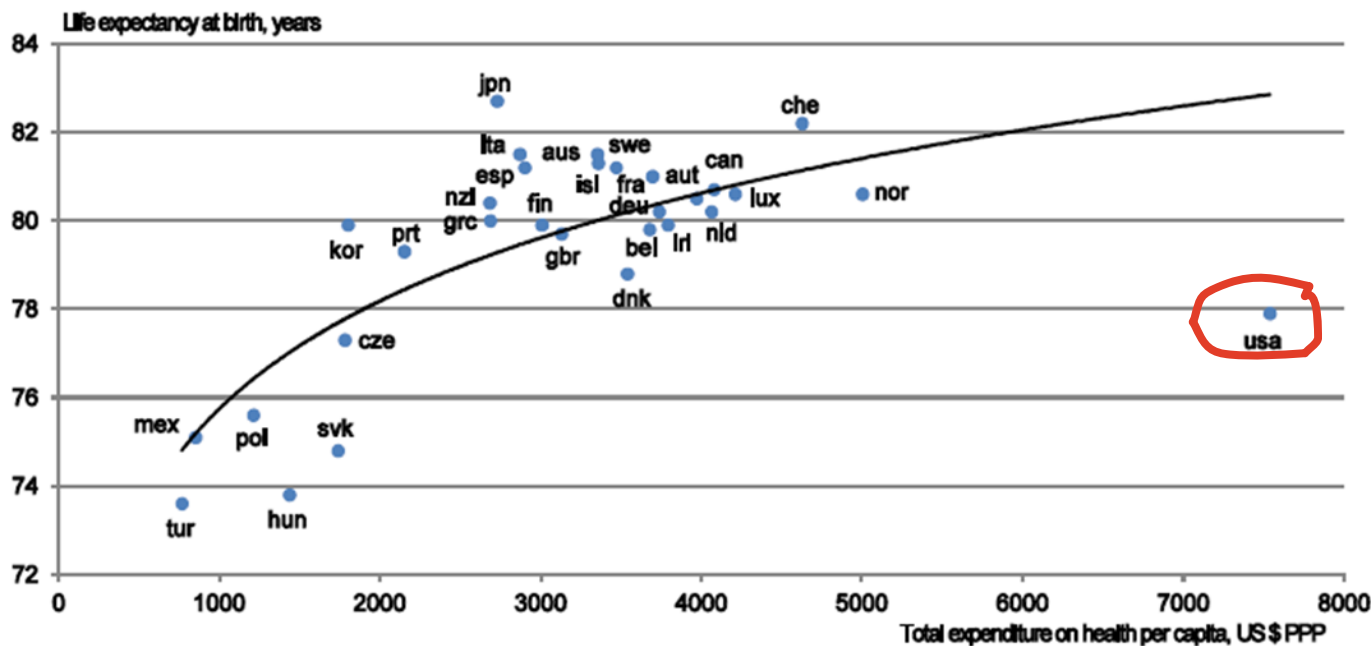
Report 1 *For the Public's Health: The Role of Measurement in Action and Accountability* (December 2010)

Report 2 *For the Public's Health: Revitalizing Law and Policy to Meet New Challenges* (July 2011)

Report 3 *For the Public's Health: Investing in a Healthier Future* (April 2012)

# What the US gets for its investment

Figure 1. There are large differences in life expectancy and health care spending across OECD countries 2008<sup>1</sup>



1. Or latest year available.

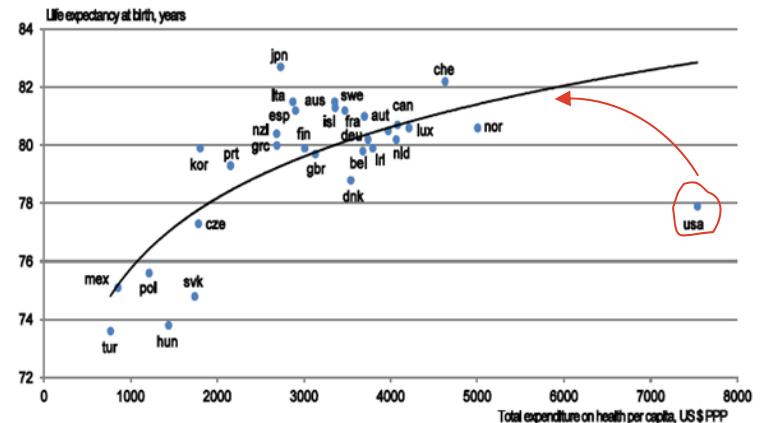
Source: OECD Health Data 2010.

