



Ohio prevention basics

A closer look at prevention spending

Many causes of death and disability are preventable, yet national studies estimate that far more is spent on treatment than prevention.¹ Prevention expenditures include public and private spending on clinical preventive services, such as immunizations and cancer screenings, as well as spending on community-based strategies such as infant mortality and youth drug prevention programs led by local health departments.

In Ohio, HPIO estimates that approximately 6 percent of total spending by the state's five health agencies was invested in prevention in State Fiscal Year (SFY) 2013. Of the \$18.7 billion spent in SFY 2013, approximately \$1.1 billion was spent on prevention activities (see Figure 1).

As Ohio policymakers respond to the significant burden of preventable health problems, it is important to have an understanding of the current allocation of resources toward prevention. This brief provides a first step in quantifying Ohio's public investments in prevention.

State health agency spending

This analysis focuses on spending by Ohio's five health agencies: Ohio Department of Aging, Ohio Department of Developmental Disabilities, Ohio Department of Health, Ohio Department of Medicaid, and Ohio Department of Mental Health and Addiction Services. Among these, the Department of Health had the largest proportion of its expenditures going toward prevention, with 57 percent of its budget allocated to primary prevention activities. The Women, Infants and Children (WIC)

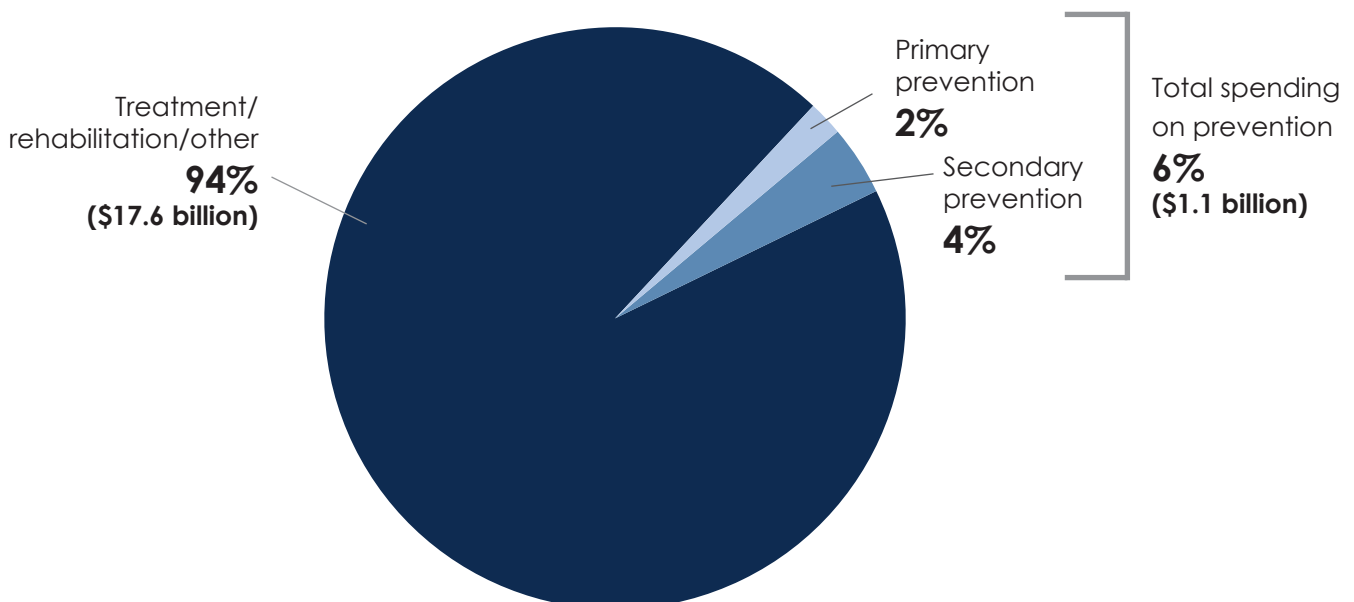
About the state agency expenditure data

HPIO requested that Ohio's health agencies report SFY 2013 expenditures for primary and secondary prevention activities. The Institute provided the agencies with the following definitions, along with examples and a "prevention, treatment and rehabilitation" diagram:

- **Primary prevention** aims to prevent a disease, injury or other health problem from occurring in the first place.
- **Secondary prevention** aims to detect health problems at an early stage and/or to slow or halt the progress of an existing disease, injury, or other health problem.
- **Treatment** is what a healthcare provider does to relieve, reduce or eliminate harm once disease or injury is fully present.
- **Rehabilitation and recovery** maximizes remaining function after a disease has been diagnosed or an injury has occurred.

