



Overview for House Health Finance and Policy

Jan Malcolm, Commissioner of Health

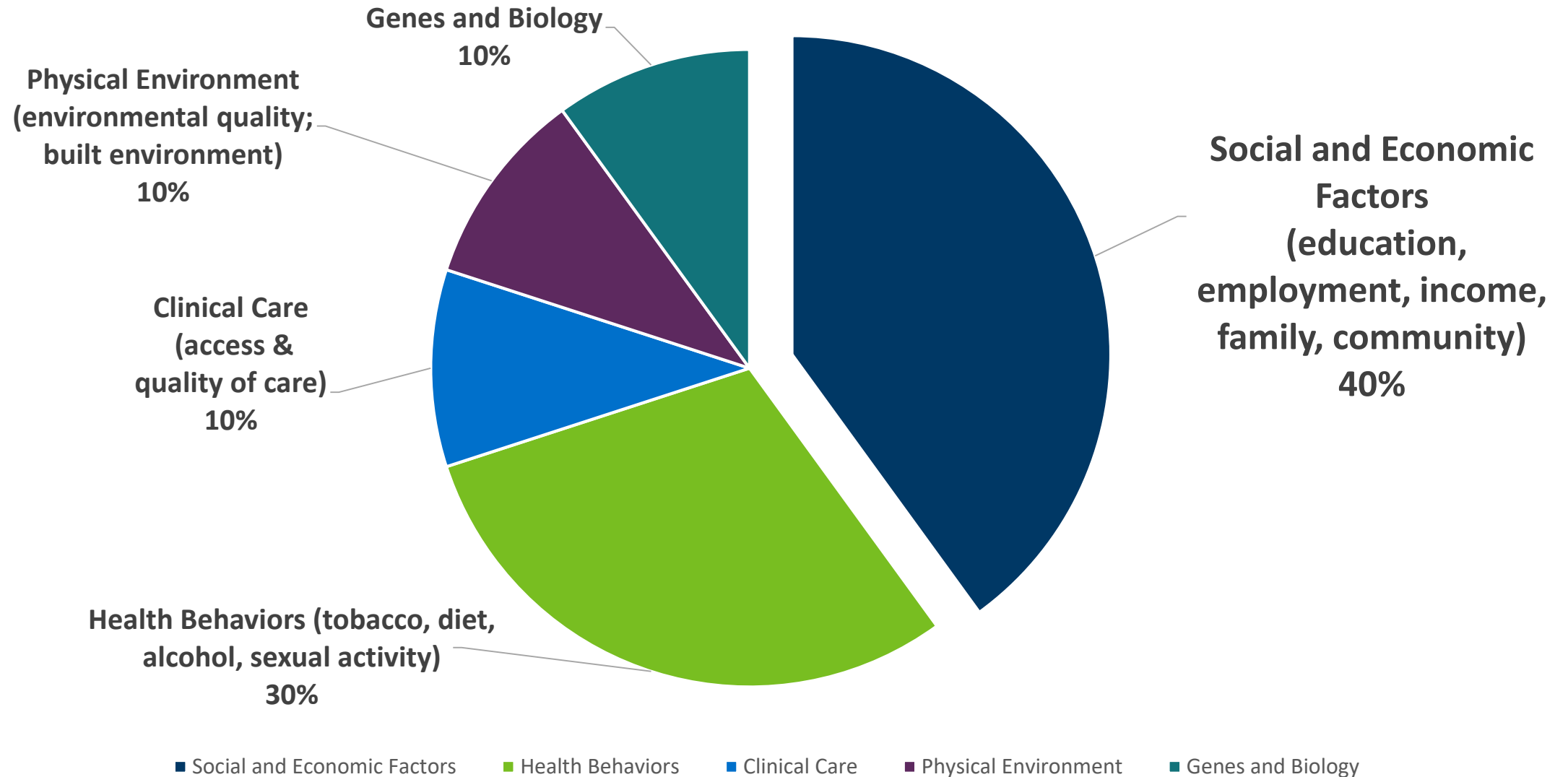
January 12, 2021

PROTECTING, MAINTAINING AND IMPROVING THE HEALTH OF ALL MINNESOTANS



MDH Mission:

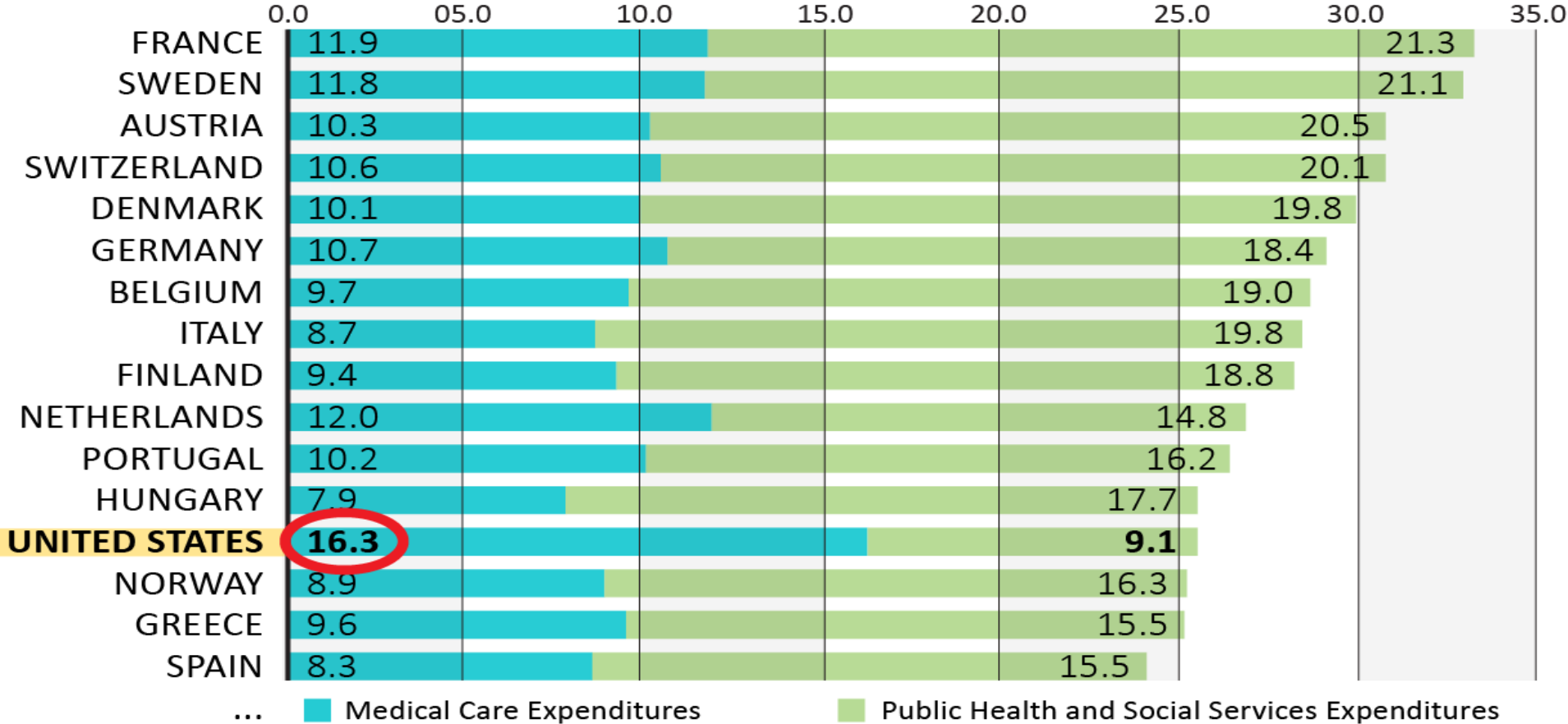
“Our mission is to protect, maintain and improve the health of all Minnesotans.”



