
**Health Care & Wellness
Committee**

HB 1825

Brief Description: Providing dedicated funding for public health services.

Sponsors: Representatives Schual-Berke, Curtis, Dunshee, Moeller, Lovick, Morrell, Seaquist, McCoy, Clibborn, Barlow, Green, Appleton, Pedersen, Darneille, P. Sullivan, Kenney, Rolfes, Simpson, McIntire, Roberts, Ormsby and Chase.

Brief Summary of Bill

- Establishes the Local Public Health Financing Account to be funded through a portion of cigarette taxes.
- Funds core public health functions of statewide significance provided by local health jurisdictions.
- Establishes the Public Health Improvement Committee to develop the Public Health Improvement Plan as well as performance measures for local health jurisdictions.

Hearing Date: 2/7/07

Staff: Chris Blake (786-7392).

Background:

Public Health Activities and Funding

Public health services in Washington are provided by the Washington State Department of Health and the 35 local health jurisdictions. The activities of these agencies are generally divided into five categories, including preventing and responding to communicable disease; protecting people from environmental health threats; assessing health status; promoting health and preventing chronic disease; and accessing health services.

In FY 2004, \$590 million was spent in Washington on public health activities. This includes funding from federal, state, local, and fee sources. When adjusted for inflation and population

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growth, between 1998 and 2004 spending on public health grew 18 percent. Seventy percent of this increase in spending was attributable to increases in federal spending. Thirteen percent of the increase was the result of increased user fees.

Joint Select Committee on Public Health Finance

In 2005, the Legislature passed HCR 4410 which created the Joint Select Committee on Public Health Finance (Select Committee). The Select Committee was comprised of eight legislators from the health policy and fiscal committees of both chambers of the House of Representatives and the Senate. The Select Committee was assigned the responsibility of reviewing all funding sources and expenditures for public health services and recommending potential sources of future funding.

Cigarette Tax

Cigarettes are subject to a tax rate of \$2.025 per package of 20 cigarettes. Revenue from the first 23 cents of the cigarette tax goes to the General Fund. The next eight cents are dedicated to water quality improvement programs through June 30, 2021, and to the General Fund thereafter. The next 101 cents goes to the Health Services Account. The next 10.5 cents are dedicated to the violence prevention and drug enforcement account. The remaining 60 cents go to the education legacy trust account.

Summary of Bill:

Local Public Health Financing Account

The Local Public Health Financing Account (Account) is created in the State Treasury. The Account is funded by redirecting the portion of cigarette taxes sent to the General Fund. Spending from the Account is subject to appropriation.

Beginning January 1, 2008, all local health jurisdictions shall receive an equal amount of funding that must be used to retain at least two full-time equivalent positions. The employees hired with these funds shall be assigned to working on core public health functions of statewide significance. The sum of \$5,425,000 is to be distributed in January of each year for this purpose.

The funds remaining after the distribution for the employees shall be spent in four ways. Sixty-seven percent of the funds are to be distributed to local health jurisdictions on a per capita basis. Sixteen percent of the funds are to be distributed to local health jurisdictions based on the difference between funding spent by the jurisdiction in the prior calendar year and the base year of 2006. Seven percent of the funds are to be distributed to local health jurisdictions that exceeded the median per capita local public health funding for the previous year. Qualifying jurisdictions may receive the per capita spending difference between the jurisdiction and the median jurisdiction multiplied by the number of residents within the jurisdiction.

Lastly, 10 percent of the funds are to be deposited into the Innovative Local Public Health Services Account. The funds are to be distributed by the Department of Health to multicounty health districts or two or more local health jurisdictions acting jointly. The Department shall give priority to applications from those counties that are establishing multicounty health districts with lesser priority to jurisdictions that are merely consolidating resources or health services with other jurisdictions.

Funds from the Account are to be spent on core public health functions of statewide significance. These functions are defined as health services related to communicable diseases, public health

emergencies, chronic disease, healthy families and children, health assessment, and environmental health. The health services must either promote uniformity across local health jurisdictions, increase the overall strength of the public health system, or apply to broad public health efforts. In addition, the health services must be of a nature that if they are left neglected, they are likely to impact counties beyond the local health jurisdiction.

Public Health Improvement Committee

The Public Health Improvement Committee (Committee) is established consisting of 16 members appointed by the Governor. The Committee's membership includes representatives of local public health officials, local board of health members, the State Board of Health, the University of Washington School of Public Health and Community Medicine, nonprofit organizations addressing public health, experts in medical or public health guidelines, community clinics, tribes, large employers, local emergency management agencies, physicians, the Department of Health, and the public.

The Committee is to share responsibilities with the Department of Health for developing the Public Health Improvement Plan. By April 1, 2008, the Committee must develop a list of activities and services that qualify as core public health functions of statewide significance which are eligible for funding through the Account. By October 1, 2008, the Committee must develop performance measures applicable to the core public health functions. The performance measures must consider levels of performance that promote uniformity, consistency in national standards, and innovations in public health practice.

Funding from the Account is contingent upon local health jurisdictions complying with the performance measures and spending funds on core public health functions of statewide significance. The Secretary of Health must develop a schedule for reviewing compliance by each local health jurisdiction every two years. Local health jurisdictions that are not in compliance are provided one year to return to compliant status prior to the discontinuance of funds.

The Department must report to the Legislature and the Governor on the distribution of funds from the Account and the impact of the funds to improve compliance with performance measures and health status indicators. The report is due November 15, 2011.

Appropriation: None.

Fiscal Note: Requested on February 1, 2007.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.