

SENATE BILL REPORT

2SHB 1985

As Reported by Senate Committee On:
Health & Long-Term Care, March 26, 2009

Title: An act relating to public health financing.

Brief Description: Concerning public health financing.

Sponsors: House Committee on Ways & Means (originally sponsored by Representatives Moeller and Pedersen).

Brief History: Passed House: 3/10/09, 96-0.

Committee Activity: Health & Long-Term Care: 3/25/09, 3/26/09 [DPA-WM].

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: Do pass as amended and be referred to Committee on Ways & Means.

Signed by Senators Keiser, Chair; Franklin, Vice Chair; Pflug, Ranking Minority Member; Becker, Fairley, Marr, Murray and Parlette.

Staff: Rhoda Donkin (786-7465)

Background: Public health generally consists of five categories of activities: 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 Washington, public health services are provided primarily by a decentralized system of 35 local health jurisdictions and by the Department of Health (DOH) and other state agencies including the State Board of Health.

Public health financing comes from federal funds, state appropriations distributed through the Department of Community, Trade and Economic Development (DCTED) and DOH, and through local governments and fees. In 2007 the Legislature appropriated \$20 million for distribution to local public health jurisdictions, in a manner that provided for the greater of either \$100,000 per year, or \$75,000 plus a per capita amount for jurisdictions with populations of 400,000 or less, or \$25,000 plus a per capita amount for jurisdictions with a population greater than 400,000. The money was directed to encourage local investments in core public health functions of statewide significance.

Summary of Bill: The bill as referred to committee not considered.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Summary of Bill (Recommended Amendments as Passed Committee): By November 1, 2009, every local health jurisdiction in the state must submit a report to DOH indicating whether the jurisdiction is in compliance with each of the minimum standards for public health protection stated in the state's Public Health Improvement Plan (PHIP). DOH must forward the reports to the Governor and the appropriate committees of the Legislature no later than December 1, 2009.

Beginning on July 1, 2011, every local health jurisdiction must comply with the minimum standards for public health protection in order to receive state funding from funds appropriated in 2007 under E2SSB 5930, from DCTED, and through local capacity development funding from DOH.

DOH must establish a review process to determine compliance with minimum standards. Steps are defined for providing corrective action plans for local public health jurisdictions that receive them. DOH may suspend payments to local health jurisdictions that remain out of compliance. DOH may exempt a local health jurisdiction from the review process if the jurisdiction is accredited by an organization whose standards meet or exceed the minimum standards for public health protection in the PHIP.

New sections direct the DOH to initiate a priorities of government process to achieve \$70 million of additional savings for fiscal years 2010 and 2011. The savings must be achieved through reducing discretionary services such as telephone surveys and printing for public relations activities. By July 1, 2009, the department must submit to the Governor a line-item budget detail that reflects the savings achieved with a full accounting for these savings.

The Local Public Health Financing Account is created in the custody of the State Treasurer. For fiscal year 2010 and each fiscal year thereafter, the account will distribute up to \$2,625,000 to be shared in equal proportion amongst all local health jurisdictions and the remainder apportioned on the basis of each jurisdiction's population. The funds are provided to address core public health functions. In fiscal years 2010 and 2011, \$35 million is transferred from the Health Services Account to the Public Health Financing Account. All funds transferred to the Local Public Health Financing Account under this act must be diverted from appropriations otherwise designated for the state General Fund or the DOH.

An emergency clause has been added.

EFFECT OF CHANGES MADE BY HEALTH & LONG-TERM CARE COMMITTEE (Recommended Amendments): All sections granting permission to establish public health districts for the purpose of levying property taxes were eliminated.

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Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Staff Summary of Public Testimony on Proposed Amendments As Heard in Committee:

PRO: Public health is one of the core functions of government. We have struggled to find a stable source of funding for public health and we still have not succeeded. We shouldn't delay focusing a commitment to meeting minimum standards for public health as defined by the state's public health improvement plan. Our main focus is to prevent the most common form of preventable death and to stay ahead of the trends that emerge. Investments in public health are ultimately economic investments. Right now public health is in dire need of stable funding. We can't let the system we have built crumble.

Persons Testifying: PRO: Representative Moeller, prime sponsor; David Fleming, Public Health Seattle and King County; Eric Johnson, Washington State Association of Counties; Susie Tracy Public Health Roundtable and Washington State Medical Association; Sofia Aragon, Public Health Roundtable and Washington State Nurses Association.