

Forces of Change: The Current Climate in State Health Agencies

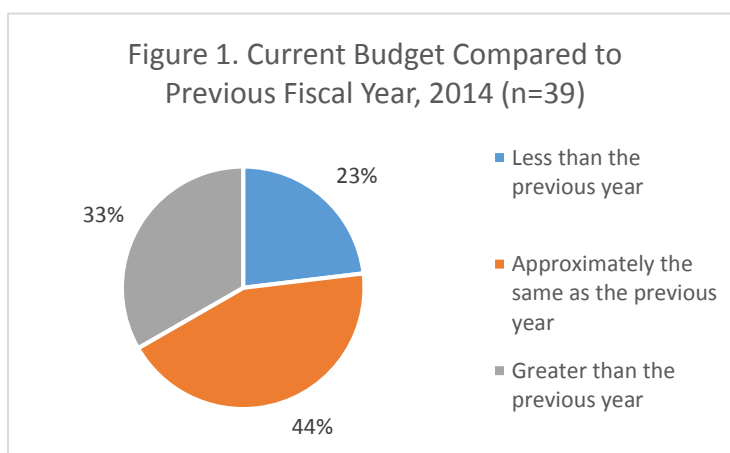
In July 2014, ASTHO fielded the Forces of Change Survey to assess the current climate at its member health agencies. The survey will be fielded yearly in January to address emerging issues in the management, resources, activities, and finances of state and territorial health agencies (S/THAs), including the impact of Affordable Care Act implementation. The web-based survey was administered to senior deputies in the fifty states, the District of Columbia, and the eight territories and freely-associated states. A total of 37 states and two territories or freely associated states responded, for an n of 39, an overall response rate of 66 percent, and a 73 percent response rate for the fifty states and Washington, D.C.

State Health Agency Budgets, Cost Saving Strategies, and Job Losses

Budgets at State Health Agencies

Survey respondents were asked to compare their current fiscal year budgets to their previous fiscal year budgets. Slightly less than half of respondents (44%) indicated that their current fiscal year budget was approximately the same as the previous fiscal year, while one-third of respondents indicated that the current fiscal year budget was larger than the previous year's (**Figure 1**). Respondents whose budgets decreased saw a reduction of 1.5 percent to 10 percent, with an average reduction of 4 percent.

When asked about the expected budget for the next fiscal year, approximately half of respondents (51%) anticipated that the next budget will be approximately the same as the current budget. About one-quarter (26%) of respondents anticipated that the next budget would be larger than the current budget, while 21 percent expect the next budget to be smaller than the current budget.

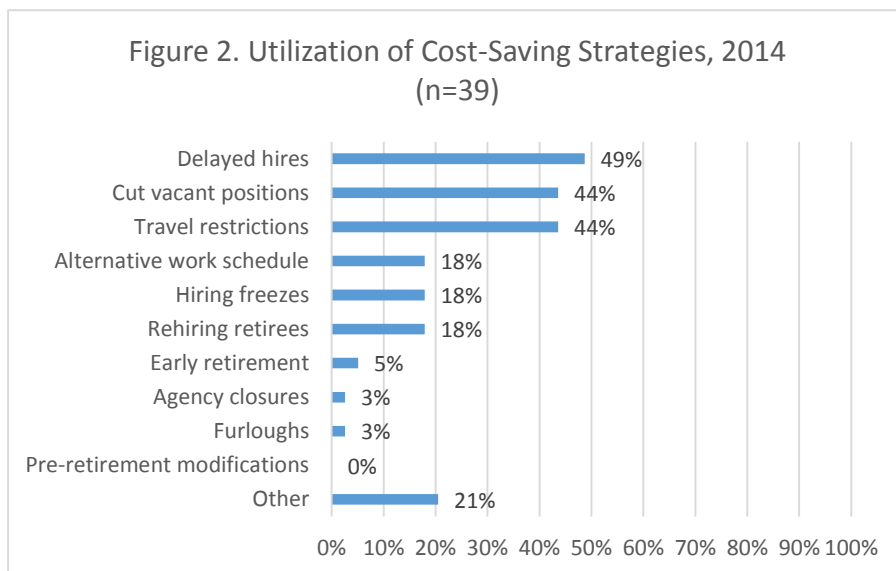


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Cost-Saving Strategies at State Health Agencies