What Determines Our Health?

Total Investment in Health and Human Services

Expenditures as a % of GDP

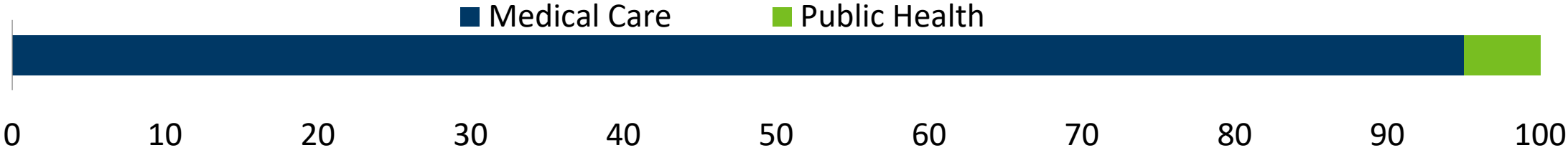


- In OECD, for every \$1 spent on health care, about \$2 is spent on prevention and other social services
- In the U.S., for every \$1 spent on health care, about 55 cents is spent on prevention and other social services

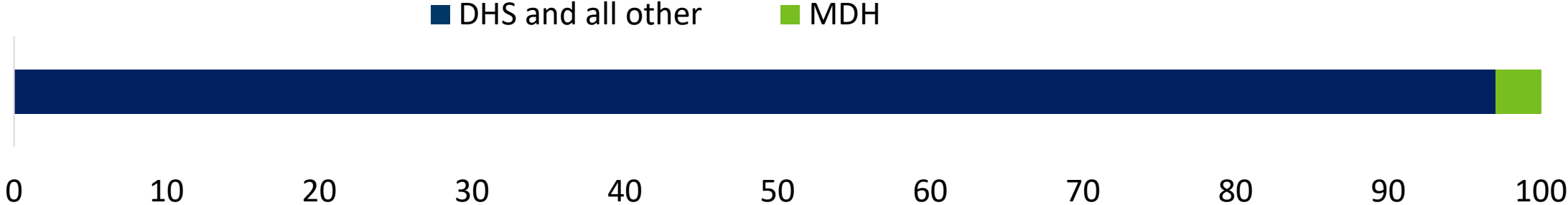
SOURCE: BRADLEY ET AL., 2011

Total Investment in Health and Human Services

U.S. Distribution of Health Resources



MN State Budget Distribution of Health and Human Services Resources



Public Health in Minnesota

Health Care/Human Services (DHS)

1. Providing medical treatment to a child with measles
2. Enrolling people in health insurance to ensure chronic disease treatment
3. Treating people with addiction or overdose in hospital or program

Public Health (MDH)

1. Teaching parents about the value of immunizations
2. Working with local governments to reduce prevalence of chronic disease
3. Addressing root causes of diseases of despair (alcohol abuse, suicide, etc)

Public Health in Minnesota



- Minnesota has some of the worst health disparities in the nation
- Compared to whites, Minnesota's populations of color and American Indians experience:
 - Shorter life spans
 - Higher rates of infant mortality
 - Higher incidences of diabetes, heart disease, and cancer; and
 - Poorer general health

Why the poor performance? Consider chronic disease

- 1 million people (25%) age 10 to 64 in Minnesota were moderately or severely obese in 2017 – with direct spending costs of \$476 million per year
- Nearly 900,000 adults age 60 or older had at least 1 diagnosed chronic disease – representing costs of \$9.4 billion per year
- 37% of adults were exposed to smoking in 2014 (current smoker; 2nd hand smoke or quit smoking), down from 40% in 2009 but still costing \$250 million per year



Public Health in Minnesota

We can't afford to treat our way out

- Spending related to chronic conditions is projected to soar by 2023
- Chronic conditions (among age 60+) spending will increase by **218%** - up to \$15 billion/yr
- Dementia-related (age 18+) spending will increase by **200%** -- up to \$389 million/yr
- Hypertension-related spending will increase **90%** to \$7.7 billion/yr



- **Financial Management Division**
- **Human Resources Management Division**
- **Facilities Management Division**
- **MNIT Health**

- **Environmental Health Division**
- **Public Health Laboratory**
- **Infectious Disease Epidemiology, Prevention and Control Division**

- **Child and Family Health Division**
- **Health Promotion and Chronic Disease Division**
- **Community Health Division**

- **Health Policy Division**
- **Office of Medical Cannabis**
- **Health Regulation Division**

