

## Financial Management Indicator 2

### FM 2: Annual health department organizational revenue

**Why measure this?**

This indicator will inform health department leaders about the nature of their revenue sources and can help them identify areas for additional diversification. Health department leaders can use this data to determine whether or not revenues align with overall organizational goals, priorities, and core public health functions.

**Measurement specifications:** Total health department revenue for a 12-month period.

**Reporting Period:** Annually

**FM 2 Drill Down Categories:** Funding Source, Expenditure Categories

**Funding Source**

- State General Funds: Include revenues received from the state general revenue funds to fund state operations. Exclude federal pass-through funds.
- Other State Funds: Include revenues received from the state that are not from the state general fund.
- Federal Funds: Include all federal grants, contracts, and cooperative agreements.
- Fees and Fines: Include fines, regulatory fees, and labor fees
- Other Sources: Include Tobacco Settlement Funds, payment for direct clinical services (except Medicare and Medicaid), foundation and other private donations.

**Expenditure Categories**

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|---|--|
| <ul style="list-style-type: none"> <li>• Chronic Disease</li> <li>• Infectious Disease</li> <li>• Injury Prevention</li> <li>• WIC</li> <li>• Environmental Health</li> <li>• Clinical Services/ Customer Care</li> </ul> | <ul style="list-style-type: none"> <li>• Quality Health Services</li> <li>• Health Data</li> <li>• Health Laboratory</li> <li>• Vital Statistics</li> <li>• Administration</li> <li>• Other</li> </ul> |
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**PHAB Alignment**

**11.2.3 A:** Financial management system

This indicator contributes to the PHAB measures by providing health department leadership with an overall accounting of their organization’s revenues.<sup>1</sup> This data can be analyzed to determine whether or not revenues align with overall organizational goals, priorities, and core public health functions.

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## Operational Definitions

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**Health department organizational revenue:** Public health revenue are from a variety of sources and include data related to the Medicaid or Medicare direct clinical services provided by state and local public health agencies. Revenues should be reported on an accrual basis (actual plus revenue earned but not received and expenses incurred but not paid). Include the smaller reimbursements or other payments a state/territorial public health agency may receive from Medicaid or Medicare for such things as nursing home inspections, lead testing, immunization outreach, health information technology, laboratory services, and other small categorical grants. Exclude data related to Medicaid or Medicare coverage of the state/territory's population eligible for services not directly focused on public health. Also report only on revenues for the public health agency, and not for public health activities outside of the public health agency (i.e., public health programs administered by another state/territorial agency)<sup>1</sup>. Revenue can be categorized as the total amount of health department funding received from the following sources: local (city/township/town/county), state direct, federal pass-through (excluding certain funding streams that were collected separately), federal direct, Public Health Emergency Response (PHER), American Reinvestment and Recovery Act (ARRA), Medicaid, Medicare, private foundations, including what portions are through taxes from the preceding list, sales, private health insurance, patient personal fees, non-clinical fees and fines, tribal, and other<sup>2</sup>.

**Annually:** This indicator should be reported during a 12-month cycle (i.e., calendar year, fiscal year, etc.).

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<sup>1</sup> ASTHO (2012). Profile Survey.

<sup>2</sup> NACCHO (2010). National Profile of Local Health Departments – Financing. Available at [http://www.naccho.org/topics/infrastructure/profile/upload/2010\\_Profile\\_main\\_report-web.pdf](http://www.naccho.org/topics/infrastructure/profile/upload/2010_Profile_main_report-web.pdf)