S/THAs have implemented a variety of strategies to cut expenses and reduce layoffs, such as travel restrictions, delayed hiring and hiring freezes, and cutting vacant positions. Other cost-saving strategies include reducing contracts, consolidating services, and freezing expenditures. **Figure 2** displays the percentage of S/THAs that used a given cost-saving strategy in the past year and illustrates that delaying hires (49%), cutting vacant positions (44%), and restricting travel (44%) were used by the greatest proportion of state and territorial health agencies.



Workforce Enumeration and Job Losses

Job losses through attrition and layoffs can affect S/THAs' abilities to perform services and functions for their residents. **Table 1** provides an overview of job losses at both the central office and state-run or territory-run local or regional offices in the past year. The national estimate for layoffs and staff lost to attrition may be higher than reported given the response rate for the survey and these items.

Table 1. Job Losses Due to Attrition and Layoffs, 2014

	Central Office (n=39)			State-Run Local or Regional Offices (n=38)		
	Mean	Median	Total	Mean	Median	Total
Staff laid off	1.3	0	51	2.5	0	94
Staff lost to attrition	4.5	0	174	17.3	0	658

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Service Delivery

S/THAs conduct a wide range of activities and provide a multitude of services to their residents. The five services provided by the most health agencies are emergency preparedness (100%), epidemiology and surveillance (100%), public health lab (95%), tobacco prevention and control (95%), and food safety (92%).

Given the breadth of services that S/THAs provide, their service delivery levels may vary over time due to changes in funding, high priority issues, and the current political climate. However, survey results showed that most S/THAs experienced minimal changes in service delivery in the past year.

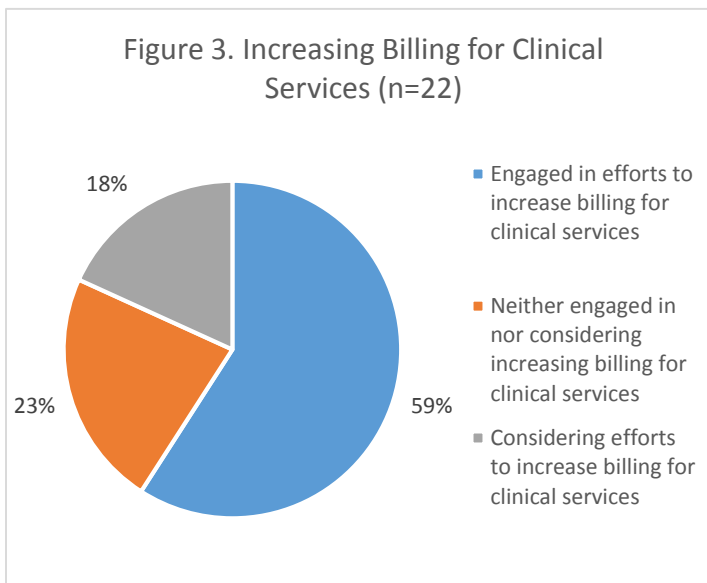
Table 2 shows the percentage of S/THAs who either expanded or reduced service in the past year for the 10 services used by the greatest number of S/THAs.

