

Schedule 13
Funding Request for the 2013-14 Budget Cycle

Department: Public Health and Environment
 Request Title: Preventive Health Funding
 Priority Number: R-4

Dept. Approval by: *[Signature]* 10/6/12
 Date
 OSPB Approval by: *[Signature]* 10/16/12
 Date

- Decision Item FY 2013-14
- Base Reduction Item FY 2012-13
- Supplemental FY 2012-13
- Budget Amendment FY 2013-14

Line Item Information		FY 2012-13		FY 2013-14		FY 2014-15
		1	2	3	4	6
	Fund	Appropriation FY 2012-13	Supplemental Request FY 2012-13	Base Request FY 2013-14	Funding Change Request FY 2013-14	Continuation Amount FY 2014-15
Total of All Line Items	Total	24,578,303		24,578,303	(251,000)	(251,000)
	FTE	10.1		10.1	2.4	2.4
	GF	2,844,398		2,844,398		
	GFE	441,600		441,600		
	CF	4,046,913		4,046,913		
	RF					
	FF	17,245,392		17,245,392	(251,000)	(251,000)
(8) Disease Control and Environmental Epidemiology Division, (A) Administration, General Disease Control and Surveillance, Personal Services	Total	889,599	-	889,599	-	-
	FTE	10.1	-	10.1	2.4	2.4
	GF	545,620	-	545,620	216,000	216,000
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	-	-
	FF	343,979	-	343,979	(216,000)	(216,000)
(8) Disease Control and Environmental Epidemiology Division, (A) Administration, General Disease Control and Surveillance, Operating Expenses	Total	329,429	-	329,429	-	-
	FTE	-	-	-	-	-
	GF	257,102	-	257,102	35,000	35,000
	GFE	-	-	-	-	-
	CF	6,538	-	6,538	-	-
	RF	-	-	-	-	-
	FF	65,789	-	65,789	(35,000)	(35,000)
(8) Disease Control and Environmental Epidemiology Division, (A) Administration, General Disease and Surveillance, Immunization Operating Expenses	Total	4,932,548	-	4,932,548	(71,000)	(71,000)
	FTE	-	-	-	-	-
	GF	684,272	-	684,272	(71,000)	(71,000)
	GFE	441,600	-	441,600	-	-
	CF	914,955	-	914,955	-	-
	RF	-	-	-	-	-
	FF	2,891,721	-	2,891,721	-	-

Line Item Information		FY 2012-13		FY 2013-14		FY 2014-15
		1	2	3	4	6
		Appropriation FY 2012-13	Supplemental Request FY 2012-13	Base Request FY 2013-14	Funding Change Request FY 2013-14	Continuation Amount FY 2014-15
	Fund					
(8) Disease Control and Environmental Epidemiology Division, (B) Special Purpose Disease Control Programs, Ryan White Act Operating Expenses	Total	18,426,727	-	18,426,727	(180,000)	(180,000)
	FTE	-	-	-	-	-
	GF	1,357,404	-	1,357,404	(180,000)	(180,000)
	GFE	-	-	-	-	-
	CF	3,125,420	-	3,125,420	-	-
	RF	-	-	-	-	-
	FF	13,943,903	-	13,943,903	-	-
Letternote Text Revision Required? Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/> If yes, describe the Letternote Text Revision:						
Cash or Federal Fund Name and COFRS Fund Number: Preventive Health Block Grant (Fund 100)						
Reappropriated Funds Source, by Department and Line Item Name: Not applicable						
Approval by OIT? Yes: <input type="checkbox"/> No: <input type="checkbox"/> Not Required: <input checked="" type="checkbox"/>						
Schedule 13s from Affected Departments: Not Required						
Other Information:						



DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

John W. Hickenlooper
Governor

*FY 2013-14 Funding Request
November 1, 2012*

Christopher E. Urbina MD, MPH
Executive Director & Chief Medical Officer

Signature

11/15/12

Date

Department Priority: R-4
Request Title: Preventive Health Funding

Summary of Incremental Funding Change for FY 2013-14	Total Funds	General Fund	Federal Fund	FTE
Total	(\$251,000)	\$0	(\$251,000)	2.4
Environmental Epidemiology	\$0	\$101,000	(\$101,000)	1.0
Communicable Disease	\$0	\$115,000	(\$115,000)	1.4
STI Medication	\$0	\$35,000	(\$35,000)	0.0
Ryan White AIDS Drug Assistance	(\$180,000)	(\$180,000)	0	0.0
Immunization Operating	(\$71,000)	(\$71,000)	0	0.0

Request Summary:

This request seeks \$251,000 and 2.4 FTE in FY 2013-14 and out years to maintain critical public health activities that have historically been funded by the federal Preventive Health Block Grant (PHBG). The request is for General Fund, which the department proposes to offset by reducing General Fund appropriations in two other programs. If the block grant is not eliminated from the federal budget, this request will be withdrawn.

The Preventive Health Block Grant (PHBG) is a federal source of funds that states use to address high priority health program needs such as communicable disease surveillance and response, water fluoridation, local public health infrastructure capacity building, and others. Due to federal budget cuts this funding is at risk. The Department has carefully reviewed the block grant programs and is requesting funding to protect the most critical of these activities.

CDPHE has received PHBG funds for decades. The Department received \$961,423 in federal fiscal year 2010-11 and \$932,651 in 2011-12. This funded/will fund 12 projects. The President's Federal Fiscal Year 2012-13 budget requested that this block grant be defunded. If Congress agrees to defund the PHBG, a number of high priority program areas will be impacted with negative consequences for public health in Colorado.

The Department has carefully reviewed the block grant activities and is only requesting funding to maintain the activities most critical to protecting public health. This request is to maintain three of the twelve block grant funded programs at a cost of \$251,000 rather than the more than nine hundred thousand typically received from the block grant. See appendix A for a list and description of the three activities for which funding is being requested.

The Department submitted a similar request to address potential block grant reductions for the state's 2012-13 fiscal year. However, the block grant was eventually funded and the request was withdrawn. The department is submitting the request again for the FY 2013-14 budget because the block grant is again in question. If the block grant is funded, the request will be withdrawn.

This request seeks General Fund spending authority in the amount of \$251,000 and 2.4 FTE. The requested General Fund would be offset by a reduction in two other CDPHE General Funded programs. \$180,000 will be reduced from the Ryan White Aids Drug Assistance Program and \$71,000 will be reduced from the Immunization Program operating funds. It is important to note that the requested FTE are not new FTE, merely switching 2.4 FTE from federal funds to General Funds.

The reduction in the Ryan White Aids Drug Assistance Program will limit the amount of drugs that can be purchased for persons living with AIDS and HIV infections in Colorado. However, there are also significant federal funds and Tobacco Master Settlement Funds appropriated for this purpose, and the Department feels that the reduction in the General Fund will not create a waiting list for patients to receive services.

The reduction in the Immunization operating funds could limit the availability of funds for the Colorado Immunization Information System (CIIS) that would have been used to support training costs and materials for CIIS. Elimination of these funds will reduce the training capacity for CIIS.

However, the Department believes that the critical nature of the activities included in this request make the tradeoffs worthwhile. Maintaining these most critical programs, traditionally funded by the Preventive Block Grant will significantly benefit core public health programs and provide support to the strategic direction of the state while keeping the core

functions of the Ryan White and Immunization programs intact.

Anticipated Outcomes:

This request would allow the Department to maintain the activities most critical to protecting public health in the state of Colorado. These activities, described in detail in Appendix A, protect the public from infectious diseases and foodborne illness as well as providing environmental epidemiology services to investigate and respond to possible exposure to environmental contamination.

See Appendix B for information on costs versus benefits by program.

Assumptions for Calculations:

Requested resources are based on prior year expenditures and resource needs. This request is to maintain services and thus the request is based on costs needed to continue services and staffing at current levels.

Consequences if Not Funded:

If this request is not approved, a number of critical public health activities will be curtailed. Failure to authorize this funding could result in increased prevalence of disease, increased severity of disease, and increased cost for medical care to treat more patients and more severe illness. Additionally, identification of and response to disease outbreaks and health risks will take longer thereby putting citizens at greater risk. See Appendix A for specific consequences on each of the programs for which funding is being requested.