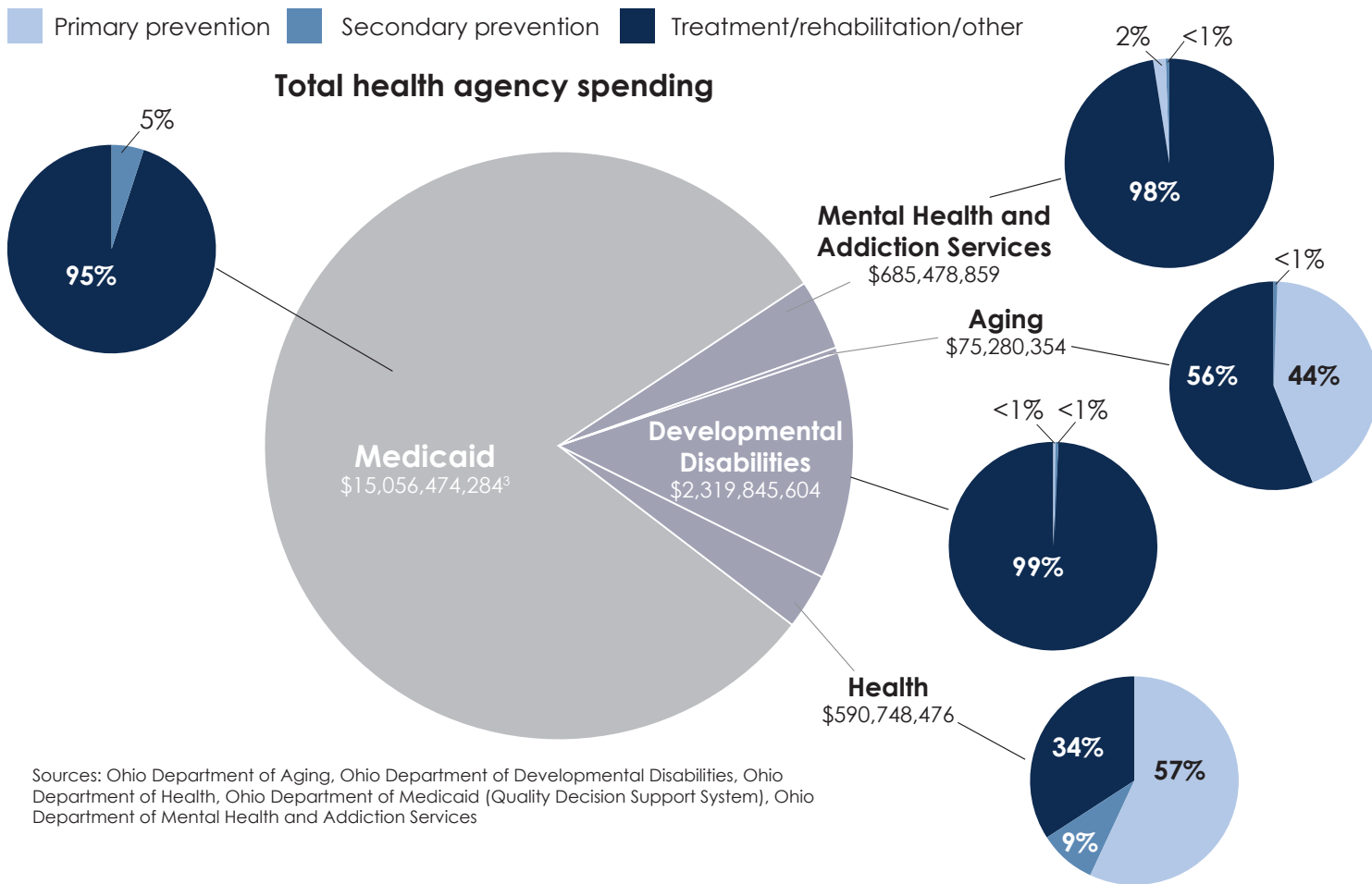
HPIO also provided the Ohio Department of Medicaid with a list of CPT codes categorized as secondary prevention.² For the other agencies, it is important to note that the state accounting system does not capture prevention spending precisely; agency responses are estimates.