Table 2. Top 10 Services and Percent Change in Service Delivery in the Past Year, 2014

Service (number of agencies reporting providing services in the past year)	Amount that Expanded Service in Past Year	Amount that Reduced Service in Past Year
Emergency preparedness (n=39)	3%	23%
Epidemiology and surveillance (n=39)	3%	3%
Public health lab (n=37)	11%	19%
Tobacco prevention and control (n=37)	11%	8%
Food safety (n=36)	14%	3%
Communicable disease screening and treatment (n=35)	5%	11%
Population-based primary prevention (n=35)	3%	0%
Maternal and child health (n=34)	15%	0%
Chronic disease screening and treatment (n=33)	12%	9%
Immunization (n=33)	12%	15%
Other environmental health (n=33)	9%	3%
Oral health (n=32)	19%	3%

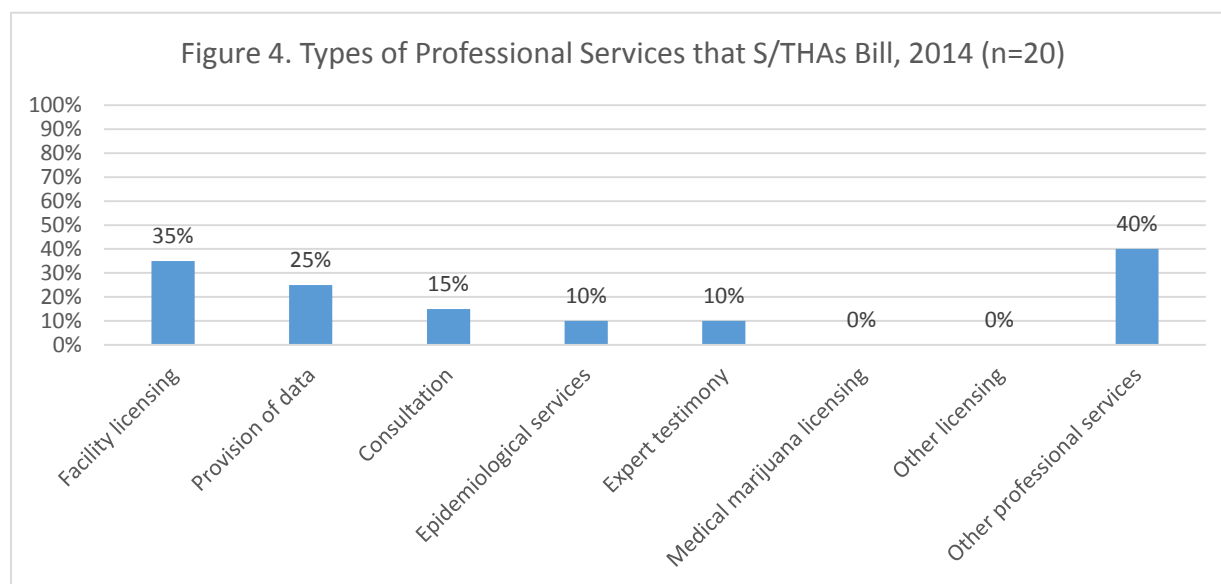
Billing for Services

The ACA's implementation and the resulting increase in insured residents may have an impact on how and which payers states bill. Currently, S/THAs vary the payers they bill by type of service. When asked about ten specific services (including tobacco cessation programs and TB testing and treatment), respondents reported that they did not bill third-party payers for the majority of services. Forty-three percent of respondents are working to increase billing with one or more private insurers for services they do not currently bill for, and 41 percent of respondents are working to increase billing with Medicaid for such services. More than half (59%) of respondents said they are engaged in efforts to increase billing for clinical services (**Figure 3**), and a similar number (60%) have the capacity in-house to bill third-party payers.