Impact to Other State Government Agency:

If this request is not approved, there could be significant impacts on state as well as local governments. Failure to detect and respond to disease quickly can lead to more incidences and more severe illness, thus resulting in increased health care costs to local health agencies, private providers and Medicaid. The decreased capacity to identify, evaluate and respond to environmental and health risks which would

result from failure to maintain these critical public health activities, will likely also result in the inability to respond to emerging issues of concern to citizens. These concerns, if not addressed quickly and with accurate, credible information, can result in significant controversy, workload for local government and constraints on business growth.

See Appendix A for impacts on state and local governments by activity if this request is not funded.

Current Statutory Authority or Needed Statutory Change:

Statutory authority for all of the activities included under this request can be found in title 25 C.R.S. 2011.

Appendix A: Program specific Detail

Program name	Program purpose	FY 2013-14 request amount	FY 2013-14 requested FTE	Purpose of requested resources
Sexually Transmitted Infection (STI) medication	These funds are used to purchase antibiotics and other medications to treat low-income clients who have sexually transmitted infection (STIs.) Without this medication assistance program these low-income patients would not receive necessary and appropriate medication to treat and prevent the spread of infection.	\$35,000	0.0	Medication to serve approximately 10,000 low income patients
Environmental Epidemiology	Environmental epidemiology services use scientific methods to investigate health risks associated with harmful exposures such as chemicals in polluted air or water. This program responds to concerns from citizens, local public health agencies, businesses and community organizations by providing health outcome analysis and making recommendations to decision-makers. Activities include determining health impacts of exposure, educating stakeholders on the presence or absence of health risks, and providing advisories, such as recommendations to avoid eating fish from contaminated sources, or recommending against drinking water that has been identified as possibly harmful to human health. This program responds to concerns related to possible cancer clusters as well as concerns related to oil and gas drilling activity.	\$101,000	1.0	funding supports half of two positions with different expertise related to this area

Program name	Program purpose	FY 2013-14 request amount	FY 2013-14 requested FTE	Purpose of requested resources
Communicable Disease	This program conducts surveillance, investigation, response, consultation and training in order to prevent and control the spread of communicable diseases such as foodborne and waterborne illness. The program maintains a state-wide communicable disease reporting system, monitors disease reports to identify clusters and outbreaks; investigates possible outbreaks; and takes appropriate action as warranted. Examples include the 2011 multi-state outbreak of Listeria associated with cantaloupes, community-wide Alamosa Salmonella outbreak in 2008 and Colorado's investigation of a cluster of E. coli cases that was linked to ground bison meat and led to a nationwide recall of this product.	\$115,000	1.4	The requested FTE will: maintain the state-wide communicable disease reporting system; monitor disease reports for possible outbreaks; investigate and respond to possible outbreaks; and provide training to local public health departments.
Total		\$251,000	2.4	

Program name	Consequences if not funded	Impacts to other governmental agencies
Sexually Transmitted Infection (STI) medication	Without the requested funding STIs among the low-income uninsured would go untreated, leading to the spread of infection and serious disease.	Clinics serving low-income patients would either have to find funds to provide these medications, or patients would not receive necessary treatment. Failure to provide medication would lead to more costly treatment, often through an emergency room, as well as increased spread of disease resulting in an increase in the number of patients needing treatment.
Environmental Epidemiology	Without this funding There would be no one to investigate potentially harmful environmental exposures such as suspected contamination, high prevalence of cancer or harmful impacts of oil and gas production. Failure to investigate these could result in misperception of health risks and/or failure to respond quickly to possibly harmful exposure.	Since most local public health agencies do not have expertise in this area, there would be no way for them to respond to and protect citizens. This could result in illness and disability and associated increased medical costs. The inability to provide accurate risk analysis could result in misperceptions that could unnecessarily limit business growth, such as oil and gas development. Alternatively, failure to identify health risks could result in increased medical costs to treat illness related to environmental contamination.