Figure 1. All health agency spending, by prevention category (State Fiscal Year 2013, \$18.7 billion)



Sources: Ohio Department of Aging, Ohio Department of Developmental Disabilities, Ohio Department of Health, Ohio Department of Medicaid, Ohio Department of Mental Health and Addiction Services

Figure 2. Health spending, by prevention category and state agency (State Fiscal Year 2013, \$18.7 billion)



Sources: Ohio Department of Aging, Ohio Department of Developmental Disabilities, Ohio Department of Health, Ohio Department of Medicaid (Quality Decision Support System), Ohio Department of Mental Health and Addiction Services

nutrition program for low-income pregnant women and young children represents the largest share of the department's prevention spending.

At approximately \$15.1 billion³, Medicaid spending is much higher than that of other health agencies. Five percent of Medicaid's budget was spent on prevention in SFY 2013 (see Figure 2).⁴

The expenditure amounts in this analysis include both state and federal funding sources. Much of Ohio's prevention funding—approximately 70 percent—comes from federal sources (see Figure 3).

Health-related spending in other state agencies

This summary does not include spending from other state agencies whose investments also contribute to primary and secondary prevention. For example, the Ohio Department of Education provides nutritious foods through the school lunch and breakfast programs, which bolster the nutritional status of low-income children during the school year and summer months (\$581 million).⁵ The Ohio Environmental Protection Agency spends approximately \$15 million

on programs to protect the public water supply and ensure clean drinking water.⁶ Finally, the Ohio Department of Transportation supports ride sharing programs and the construction of safe pathways for bicycles and pedestrians; 1.5 percent of Ohio's federal transportation dollars were applied to biking and pedestrian projects in 2009 through 2012.⁷

Prevention spending by local agencies

It is important to note that local government entities, such as local health departments, area agencies on aging, and behavioral health and developmental disability boards also invest in prevention. Funding sources for these local activities include state and federal agencies, local levies and fees. Local health departments, for example, implement health promotion activities, such as health education on nutrition and car seats, and environmental health services, such as restaurant inspections.

In 2014, about one quarter of local health department expenditures were allocated to primary prevention-oriented categories (environmental health, health promotion and communicable disease control and investigation) (see Figure 4). The personal

health category (31%) includes a mix of prevention and primary care activities, such as the WIC, Help Me Grow and Bureau for Children with Medical Handicaps (BCMh) programs, and medical and dental clinical health services.⁸

A 2012 analysis found that about half of local behavioral health boards provided mental health promotion services, such as stress management. Prevention expenditures made up 2.4 percent of non-Medicaid mental health spending by local boards in State Fiscal Year 2011 (\$3.4 million).⁹

Examples of prevention activities funded by state agencies

Aging: Home delivered meals for homebound seniors

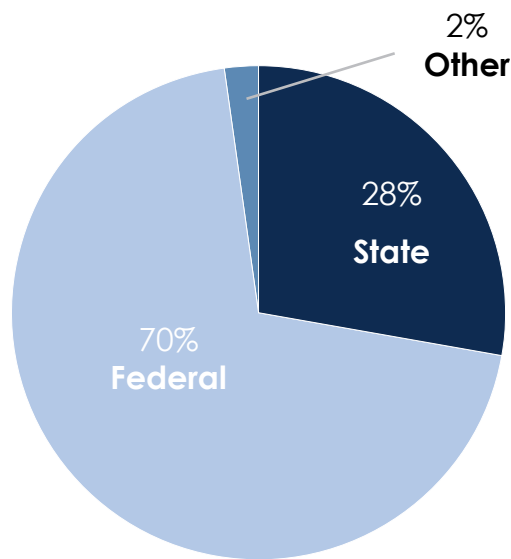
Developmental Disabilities: Training on prevention of falls, sexual abuse, flu, and other health and safety concerns

