

Overview: Georgia's 2014 Public Health Budget Georgia's Investment Does Not Keep Pace With Growing Needs

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The governor's proposed budget includes about as much general fund support for Georgia's public health programs as it did in 2001. Meanwhile, Georgia's population grew by 21.2 percent from 2000 to 2012, a rate nearly twice that of the country as a whole during the same time.¹ As a result, Georgia's per-capita investment in public health activities fell by about 15 percent over the 13 years.² The lack of investment was ill-timed. Georgia continues to face high rates of heart disease, high blood pressure, overweight and obesity, diabetes and a variety of other preventable health conditions that drive up health care costs and lower life-expectancy.³

The governor's budget recommendations call for new program cuts to the Department of Public Health in the current year's budget and continue the cuts into the proposed budget for next year. Furthermore, the budget fails to prevent formula-driven cuts to grant-in-aid funding for dozens of Georgia counties levels.

In total, the governor proposes \$4.6 million in cuts to public health programs in the 2013 budget, which grow to more than \$5.3 million when implemented for a full year in 2014. Separately, the budget also adds funding to account for increased telecommunications expenses, higher state employee retirement costs and the relocation of cancer-related funding from elsewhere in state government. But these new funds do not directly offset the program cuts.

In 2014, the increase in administrative funding would lead to a 1.8 percent increase, or \$3.6 million for the department. This year's budget reflects a \$3.3 million cut to the department, however, even after accounting for some slight administrative increases.

Although the department is set for an increase next year, overall state funding for public health activities declined in recent years. Since 2009, general fund support for public health dropped by nearly \$11 million, or about 6 percent. This decline understates the program cuts to the department. Most new funding added in recent years was used to pay for growing state employee health and retirement costs, not to restore program cuts made since 2009.

Table 1 Modest Funding Increase in 2014 Does Not Offset Years of Cuts

Fund Source	FY 2009 Original Budget	FY 2013 Enacted Budget	FY 2014 Governor's Budget	FY 2013-FY 2014 Change \$	FY 2013-FY 2014 Change %	FY 2009-FY 2014 Change \$	FY 2009-FY 2014 Change %
General Fund	\$180,172,511	\$167,045,714	\$169,202,022	\$2,156,308	1.3%	(\$10,970,489)	(6.1%)
Tobacco Settlement	\$11,805,814	\$11,881,325	\$13,361,065	\$1,479,740	12.5%	\$1,555,251	12%
Total State Funds	\$191,978,325	\$178,927,039	\$182,563,087	\$3,636,048	2.0%	(\$9,415,238)	(4.9%)
DPH Totals Including Administration	-	\$199,849,171	\$203,485,219	\$3,636,048	1.8%	-	-

Source: State budget documents from 2009 to 2014

Public Health Budget Endures New Program Cuts in 2014

Georgia's proposed 2014 budget includes \$2.2 million in cuts to eliminate staff positions and reduce agency operating expenses. In addition, the budget includes more than \$3 million in new budget cuts to public health programs that will result in fewer Georgians being served. Cuts to these programs begin in the current year and are extended into 2014. In particular, the budget:

- Eliminates outreach and management services for low-income Georgians with high blood pressure who lack prescription drug coverage and cuts \$611,737 in state funds from the department. This cut ends vital health services to more than 3,300 Georgians who otherwise have little or no access to care. Those services include blood pressure screening, case management, physician referrals and treatment. In 2012, Georgia ranked 18th worst among all states with nearly one-third of all residents having high blood pressure and ranked 13th worst in incidence of stroke.
- Eliminates \$1 million for the Health Check Outreach Program, which helps connect children from low-income families to health screening services available through Medicaid. Health Check is a Medicaid program that ensures children receive necessary screenings at an early age and they also receive needed treatment to ameliorate any diagnosed conditions. Eliminating outreach services will likely reduce the number of children who receive timely screenings and follow-up treatment through Health Check.
- Eliminates sickle cell treatment services for uninsured and under-insured children under 21 in nine Georgia counties, cutting \$525,172 from the public health budget. This program currently serves 529 children.
- Cuts 5 percent, or \$567,574 from the Children's Medical Service program. It provides comprehensive and coordinated care services for children with chronic and special health care needs, including neurological, orthopedic and cardiac conditions; hearing and/or vision disorders; diabetes and genetic or endocrine disorders asthma and many other conditions.
- Cuts \$350,000 originally added in 2013 to study and evaluate a new treatment protocol for Traumatic Brain Injuries.

In addition to the program cuts, the budget makes a couple of small investments in 2014. In particular, the budget adds \$170,625 for childhood obesity initiatives associated with Georgia's Student Health and Physical Education Act passed in 2009 that seeks to address Georgia's high childhood obesity rates by requiring increased health assessment in Georgia's schools. Also, the budget adds \$150,000 for the Georgia Comprehensive Sickle Cell Center at Grady Health System, which is separate from the county funding cut noted above.

Finally, the budget assumes more than \$500,000 in state savings by increased use of federal funding opportunities, including increased use of the Pre-existing Conditions Insurance Plan, (created by the Affordable Care Act), to provide comprehensive health coverage to Georgians with hemophilia who had previously received state assistance with needed prescriptions.

Budget Fails to Add "Hold-Harmless" Funding to Prevent New Cuts to Counties

In addition to the above cuts, the budget effectively cuts grant-in-aid allocations to 46 Georgia counties by failing to include new funding to hold these counties harmless from the effects of the revised county distribution formula. Beginning in 2012, the department began a seven-year phase-in process to update the allocation formula for nearly \$60 million in state funding for county health departments. The revised formula changes the distribution in a way that reduces funding to 46 counties, while increasing funding for the 113 others. "Hold harmless" funding was added for the fiscal years 2012 and 2013 to prevent any counties from losing money as the department began phasing in the revised formula. Without similar support in the 2014 budget, the 46 counties that lose funding through the revised formula will suffer a combined loss of \$1.5 million.⁴

Georgia's Public Health Spending is Cost-Effective

Increasing state investment in proven public health programs has a significant potential to improve the health of Georgia's population and lower healthcare costs for the state, for private employers and for residents. In 2008, the Georgia Budget and Policy Institute co-released an analysis that shows a \$10 per-capita investment in such programs could yield nearly a five-fold return on investment within just five years. While much of the savings accrue to private employers and employees in Georgia, such an investment would also reduce state expenditures in future years, while leading to better health among Georgians.





Endnotes

¹U.S. Census data.

²Per-capita investment in 2001 totaled approximately \$19.77, based on 2014 population estimates the per-capita investment in the governor's 2014 budget would fall to \$16.70.

³America's Health Rankings 2012. <http://www.americashealthrankings.org/GA>

⁴Data from the Georgia Department of Public Health. For more information on the county grant-in-aid allocation formula and the "hold-harmless" issue, please see the Georgia Budget & Policy Institute's analysis of the Department of Public Health's 2013 budget. http://gbpi.org/wp-content/uploads/2012/05/fy2013_enacted_Budget-Analysis_public-health_05242012FINAL.pdf

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