2021 Session Legislative Policy Agenda

PROPOSAL NAME	DESCRIPTION
Advisory Councils	This proposal includes four MDH advisory councils: it will codify the Health Equity Advisory and Leadership Council, it will expand the Rural Health Advisory Leadership Committee, and extends both the e-Health Advisory Committee and the Drinking Water/Waste Water Operator Advisory Council. They are grouped together to more efficiently make all of the committee stops.
Empowering the Minnesota Cancer Reporting System	This proposal will allow the Minnesota Cancer Reporting System to share individual level data with other state cancer registries to ensure medical follow-up with patients, and the completeness of data for cancer investigations and reports. This proposal will also ensure that Minnesota data are shared with national, legally-authorized public health authorities to identify emerging trends for cancer.
Chronic Conditions Proposal	Modifies the requirement for MDH to produce an annual report estimating current and future costs for selected chronic conditions and risk behaviors, and for comparing current costs to projections.
Secure Access to Birth and Death Records	This proposal will help to secure data and birth and death certificates by eliminating the language from the law that allows the “party responsible for filing the vital record” to claim tangible interest to obtain a certified record, and narrowing language around attorney access to certificates so that only attorneys representing someone with tangible interest qualify. This bill would also update “tangible interest” to plain language which would be helpful for individuals who seek certificates and for vital records professionals who must provide service.
Consumer Protection from Balance Billing (Surprise Billing)	Working with Commerce to analyze the new federal No Surprises Act and develop a conformity bill with Minnesota law.
Adding General Surgery to International Medical Graduate Program	Adds general surgery to the list of primary care providers that IMG funds can be used to promote.
Renovation and Lead Hazard Reduction	There are two pieces to this proposal: (1) Amend the current definition of “regulated lead work” so that de minimis levels (painted surfaces) align with federal thresholds for lead hazard reduction and lead renovation work; (2) Insert a provision from previous law language; renovation and lead hazard reduction work was treated separately by the intent of the activity. (e.g. activities such as remodeling activities whose primary intent is to remodel a given structure or dwelling, rather than to permanently eliminate lead based paint hazards, even though these activities may incidentally result in a reduction in lead based paint hazards).
Ground Water Protection Act Modification	Modify the Ground Water Protection Act (GWPA) to allow MDH to use scientific risk analysis conducted by established entities other than just the US EPA. This will allow for more current and robust risk analysis in reviewing health impact data for ground water contaminants.
MDH Housekeeping Bill	Mostly items from 2020 Housekeeping bill, including WIC updates and other technical changes, including to the Rural Hospital Capital Improvement Grant.

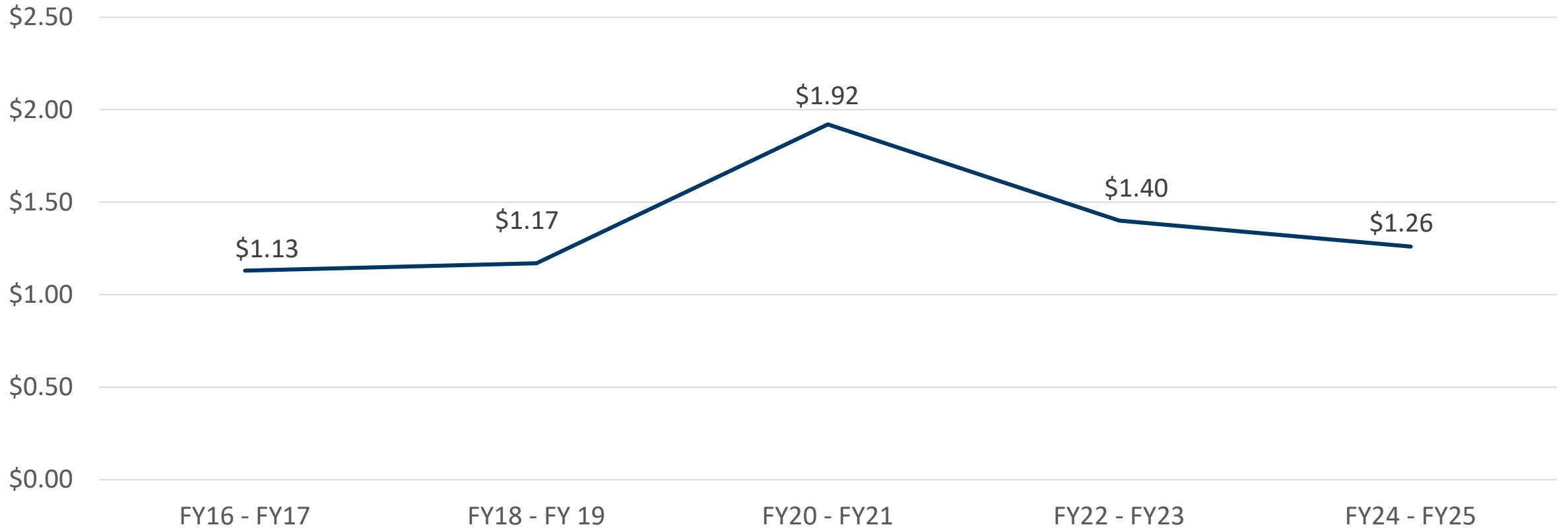


The MDH Budget

Expenditure History and Outlay Projections

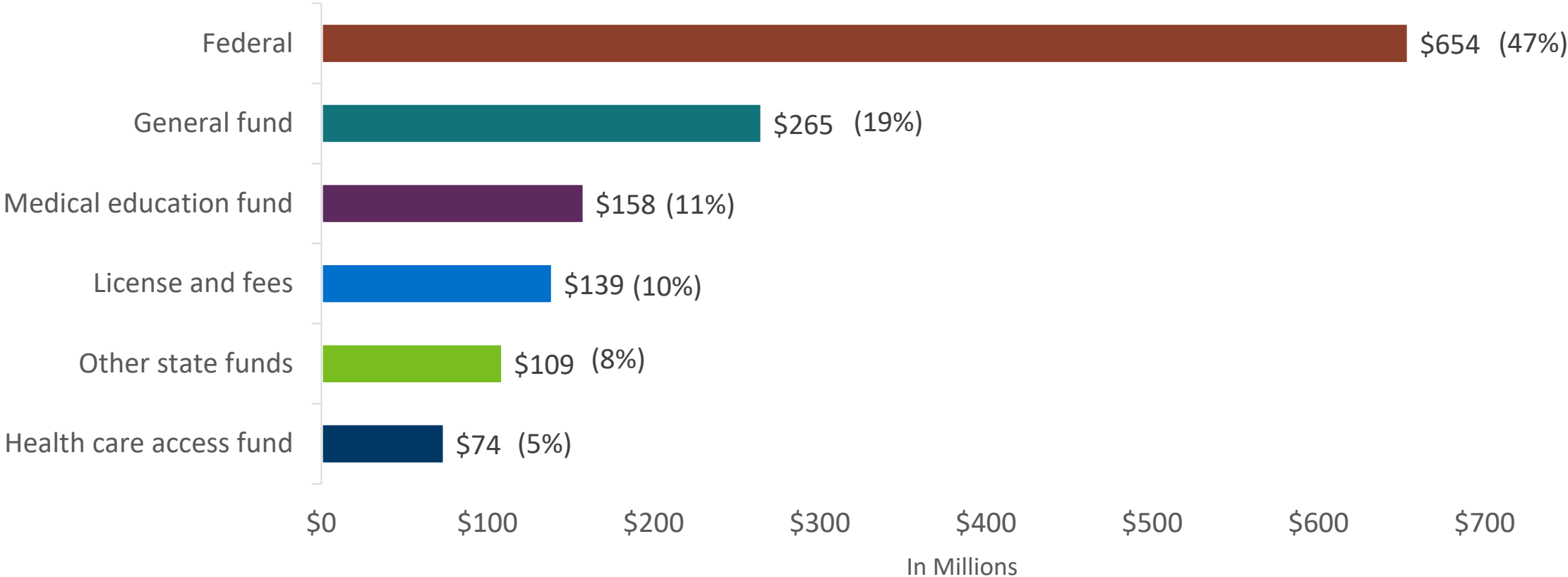
FY 2016-2025 (in billions)