Program name	Consequences if not funded	Impacts to other governmental agencies
Communicable Disease	Without the requested funding, the program's ability to maintain the state-wide communicable disease reporting system; to identify and respond to foodborne/waterborne outbreaks in as complete and timely a fashion as today, and to provide training to local public health departments would be limited. Delays in identifying and responding to outbreaks would likely result in increased spread and severity of disease.	Failure to identify and respond rapidly to outbreaks would result in increased burdens and cost for local public health agencies and medical providers including Medicaid.

Appendix B: benefits and savings associated with prevention activities

Environmental Epidemiology:

This program provides critical public health prevention services by researching health risks, usually associated with environmental causes and making recommendations regarding appropriate responses. In many instances, communities have stopped projects that could be of significant benefit to the local community due to fears of negative health outcomes. The environmental epidemiology program provides information and research that allays community concerns and allows the project or business to move forward. In other cases, the programs research and recommendations have the potential to lead to significant health benefits and/or medical cost savings. As an example, the program conducted research on toxicology and epidemiology associated with air pollution from a major front-range coal-fired power plant and assessed the likely health benefits from reducing air pollution from this plant. If implemented, the savings associated with reduction of nitrogen oxides and sulfur dioxide from this coal-fired power plant is estimated to be approximately \$ 13 million in reduction in health care costs.

Communicable Disease:

Although it is difficult to quantify the number of illnesses that the communicable disease program prevents, given the costs of hospitalization, it seems reasonable to assume that the requested \$115,000 will achieve at least that much in medical cost savings. For example, according to the Economic Research Service USDA foodborne illness cost calculator, if the communicable disease program prevents a single case of Hemolytic Uremic Syndrome (HUS) a type of kidney failure; and as few as six Salmonella hospitalizations, there will be a positive return on investment.

- Cost for one person hospitalized with HUS.: \$47,245
- Cost for one person hospitalized with Salmonella: $\$12,639 \times 6 = \$75,834$

Total cost savings by preventing one case of HUS and six cases of Salmonella: \$123,079

<http://www.ers.usda.gov/Data/FoodborneIllness/>

Sexually Transmitted Infection (STI) medication:

This \$35,000 expenditure has an extremely high return on investment. Based on CDC models, the program estimates the following benefits:

- Approximately \$5,694,400 in medical costs were averted as a result of treating infections before complications arose and by preventing transmission to uninfected individuals.
- Approximately 1,800 serious complications such as pelvic inflammatory disease were averted.
- Approximately 8,000 individuals were protected from infection because individuals they come into contact with had been treated.

<http://www.resource-allocation.com/content/6/1/10>

OSPB Analysis:

Problem:

The Department is requesting \$251,000 and 2.4 FTE to maintain critical public health activities. This Decision Item is predicated on the previous year's proposed federal budget cuts of the Preventive Health Block Grant. This simply is the potential reduction of existing General Fund in two programs to support previously federally funded programs and FTE.

Circumstances:

The President's 2012-13 federal budget includes a proposal to severely reduce funding for the Preventive Health Block Grant.

Solution:

The Department, in order to preserve core public health functions, intends to cut funding from immunizations and Ryan White to fund environmental epidemiology, communicable disease and STI medications. This request replaces what was federal funds with General Fund from other programs which can absorb the reductions.

Why is this the best solution?:

This isn't necessarily the best solution but an example of the Department prioritizing programs and assessing risk. The Department has determined that preservation of the three above mentioned programs proves a greater health benefit than losing the functions due to lack of funding. The Department also assessed that the programs which will be cut can absorb the cuts and can continue to provide core services.

Consequences if not Funded:

The Department notes that if these core functions are not supported it would impact public health by increasing disease, increasing the cost of care and potentially impact other state agencies such as Medicaid. While the potential impacts are not quite quantifiable, they do represent the Department's assessment of the public health risk.

OSPB Analysis:

This same Decision item was submitted to OSPB for the FY 2012-13 budget cycle, approved and submitted to the JBC. However, OSPB submitted a letter to the JBC on February 7th 2012 asking for this request to be withdrawn as the Federal Government did not cut funding for these programs as anticipated.