# Setting goals for better value

The committee recommended that . . .

The Secretary of HHS set national goals on life expectancy and per capita health expenditures that by 2030 bring the US to **average** levels among other wealthy countries.

Figure 1. There are large differences in life expectancy and health care spending across OECD countries 2008<sup>1</sup>



1. Or latest year available.  
Source: OECD Health Data 2010.

# Achieving better value

The US lags its peers in health status while leading the world in cost

Large expenditures on health (care) means less money for education, social goods, business development, and other systems that keep nations globally competitive

The US must stretch its health dollar by:

- Eliminating inappropriate and unnecessary care
- Limiting administrative costs
- Achieving universal access
- **Implementing population-based prevention strategies**

(NOTE: health care accounts for 20% or less of what creates good health, so improvements to the quality and efficiency of health care can only do so much.)

## Effects of public health initiatives (20<sup>th</sup> century)

**Immunization:** morbidity from 7 major childhood diseases decreased to nearly 0% over a century

**Injury prevention:** public health (through law and education) has contributed to “the increase in seat belt use from 11% in 1981 to nearly 85% in 2010, saving hundreds of thousands of lives.”

**Cardiovascular health:** CVD deaths declined 56% between 1950 and 1996

**Tobacco control:** prevalence in people  $\geq 18$  years old dropped from 42.4% in 1965 to 24.7% in 1997



# **Major health challenges:**

## **Chronic diseases and the obesity epidemic**

Growing cost of preventable non-communicable disease to the economy, employers, and American families

- 70% of U.S. deaths are from chronic diseases.
- 34% of Americans are obese. Obesity accounts for 20% of the rise in medical care spending over the past decade and obese individuals spend on average 37% more medical care dollars, amounting to \$190 billion .
- Rates of diabetes are skyrocketing
- Medical management of obesity is largely ineffective
- Bariatric surgery costs 30-40K/pp.; 18 million Americans meet criteria



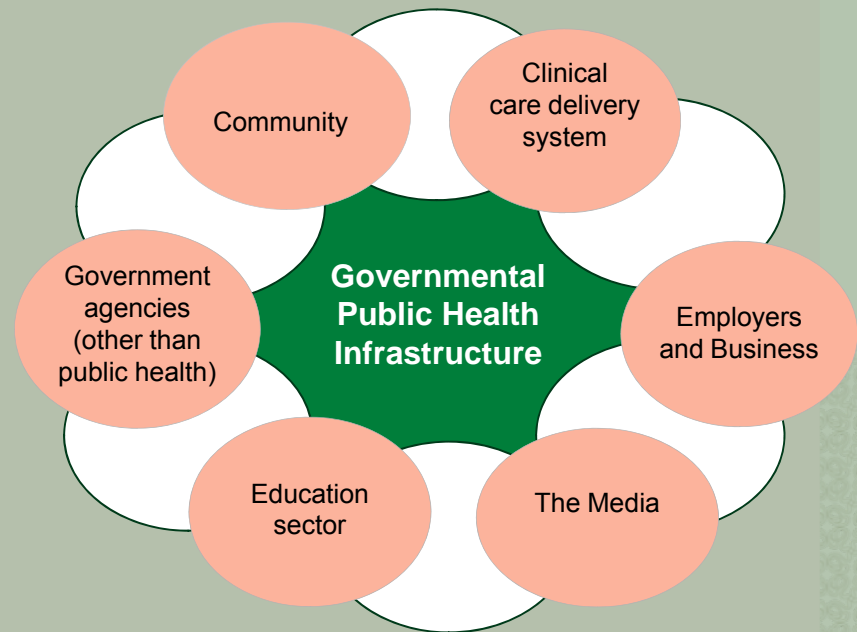
## Gaining better value requires:

1. A collaborative health system
2. A transformed public health portfolio
3. Investment in research and building the evidence base
4. Stable and sustainable funding with greater flexibility

# 1 - A collaborative health system

Many of the forces that shape health originate outside of the health sector.

Public health is positioned to leverage multi-sector efforts to change the physical, social and economic environments that shape health.