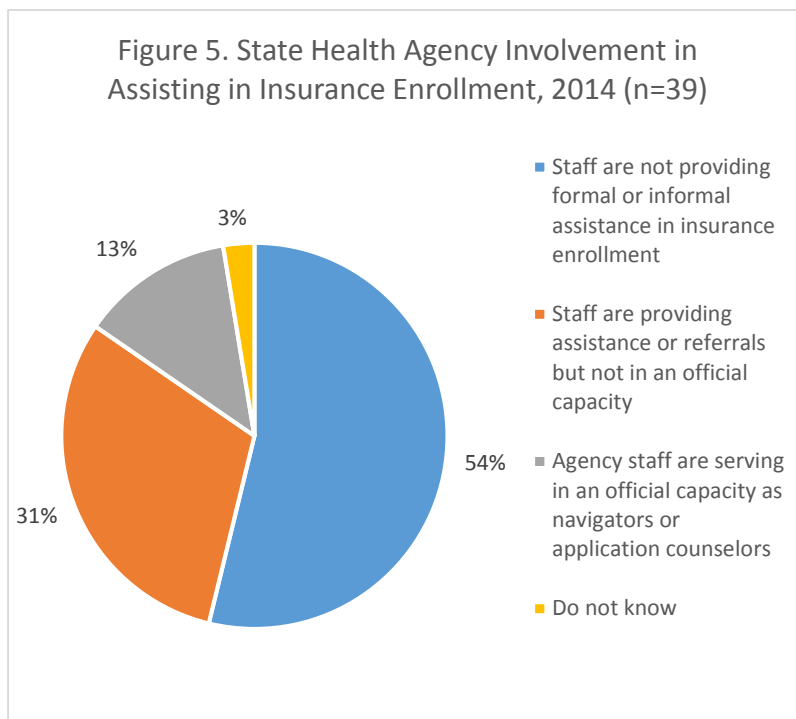
Billing for Professional Services

In addition to billing for clinical services, S/THAs may also bill for the provision of professional services. Thirty-five percent of respondents bill for facility licensing services, and one-quarter of respondents bill for the provision of data. **Figure 4** shows the types of other professional services for which respondents bill, including clinical services like lead investigations and registry maintenance.



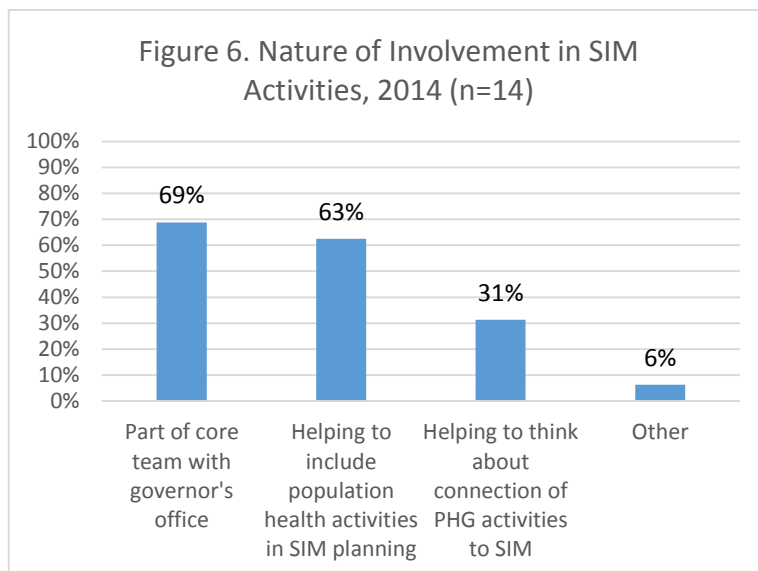
Navigators

As a result of the ACA's individual mandate, new populations are eligible for insurance through state marketplaces. In many states, S/THAs are involved in establishing a health insurance exchange. As **Figure 5** illustrates, 13 percent of respondents said that agency staff are serving in an official capacity as navigators or application counselors for insurance enrollment, and nearly one-third (31%) of respondents indicated that agency staff are providing informal assistance in insurance enrollment. Among those respondents with agency staff serving in an official capacity as navigators or application counselors, 24 percent are receiving financial support for insurance enrollment assistance. All respondents receiving financial support for insurance enrollment assistance are receiving the funding from federal sources.



