Budget Squeeze Threatens Public Health
State health officials are scrambling to maintain vital programs amid funding cuts and hiring freezes

By Lawrence D. Maloney
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As the economic slump deepens, state agencies responsible for safeguarding public health are fighting to preserve vital services in the face of surging demand from hard-pressed families.

In Iowa, the state department of public health has tightened eligibility standards for health and nutrition programs aimed at needy mothers and children, while Maine has scaled back nursing services and programs to prevent HIV.

Like California and other populous states, Massachusetts has already whittled a whole raft of programs, including: $6 million from vaccine purchases, $2.4 million from public hospitals, and $8 million from substance abuse services – with even more cuts to come. Ohio, too, has trimmed important programs ranging from childhood immunizations and food safety inspections to flu vaccines and support for local public health clinics.

Such reports are piling up fast in what has become “the biggest financial crunch on state public health that any of us have seen in our careers,” says Dr. Paul Jarris, the executive director of the Association of State and Territorial Health Officials (ASTHO). “The program cuts that state health agencies are experiencing are both deep and escalating, threatening the very foundation of public health.”

What that means in concrete terms, explains Dr. Jarris, is that public health agencies may not be able to respond as fast to such emergencies as meningitis in a daycare center, a disease outbreak among migrant workers, or reports of contaminated food on store shelves. “And what happens when the budget won’t let you replace a physician epidemiologist or a chief medical examiner?”

ASTHO surveys of state health officials in late 2008 and early 2009 document the widespread budget tightening --

- For nearly a third of the agencies, fiscal 2008 budgets were already smaller than they were in 2007.
- In the wake of a free-falling economy, half of the agencies trimmed their current budgets between November 2008 and February 2009.
- Five states have already lost more than 15% of their health agency workforce through attrition, as a result of hiring freezes.
In all, state public health agencies lost 1,500 jobs through layoffs and attrition between July 2008 and January 2009, and departments expect to loose at least 2,600 more jobs in the year ahead as state budgets continue to contract.

“We are now totally dependent on federal money for hiring staff,” says Dr. David Gifford, director of the Rhode Island Department of Health. “If a position requires a 50% state match, we can’t do it.”

As a result, Dr. Gifford’s staff has dropped from 470 two years ago to 360 now, although federal funds may allow him to hire 20 more. To cope, the department has tried to move staff around, “but that’s very difficult to do in highly specialized areas, such as our public health labs,” adds Dr. Gifford.

Meanwhile, with the Rhode Island unemployment rate already topping 10%, the community health clinics administered by the Department of Health are being deluged with new clients. Dr. Gifford worries, too, about continued federal funding for prevention and wellness programs, which have become very important to the state’s business community as a tool in curbing soaring health care costs.

In Maine, which is facing a $100 million budget deficit, “virtually every one of our programs has been affected in some way by cutbacks,” says Dr. Dora Mills, director of the Maine Bureau of Health. With the budget down 12% this fiscal year – on top of another cut the previous year – bureau employment has dropped 65 positions from the typical contingent of 420.

“People are doing the work of roughly another third of person, and they are understandably stressed out,” says Dr. Mills.

Among a long litany of state public services that have be scaled back in Maine: injury and HIV prevention programs, nursing assistance for immigrants, and public health lab testing for tuberculosis and rabies. With the ranks of mothers and children served by the Women Infants and Children (WIC) program swelling from 16,000 a decade ago to 27,000 now, Dr. Mills worries about turning people away in 2009. Already this year, about 40% of the families seeking childhood immunizations must now pay for some of the services out of pocket.

When the economy tanked in late 2008, Massachusetts slashed $30 million from its state public health budget, which translated into 100 staff positions lost and funding cutbacks in a whole series of programs, including: vaccine purchases, support for public hospitals, substance abuse programs, oral health and school health services for children, and suicide prevention and stroke monitoring. For the fiscal year beginning July 1, Governor Deval Patrick is proposing an additional $40-million reduction in public health spending, putting the department budget $70 million below last year’s initial level.

These cuts could mean 300 more health department layoffs, says Massachusetts Public Health Commissioner John Auerbach, as well as severe cuts in such programs as tobacco control (-41 %), family planning (-75%), school health (-36%), immunizations (-11%), and environmental health (-18%). “Overall, the budget cuts will dramatically affect our capacity to maintain our prevention and chronic disease efforts,” says Auerbach. To ease the impact, Governor Patrick has proposed a new Wellness Trust Fund that would be supported by new taxes on alcohol, candy and soda.
In Arkansas, a state ranking 49th nationally in per capita public health spending, Governor Mike Beebe recommended a modest increase for public health funding, but laws mandating a balanced budget in Arkansas blocked that effort. “We are extremely grateful to our governor for his support, but we continue to operate from a low level of spending,” says Department of Health Director Paul Halverson. “This restricts our ability to support such programs as prenatal care and maternity services.” The state’s teenage birth rate is the fourth highest in the nation.

In the Midwest, Iowa’s Department of Public Health is looking at a combined budget cut of 10% in fiscal 2009 and 2010, which translates into a hiring freeze and serious strains on the local public health agencies that depend on state funding for the bulk of their programs. As a result, Tom Newton, state DPH director, points to reduced support for oral health services for children, maternal and child health services, children with special needs programs, and testing for sexually transmitted diseases. “We’ll also need to limit what immunizations we can offer,” adds Newton.

Iowa’s WIC program is serving an all-time high of 72,000 clients. Although the new federal economic stimulus legislation contains continued support for WIC, Newton points out that the legislation includes no additional funds for the important maternal and child health program for needy families.

Newton takes issue with those who argue that funds for public health disease prevention programs don’t belong in federal economic stimulus efforts. “Just think of what companies could do in the way of hiring staff and investing in new plant and equipment, if they weren’t spending such enormous amounts on health care for diseases that could have been prevented, such as lung cancer and diabetes.”

ASTHO President Judith Monroe, MD, Indiana’s state health commissioner, points out that just 3% of the $2.1 trillion spent annually in the U.S. on health goes for prevention. She is particularly concerned about the sharp increase in childhood obesity. “The crisis that we are now having with health care costs is a direct result of not investing in prevention programs, and somehow we have to break that cycle,” says Dr. Monroe, who also underscores the importance of immunization programs in prevention efforts. “All you have to do is look at the history of a disease like polio, which has been wiped out by our vaccine programs.”

As for her own state. Dr. Monroe notes that legislators are passing new but unfunded mandates for additional services that “we simply can’t handle because public health staff are stretched so thin.”

After a tough battle, state public health officials are breathing a sigh of relief that Congress agreed to include $1 billion for public health wellness and prevention programs in the new economic stimulus package. However, it’s unclear how much of this money will go directly to state public health agencies for vital programs, such as vaccines. Some of the funds could go to a new Wellness Trust Fund to be administered outside the public health system. Such aid from Washington is critical, since state public health agencies rely on federal dollars for anywhere from 50% to 90% of their annual budgets.

“Given the tremendous public health needs around the country, we view this $1 billion as a down payment,” says Dr. Jarris of ASTHO. “We’re going to need even more help in the fiscal 2010 budget.”
Jarris adds that some lawmakers continue to confuse public health with programs like Medicaid. “They don’t understand that the major programs that we administer, such as childhood immunization and screening programs to prevent chronic diseases, save tens of thousands of lives and billions of dollars in long-term health costs.”

This article was reported and written by Lawrence D. Maloney, a Massachusetts freelance health writer.