# A collaborative health system: “Health In All Policies”

- Laws and other public and private sector policies do not exist in a vacuum; laws or policies enacted in one domain may have undesired, unintended consequences on other areas.
- Decisions about transportation, energy, agriculture, housing, education, workplaces can affect health outcomes positively or negatively.
- **The committee recommended that states and the federal government adopt a *health in all policies* (HIAP) approach to consider the potential health effects of major policies.**

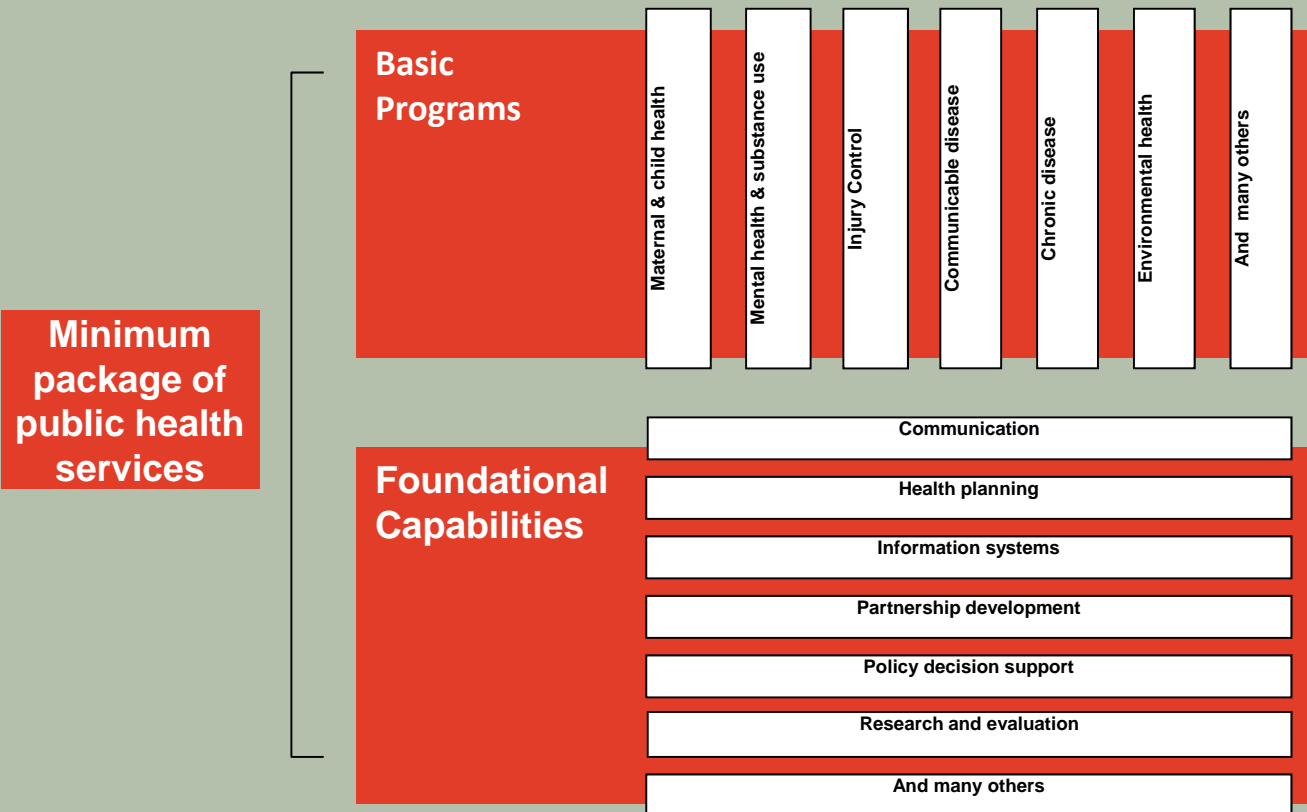
## 2 – A transformed PH system

- States are called on to enact legislation with appropriate funding such that all public health agencies have the mandate and capacity to deliver essential PH services.
- To foster quality and accountability, states are called on to revise laws to require accreditation for state and local health departments.
- Governmental public health is asked to improve tools and processes for uniformity of financial tracking to link “inputs” with “outcomes.”

## A transformed PH system will...

- Enhance capacity as “knowledge” organizations that measure, analyze and bring evidence to bear
- Convene and mobilize public and private sectors to build health considerations into all parts of community planning and policy development
- Phase out clinical care delivery services
- Foster deeper collaborations with clinical care delivery system
  - Develop local performance reports on quality of care
  - Inform relevant population health priorities

# Transformed PH System: a “Minimum Package” of services



## The Minimum Package (2)

A minimum package of “foundational” and “programmatic” public health services will:

- Protect and promote the health of populations
- Serve as a framework for program management, performance evaluation and accountability
- Permit linkage of financial data to capacities to processes, to program and policy development, and ultimately, to outcomes.



