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. Also striking is the fact that only 3 percent of our health care spending is focused on prevention and public health, when chronic conditions—the most common, costly and preventable of all health problems—account for 86 percent of our health care costs.

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."

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 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
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