

The Prevention and Public Health Fund is the nation's first and only mandatory funding stream dedicated to improving the public's health.

Why was the Prevention and Public Health Fund created?

The United States has the potential to have one of the healthiest populations in the world, but we currently spend too much and achieve too little. The U.S. spends far more on medical care than any other industrialized nation, and yet is ranked 26 out of 43 in terms of life expectancy.¹ Also striking is the fact that only 3 percent of our health care spending is focused on prevention and public health,² when chronic conditions—the most common, costly and preventable of all health problems—account for 86 percent of our health care costs.³

The Affordable Care Act took an important first step toward addressing these issues by creating a mandatory fund, the Prevention and Public Health Fund. By law, the fund must be used “to provide for expanded and sustained national investment in prevention and public health programs to improve health and help restrain the rate of growth in private and public health care costs.”⁴

Already, the fund is being used to support a variety of community prevention and clinical prevention programs, to bolster the public health infrastructure and workforce, and to expand public health research and tracking efforts. Prevention and Public Health Fund dollars are going to programs at the local, state and federal levels that fight obesity, curb tobacco use and increase access to preventive care services. Funding is also helping state and local governments respond to public health threats and outbreaks.

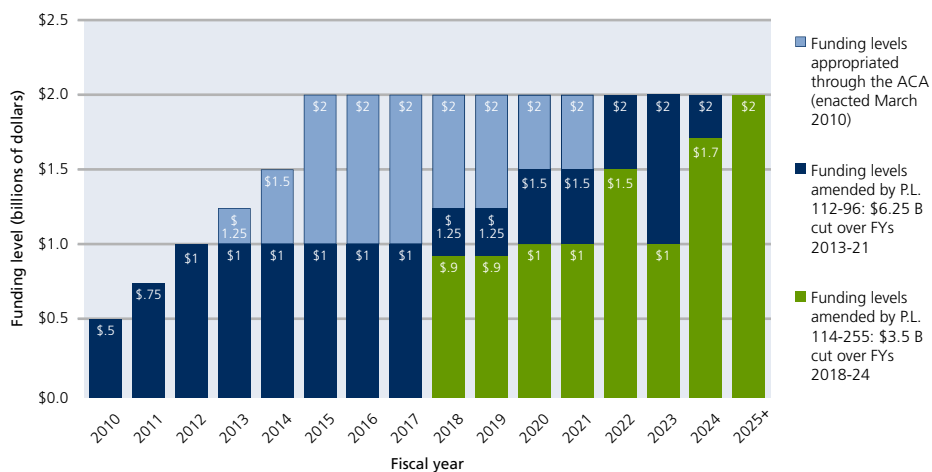
How much money is in the Prevention and Public Health Fund?

According to the Department of Health and Human Services, for FY 2017, more than \$891 million has been transferred to the Centers for Disease Control and Prevention, and the planned use of the funding will be for activities to address heart disease, tobacco control, diabetes prevention and other critical public health priorities. The remaining funds went to the Substance Abuse and Mental Health Services Administration and the Administration for Community Living's Administration on Aging.

The Prevention and Public Health Fund in FY 2017	
Amount originally authorized by the ACA in 2010	\$2 B
Amount authorized after February 2012 cut	- \$1 B = \$1 B
FY 2017 sequestration cut to the fund	- \$69 M
Amount remaining for prevention fund public health activities in FY 2017	= \$931 M

The ACA authorized \$18.75 billion for the fund between FY 2010 and FY 2022 and \$2 billion per year after that. Annual funding levels started at \$500 million in FY 2010, and were meant to rise to \$2 billion per year by FY 2015. The mandatory nature was meant to protect the funding stream from reduction or elimination during the annual appropriations process.

However, Congress has the ability to eliminate the fund or redirect money from it to pay for non-public health



legislative proposals, but this requires new legislation to be passed that amends the ACA. For example, in December 2016, Congress passed and the president signed into law the 21st Century Cures Act, cutting \$3.5 billion from the fund over the next seven years to pay for the bill (FYs 18-24). Additionally in February 2012, Congress passed and the president signed legislation that cut the fund by \$6.25 billion over nine years (FYs 2013-21), in order to offset a scheduled cut to Medicare physician payments. See figure to right for annual funding levels before and after this cut. The fund has also been cut by sequestration, automatic spending cuts to most federal programs that are scheduled to reduce the fund through 2023 unless members of Congress replace sequestration with a balanced approach to deficit reduction. In FY 2017, sequestration cut \$69 million leaving \$931 million for prevention and wellness activities.

Why is the Prevention and Public Health Fund important?

According to recent research, investments such as the Prevention and Public Health Fund have the potential to improve health outcomes and reduce costs. For example, every 10 percent increase in funding for community-based public health programs is estimated to reduce deaths due to preventable causes by 1 to 7 percent, and a \$2.9 billion investment in community-based disease prevention programs was estimated to save \$16.5 billion annually within five years (in 2004 dollars).^{5,6}

The United States faces significant health and fiscal challenges that could be mitigated by a better and more reliably funded public health system. The Prevention and Public Health Fund is a vital part of the effort to create such a system.

Resources

Find more information on APHA's Key ACA Resources webpage:

<http://apha.org/topics-and-issues/health-reform/key-aca-resources>

References

¹ OECD, Life expectancy at birth (indicator), 2017. Available online at: <https://data.oecd.org/healthstat/life-expectancy-at-birth.htm>

² National Health Expenditure Accounts. Baltimore, MD: U.S. Centers for Medicare and Medicaid Services, December 2016. Available online at <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/NationalHealthAccountsHistorical.html>

³ Gerteis, J., Izrael, D., Deitz, D., LeRoy, L., Ricciardi, R., Miller, T. and Basu, J. Multiple Chronic Conditions Chartbook. AHRQ Publications No. Q14-0038. Rockville, MD: Agency for Healthcare Research and Quality, 2014.

⁴ P.L. 111-148: The Patient Protection and Affordable Care Act. Section 4002: Prevention and Public Health Fund. 111th Congress. Enacted March 23, 2010. Available online at: <http://housedocs.house.gov/energycommerce/ppacacon.pdf>.

⁵ Mays, G. and Smith, S. Evidence links Increase in Public Health Spending to Declines in Preventable Deaths. Health Affairs. August 2011, 30(8): 1585-1593. Available online at: <http://content.healthaffairs.org/content/30/8/1585.full.pdf+html>.

⁶ Prevention for a Healthier America: Investments in Disease Prevention Yield Significant Savings, Stronger Communities. Washington, D.C.: Trust for America's Health, February 2009. Available online at: <http://healthyamericans.org/reports/prevention08/Prevention08.pdf>



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