Health: WIC, safe sleep campaigns, newborn screenings

Medicaid: Well-child check-ups, screenings for cancer and sexually transmitted infections

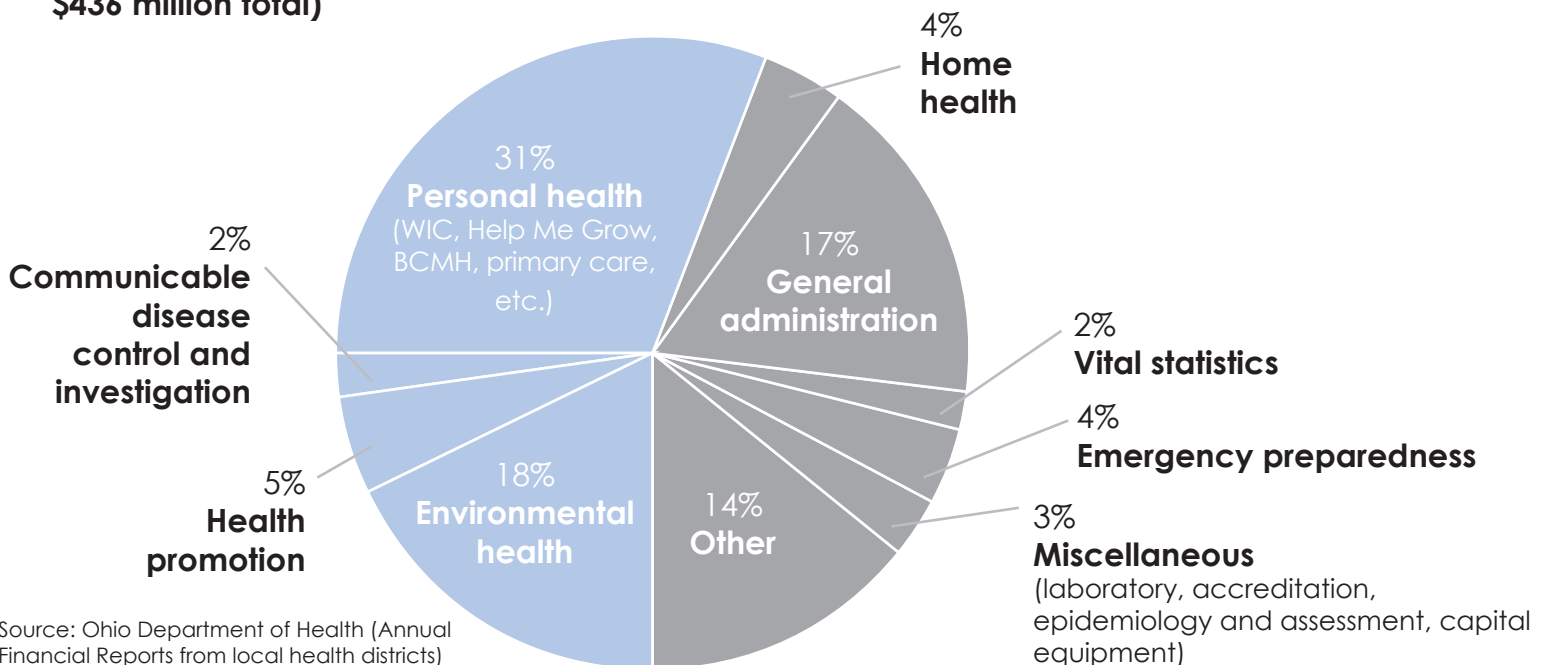
Mental Health and Addiction Services: School-based alcohol and other drug prevention programs, mental health early intervention services

Figure 3. **Prevention spending, by source of funds (State Fiscal Year 2013, \$18.7 billion total)**