In Billions



Sources of All Funds

FY 2022-2023 (in millions)

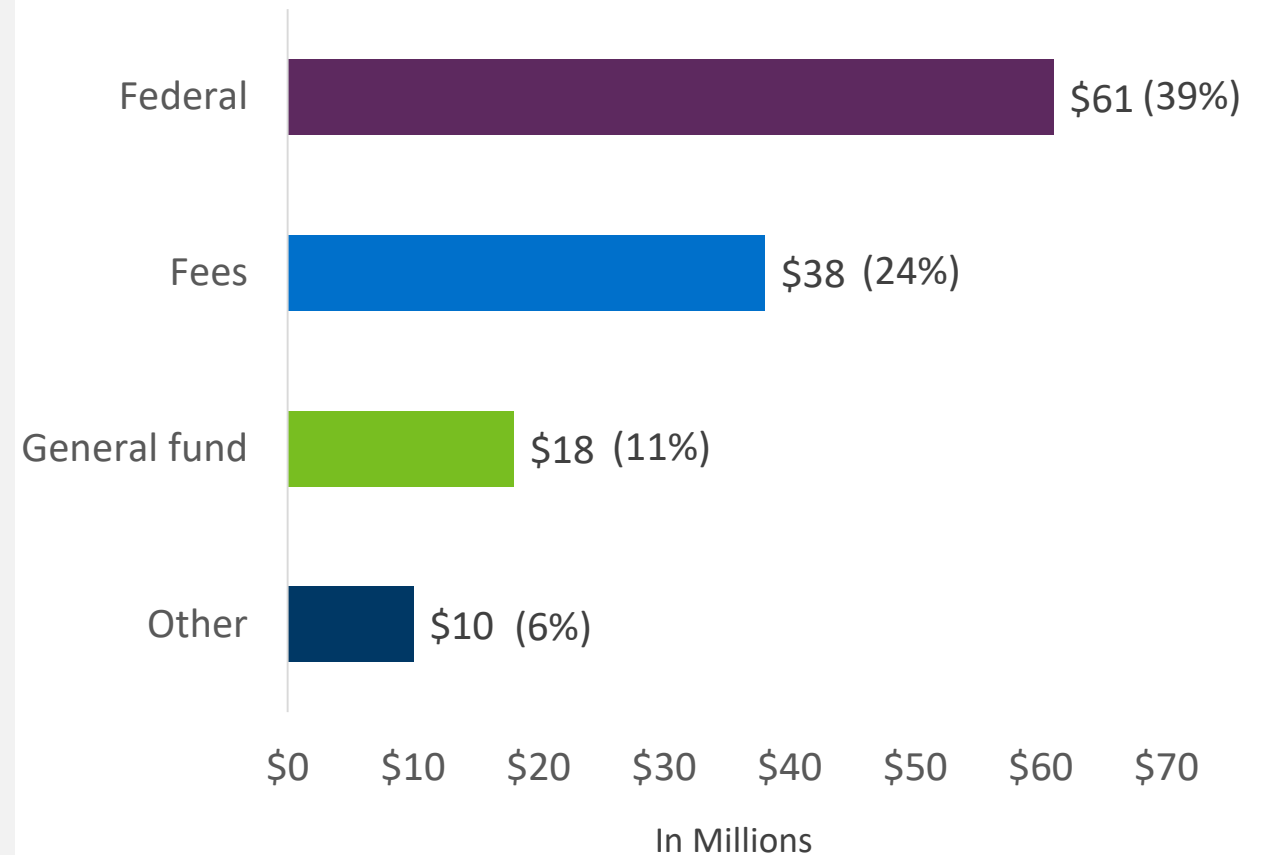


Staff by Funding Source

At end of FY 2020

1,532 full-time equivalent (FTE) staff

- Scientific and programmatic experts
- Epidemiologists
- Nurses
- Economists
- Data analysts
- Community health specialists
- Engineers
- Laboratorians



Federal Awards

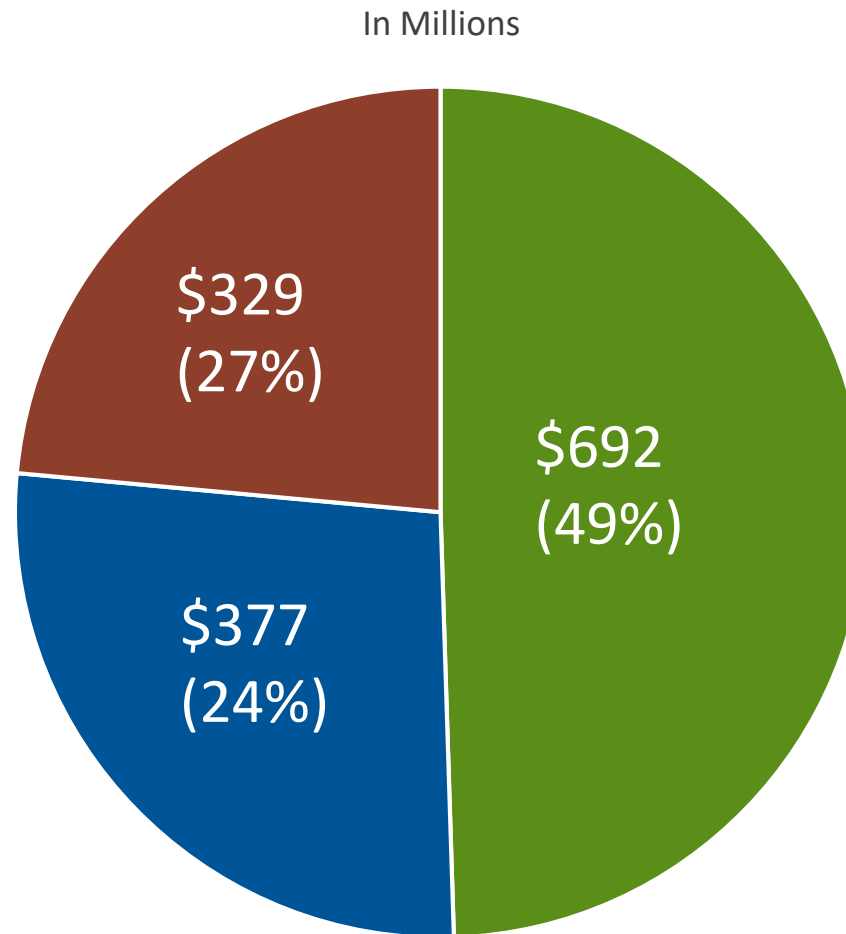
FY 2022-2023 (in thousands)