### 3 - Investment in research; building the evidence base

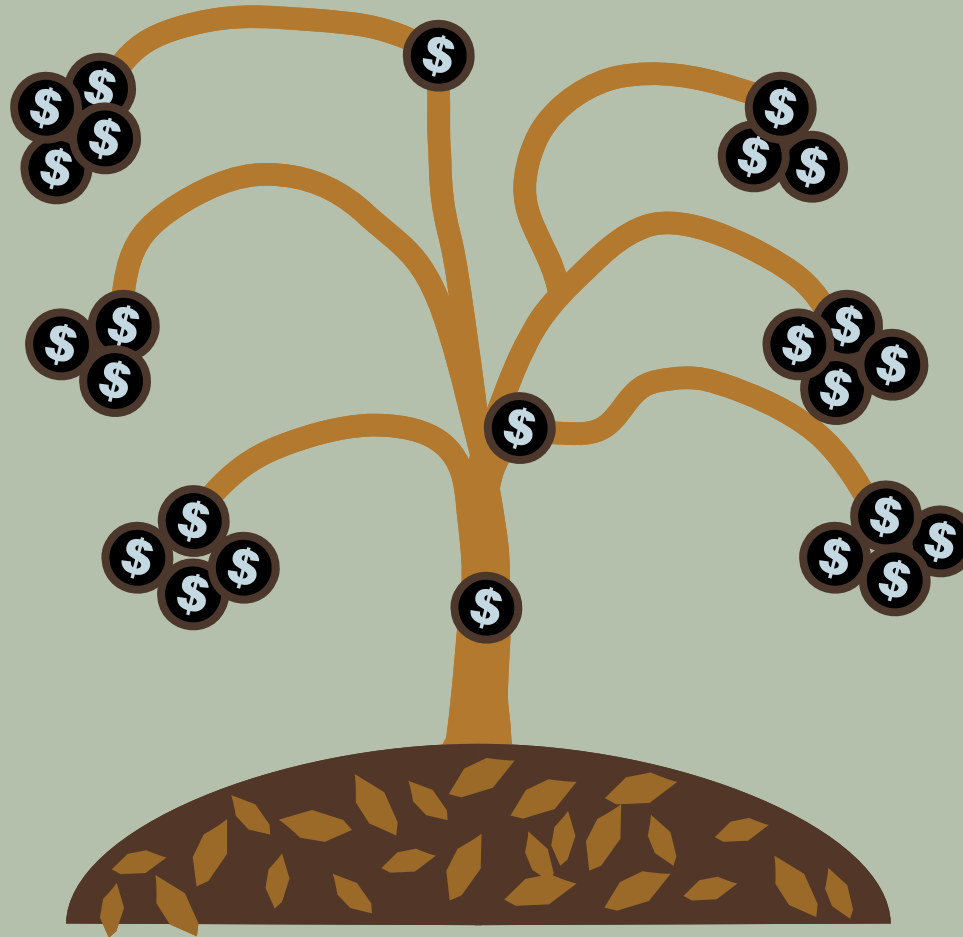
The committee recommended that Congress direct DHHS to **develop a robust research infrastructure** for establishing the effectiveness and value of public health and prevention strategies, mechanisms for effective implementation of population-based strategies, the health and economic outcomes derived from this investment, and the comparative effectiveness and impact of this investment.

The infrastructure should include: dedicated funding, a national research agenda, data systems and measures, and development and validation of methods for comparative research.