Sources: Ohio Department of Aging, Ohio Department of Developmental Disabilities, Ohio Department of Health, Ohio Department of Medicaid, Ohio Department of Mental Health and Addiction Services

Figure 4. **Local health department expenditures, by program type (Calendar Year 2014, \$436 million total)**



Source: Ohio Department of Health (Annual Financial Reports from local health districts)

Policy implications

As Ohio policymakers respond to the significant burden of preventable health problems, such as diabetes and opiate addiction, it is important to consider the current allocation of resources toward prevention. This brief provides a first step in quantifying Ohio's public investments in prevention. Additional analysis is needed to fully delineate spending outside state health agencies that may contribute to population

health, and to assess the adequacy of current prevention investments. Ultimately, health policy decisions in Ohio will benefit from a more robust and informed discussion about the appropriate balance between prevention and treatment spending. Making sure that policymakers invest in a balanced portfolio of prevention and treatment strategies both inside and outside the healthcare system is critical to achieving better health value for Ohioans.

Notes

1. Estimates of prevention spending range from 1% to 8.6% of public and private healthcare expenditures, depending on the definition of prevention and types of services included. See: Miller, George, et. al., "What is currently spent on prevention as compared to treatment?" In *Prevention vs. Treatment: What's the Right Balance?*, edited by Halley S. Faust and Paul T. Menzel, 37-55. New York: Oxford University Press, 2012. Pages 38 and 41.
2. United Healthcare, "Coding Summary for Providers," accessed May 2014, https://www.unitedhealthcareonline.com/ccmcontent/Provider/UHC/en-US/Assets/ProviderStaticFiles/ProviderStaticFilesPdf/Tools%20and%20Resources/Policies%20and%20Protocols/Medical%20Policies/Medical%20Policies/preventive_care_services_coding_guideline_summary.pdf
3. The \$15.1 billion expenditure amount provided by the Ohio Department of Medicaid for this analysis does not include DODD Services, Hospital Care Assurance Program (HCAP), Hospital Upper Payment Limit (UPL) or administration. Total Medicaid spending was \$18.9 billion in SFY 2013 if those categories are included.
4. Medicaid amounts include both Fee for Service (actual payments for procedures) and Managed Care (estimated payments for procedures). Any prevention activities provided by Medicaid Managed Care plans that are not reimbursable by Medicaid are not captured in this analysis. For example, some Managed Care Plans engage in upstream initiatives to address the social determinants of health, such as housing, food access and community development programs. Additional research is needed to assess the scope of these efforts and to quantify Managed Care Plans' investments in prevention.
5. SFY 2013 data. Includes School Lunch Match (200505), Federal School Lunch (200617), Federal School Breakfast (200618), Child/Adult Food Programs (200619), Summer Food Service Program (200674), Miscellaneous Nutrition Grants (200675), and Fresh Fruit and Vegetable Program (200676). Legislative Services Commission, "LSC Greenbook Analysis of the Enacted Budget: Department of Education," August 2013. <http://www.lsc.ohio.gov/fiscal/greenbooks130/edu.pdf>
6. SFY 2013 data. Includes Public Water Supply (715612), Drinking Water Protection (715651), Drinking Water State Revolving Fund (715669), Drinking and Ground Water (715673), and Underground Injection Control (715605, 715638). Legislative Services Commission, "LSC Greenbook Analysis of the Enacted Budget: Environmental Protection Agency," August 2013. <http://www.lsc.ohio.gov/fiscal/greenbooks130/epa.pdf>
7. Ohio ranks 30th in the country for investments in bicycling and walking infrastructure. Alliance for Biking and Walking, "Bicycling and Walking in the United States 2014 Benchmarking Report," 2014. <http://www.bikewalkalliance.org/storage/documents/reports/2014BenchmarkingReport.pdf>
8. Local health district Annual Financial Reports, Expenditures by Program/Source, Calendar Year 2014, Ohio Department of Health.
9. Mental Health Advocacy Coalition and Center for Community Solutions, "By the Numbers 2: Developing a Common Understanding for the Future of Behavioral Health Care," November 2012. <http://mhaadvocacy.org/joomla/index.php/research-materials/by-the-numbers-2>

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