Department or Agency	Amount	%
Environmental Protection Agency	\$13,208	2%
U.S. Dept. of Agriculture (mostly WIC-related)	\$245,530	39%
U.S. Dept. of Health and Human Services		
Agency for Children and Families	\$5,592	1%
Centers for Disease Control and Prevention	\$265,603	42%
Centers for Medicare & Medicaid Services	\$33,136	5%
Health Resources and Services Administration	\$44,990	7%
Office of the HHS Secretary	\$7,284	1%
Other HHS Agencies	\$3,722	1%
Other Departments	\$11,896	2%
Total	\$630,961	100%

Uses of All Funds

FY 2022-2023 (in millions)

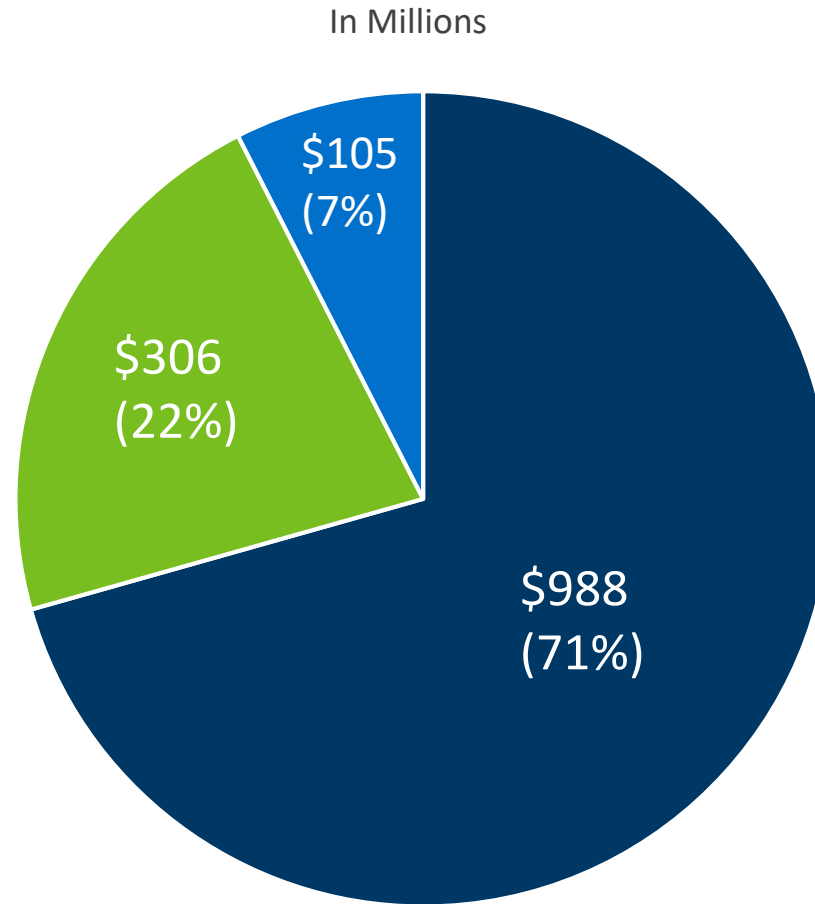
- Grants, aids and subsidies
- Employee compensation
- Operating expenses



PROTECTING, MAINTAINING AND IMPROVING THE HEALTH OF ALL MINNESOTANS

Projected spending by program

FY 2022-2023 (in millions)



Health Improvement

- Child and Family Health
- Health Promotion & Chronic Disease
- Community Health
- Health Policy
- Medical Cannabis

Health Protection

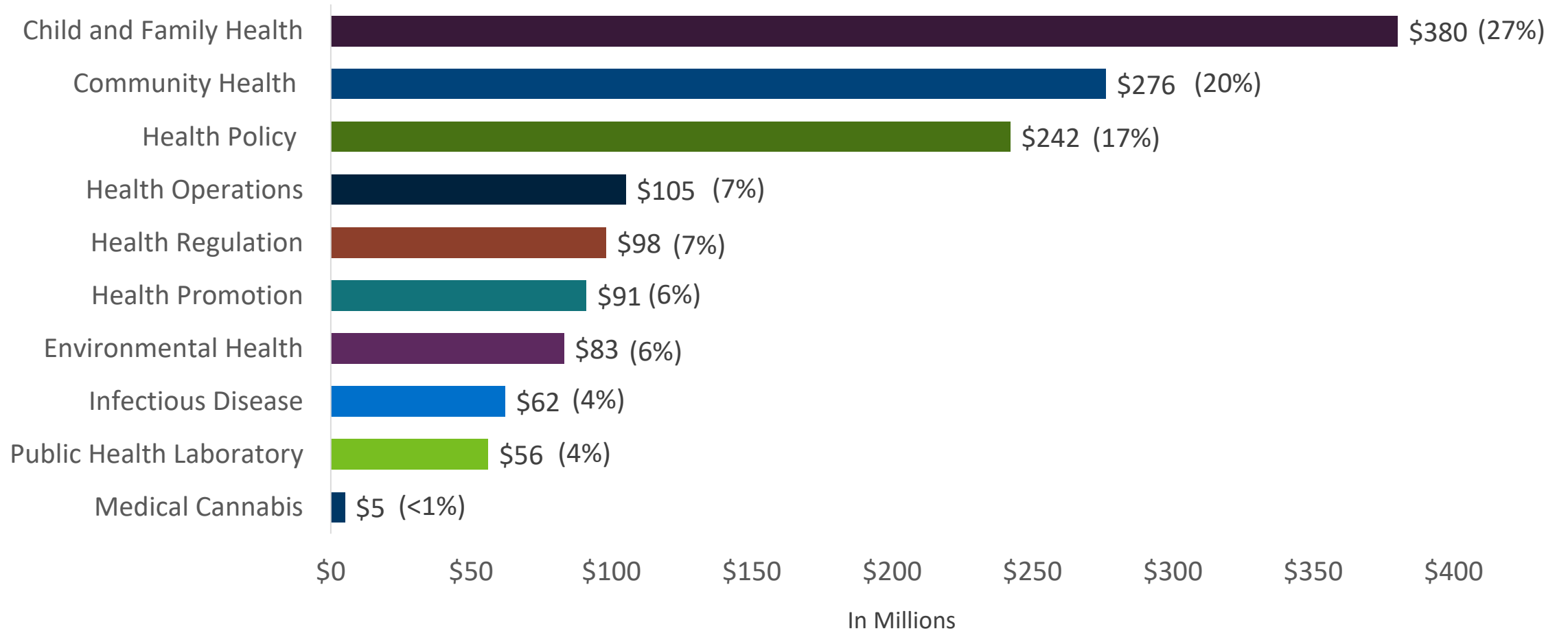
- Environmental Health
- Infection disease
- Public Health Laboratory
- Health Regulation

