



The Prevention and Public Health Fund: Background and Fact Sheet

The Patient Protection and Affordable Care Act (ACA) of 2010 included historic reforms that have the potential to transform our health system. For too long, we have focused spending on treating people once they are sick rather than preventing illness in the first place. Section 4002 of the ACA created the Prevention and Public Health Fund (Fund) to address the many emerging health threats our country faces and the persistent chronic disease rates that we must begin to control. The Fund is intended to ensure a coordinated, comprehensive, sustainable, and accountable approach to improving our country's health outcomes through the most effective prevention and public health programs.

The Fund is a unique opportunity to truly bend the cost curve on health care spending. Seventy-five percent of all health care costs in our country are spent on the treatment of chronic diseases, many of which could be easily prevented. The legislation provides \$16.5 billion over the next ten years (2011-2020) for public health programs, and the allocation breakdown by fiscal year is as follows:

- FY10: \$500 million
- FY11: \$750 million
- FY12: \$1 billion
- FY13: \$1.25 billion
- FY14: \$1.5 billion
- FY15 and each fiscal year after, \$2 billion

The Fund is administered through the Department of Health and Human Services Office of the Secretary. The Secretary has the authority to transfer amounts from the Fund to increase funding for any program authorized by the Public Health Service Act for "prevention, wellness, and public health activities including prevention research and health screenings, such as the Community Transformation grant program, the Education and Outreach Campaign for Preventive Benefits, and immunization programs." House and Senate Appropriations Committees, as explicitly stated in ACA Sec. 4002(d), reserve the right to allocate the Fund at their discretion through the appropriations process.

"Typically prevention and public health initiatives are subject to unpredictable and unstable funding. This means that important interventions...often go unfunded from one year to the next... The prevention and public health fund in this bill will provide an expanded and sustained national investment in programs that promote physical activity, improve nutrition, and reduce tobacco use. We all appreciate that checkups and immunizations and other clinical services are important. But this bill also recognizes that where Americans live and work and go to school also has a profound impact on our health. This is the very first opportunity in a generation – one that may never return – to invest in modernizing the public health system." – Senator Tom Harkin, Chairman Senate HELP Committee, December 21, 2009, Congressional Record, pp. S13661-62.

The Community Transformation Grant (CTG) program, authorized as a new addition to the Public Health Service Act under the ACA, provides a new opportunity to use the Fund to make significant policy, environmental, programmatic and infrastructure changes to promote healthy living and reduce disparities at the community level. Administered by the Centers for Disease Control and Prevention, the CTG program will empower state and local governments and not-for-profits and national community-based organizations to implement community prevention interventions to reduce chronic disease burden and help Americans live longer, healthier lives.

The \$750 million in 2011 allocations build on \$500 million FY 2010 investments and will focus on community prevention, clinical prevention, public health infrastructure and training, and public health research and tracking. State fact sheets made possible through TFAH's annual *Investing in America's Health* report have additional information about FY2010 Fund spending and are available at <http://healthyamericans.org/reports/prevention-fund/>.