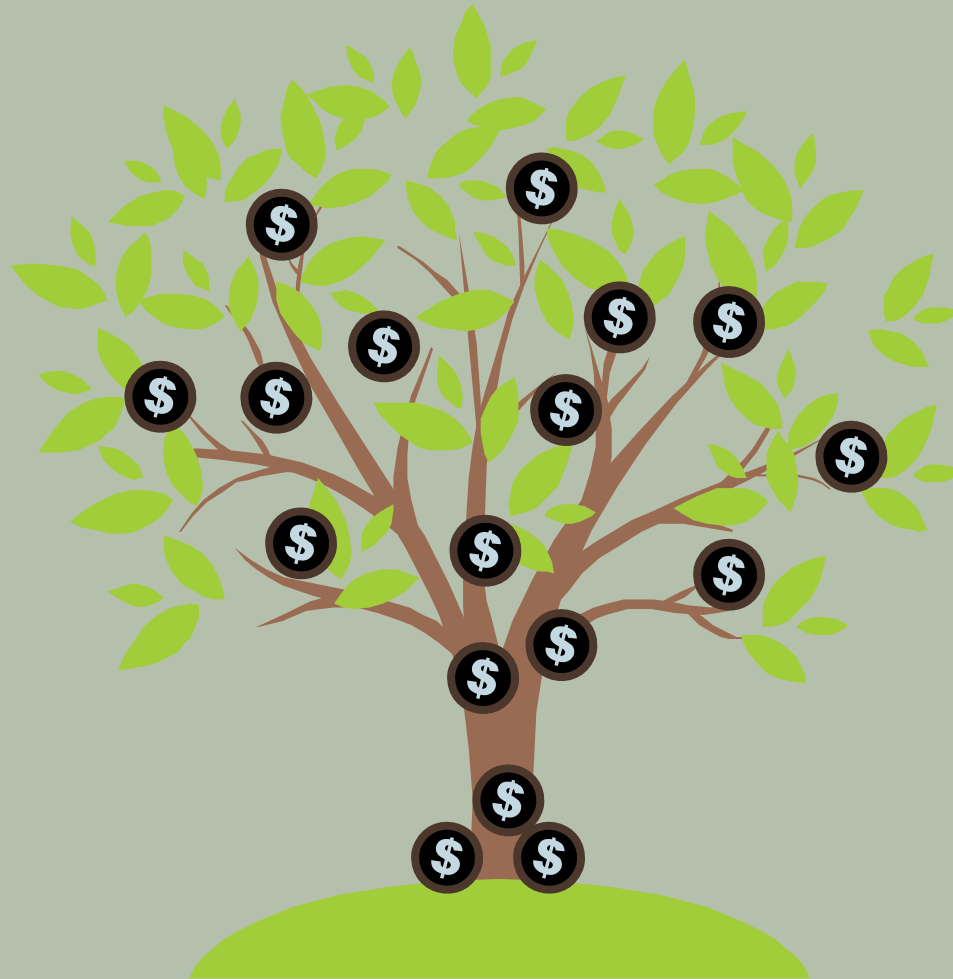
## 4 - Funding: Flexible, Sufficient, Stable, and Sustainable

- Current (governmental) public health funding is 3.1% or \$77.2 billion of \$2.5 trillion total health spend
- Per capita expenditures on health: \$251 PH  
\$8,086 Medical Care
- Federal contribution to PH - 15% (State and local make up the rest)
- Public health funding streams have been unpredictable, inadequate and inflexible

# Actual Public Health Department



# Ideal Public Health Department



# Change federal funding mechanisms

- DHHS is asked to create greater state and local flexibility in the use of grant funds, consistent with local population needs
  - Recognize cross-cutting foundational requirements of PH Agencies
- Congress is called on to institute legislative changes to increase flexibility of government funding streams
- Federal agencies are asked to incentivize coordination among PH stakeholders

# New federal money: how much?

Necessary steps:

- Better financial data
- Strengthened public health research enterprise
- Convene expert panels to:
  - develop and “cost out” the minimum package
  - determine the proportions of national health spending to be invested in the medical care and public health systems

## New federal funds will be needed

The committee recommended that Congress authorize a dedicated, stable, and long-term financing structure to generate the enhanced federal revenue required to deliver the *minimum package of public health services* in every community.



## Sources of funding for public health

Sufficient, stable, sustainable funding is needed to support a public health infrastructure that is present in all localities.

Various options for revenue generation exist. The best meet three criteria:

- Have a meaningful connection to population health
- Raise sufficient funds
- Do not have significant deleterious economic consequences

# Broad action steps

## **(1) To achieve better value:**

Change investment strategies and simultaneously decrease medical care system waste • Bend the health risk curve through public health interventions

## **(2) To maximize the skills of public health departments**

Use measurement to set targets, help stakeholders (and the nation) hold each other accountable for reaching goals • Better use current funding (increase flexibility and incentivize coordination), and find ways to ensure sufficient, stable and sustainable funding • Develop public health evidence base

## **(3) To engage the array of actors who influence health**

• Employ health in all policies approaches • Facilitate data-sharing across sectors • foster collaboration with Medicine, with other public/private partners

**For more information about the three reports,  
visit [www.iom.edu/PHstrategies](http://www.iom.edu/PHstrategies)**