Health Operations

■ Health Improvement ■ Health Protection ■ Health Operations

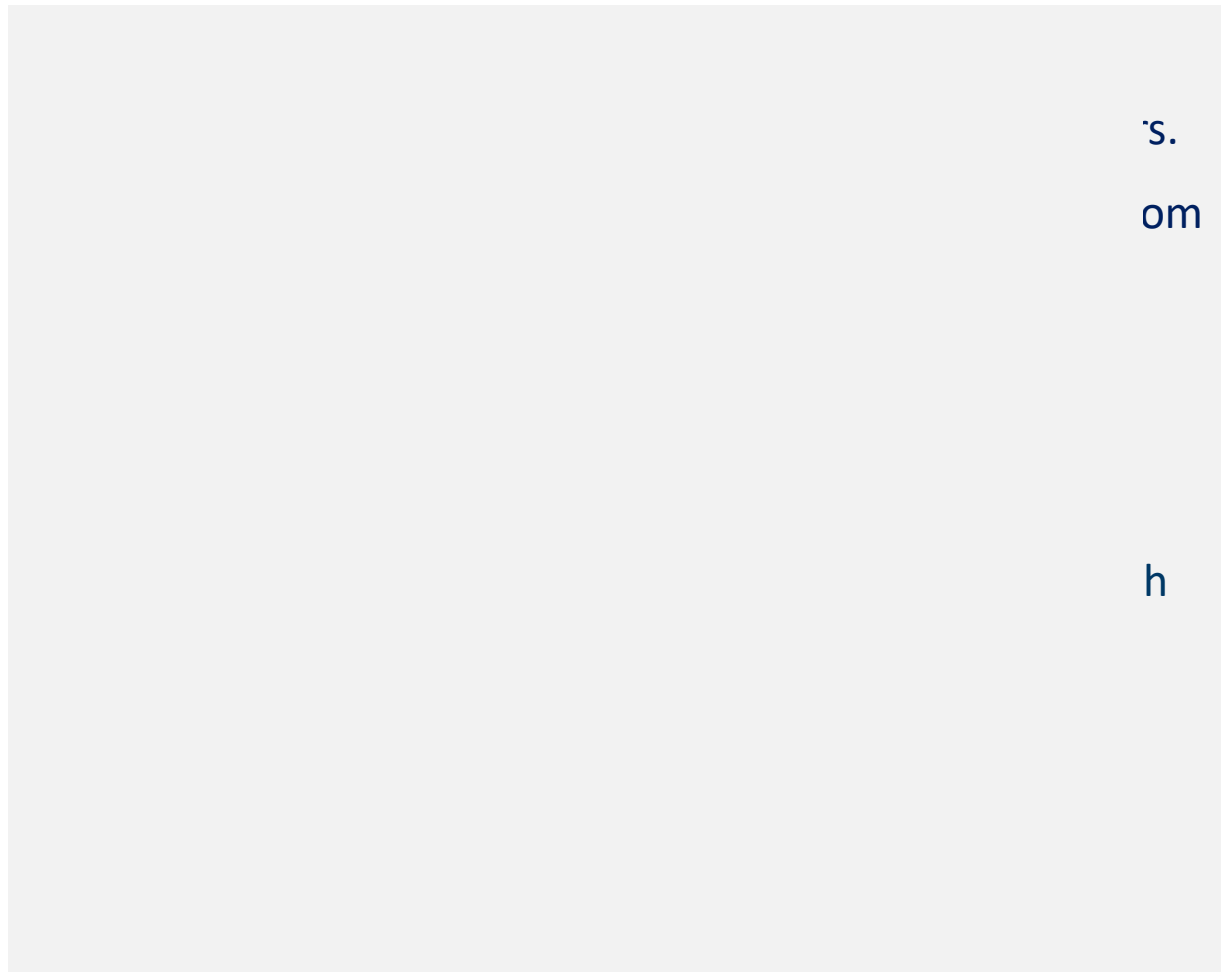
Spending by budget activity

FY 2022-2023 (in millions)