State Innovation Models

The State Innovation Models (SIM) Initiative, funded through the Centers for Medicare & Medicaid Services, provides participating states with support to develop and implement state-based models for multipayer payment and health care delivery system transformation.ⁱ Forty-six percent of respondents indicated that they have a SIM initiative in their state, 46 percent did not have a SIM initiative, and 3 percent did not know if their state had such an initiative. Among those states with SIM initiatives, 89 percent of state health agencies are actively engaged in SIM activities; in the remaining 11 percent of states, the agency is not actively participating in SIM activities but had the opportunity to provide input or comment on the process. The nature of involvement in SIM activities can vary, but most often S/THAs participate in SIM activities as part of the core team with the governor's office (69% of respondents) or help include population health activities in SIM planning (63% of respondents), as is shown in **Figure 6**.



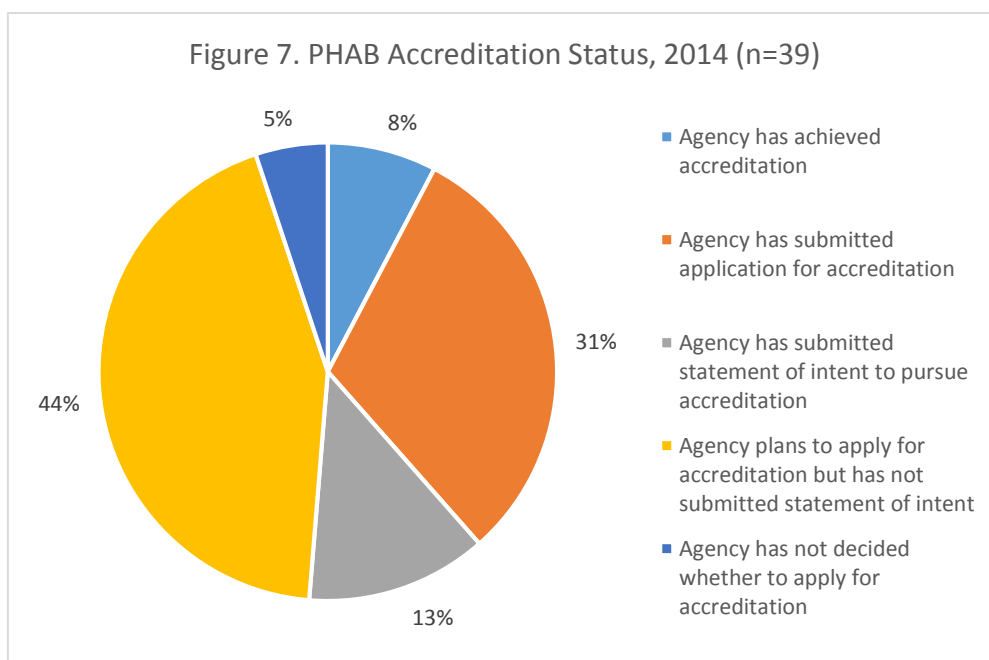
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Notably, 10 state health agencies indicated that they were helping to include population health activities in SIM Round One planning efforts. Such efforts may have assisted states that applied for the SIM Round Two funding opportunity announced on May 22, 2014, which now requires states to include a plan for improving population health. More than half of responding states (56%) indicated that they intended to apply for Round Two funding.

Accreditation

Voluntary national accreditation through the Public Health Accreditation Board (PHAB) affords state, local, and tribal health departments a way to measure their performance and demonstrate accountability. Now in its third year of existence, the program has become more popular among S/THAs: as **Figure 7** shows, 8 percent of S/THAs have achieved accreditation. In addition, nearly one-third of survey respondents (31%) indicated that their agency had submitted an application for accreditation, and close to half (44%) said that their agency plans to apply for accreditation but has not yet submitted a statement of intent. Among those respondents, 29 percent said that they anticipated submitting their statement of intent in 2014, while nearly half (47%) anticipated submitting their statement of intent for accreditation in 2015.



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ⁱ <http://innovation.cms.gov/initiatives/state-innovations/>