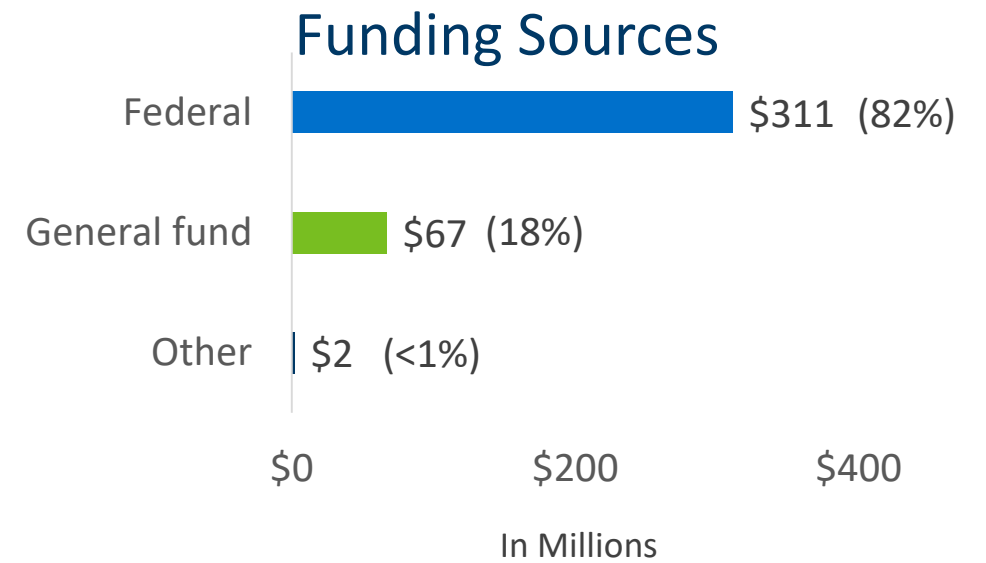


Child and Family Health

FY 2022-2023

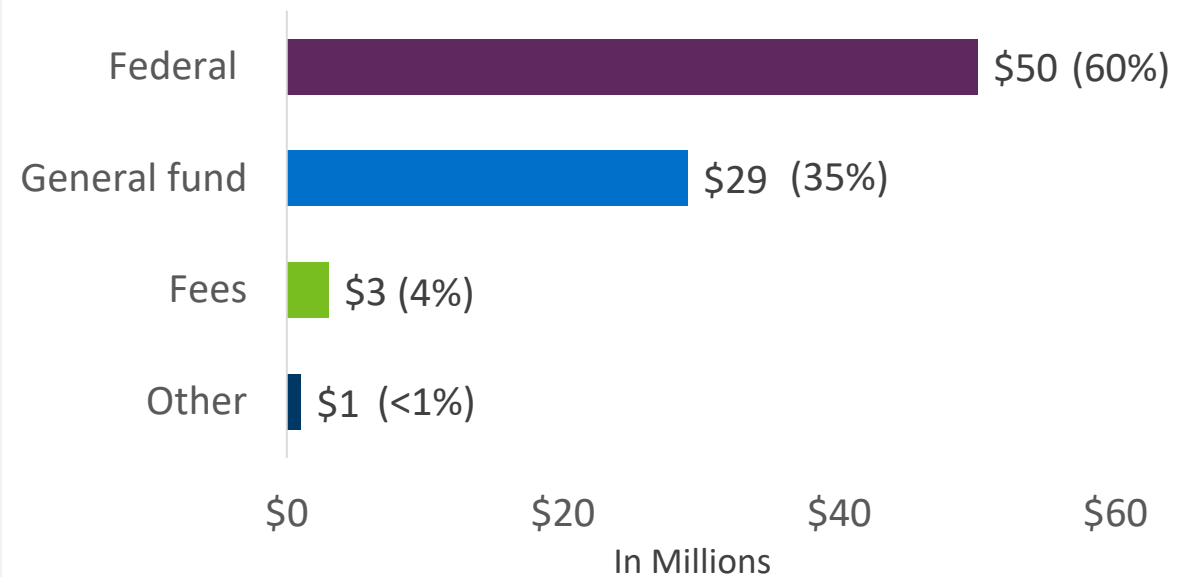


27% of agency budget



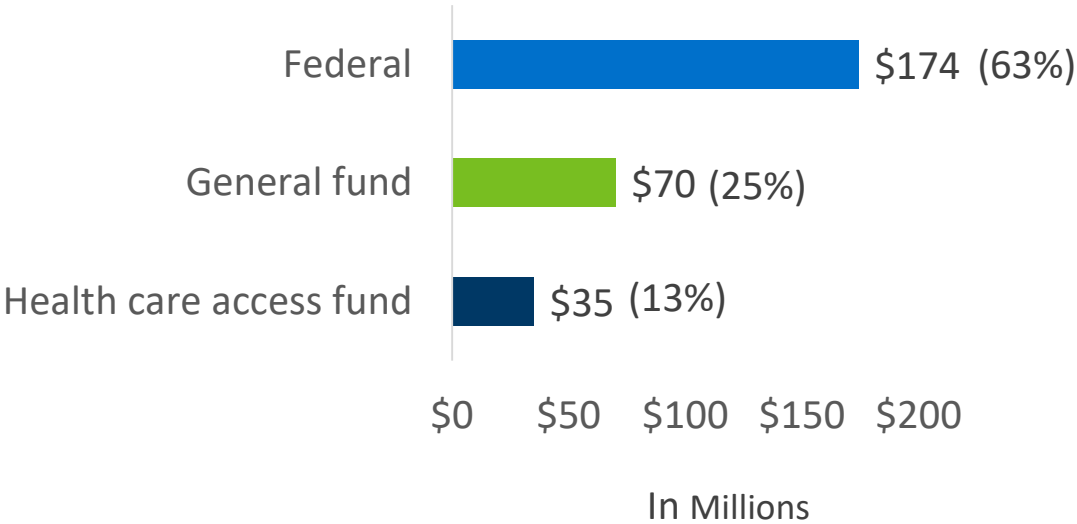
6% of agency budget

Funding Sources



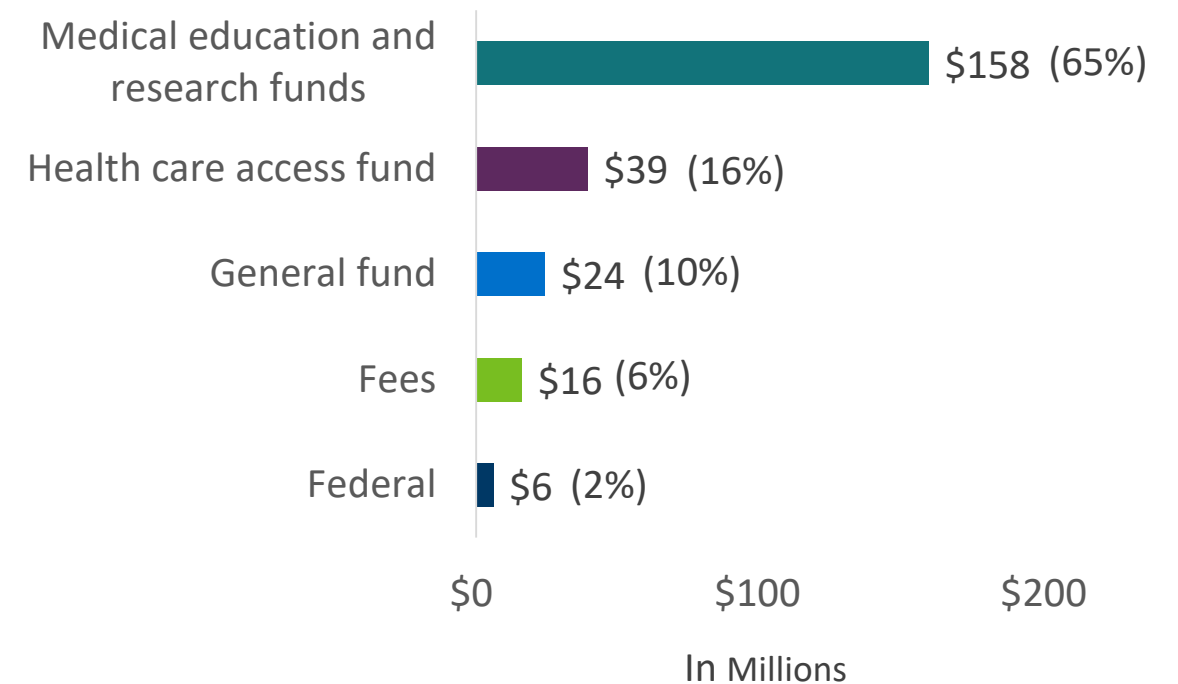
20% of agency budget

Funding Sources

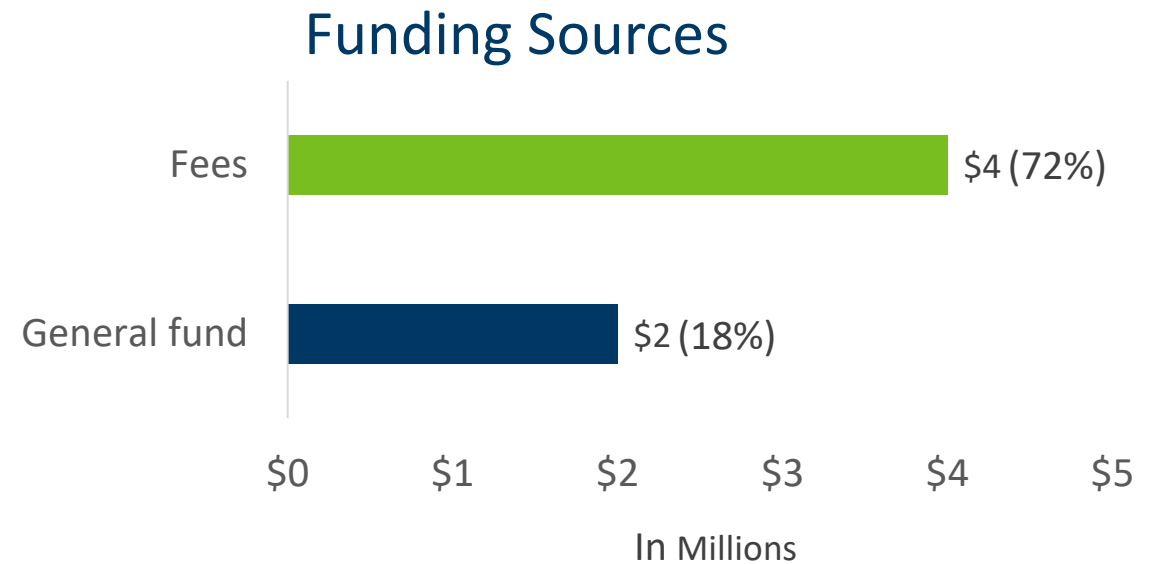


17% of agency budget

Funding Sources

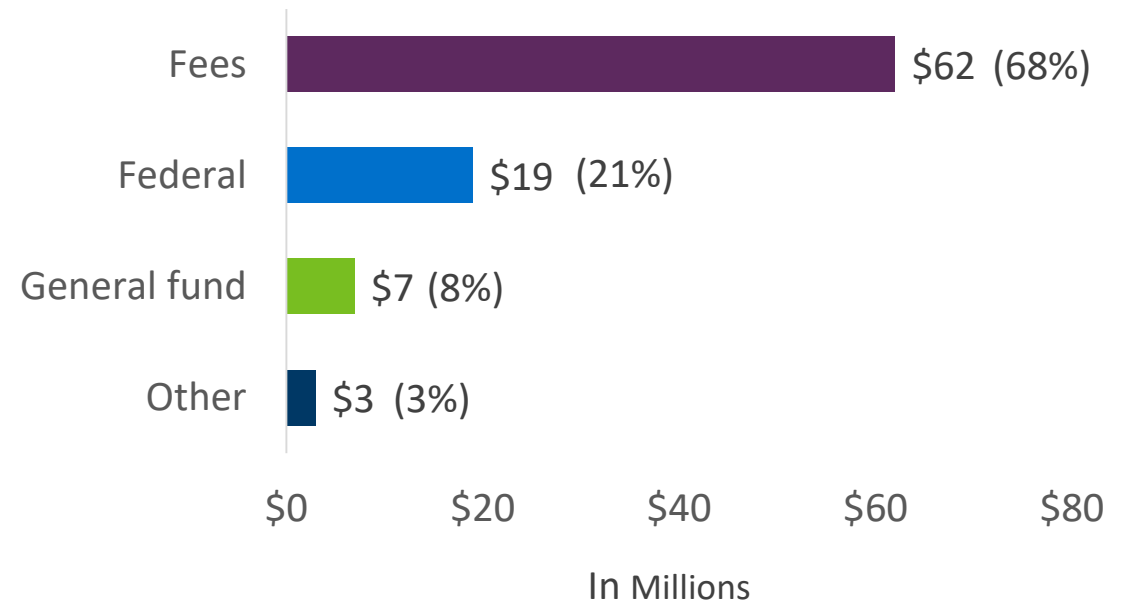


Less than 1% of agency budget



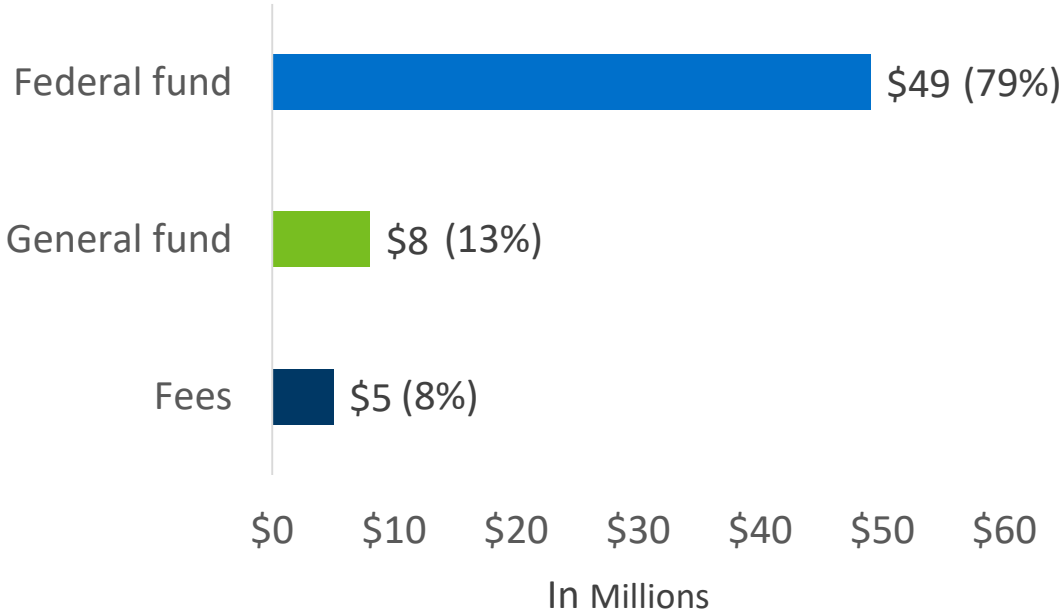
6% of agency budget

Funding Sources



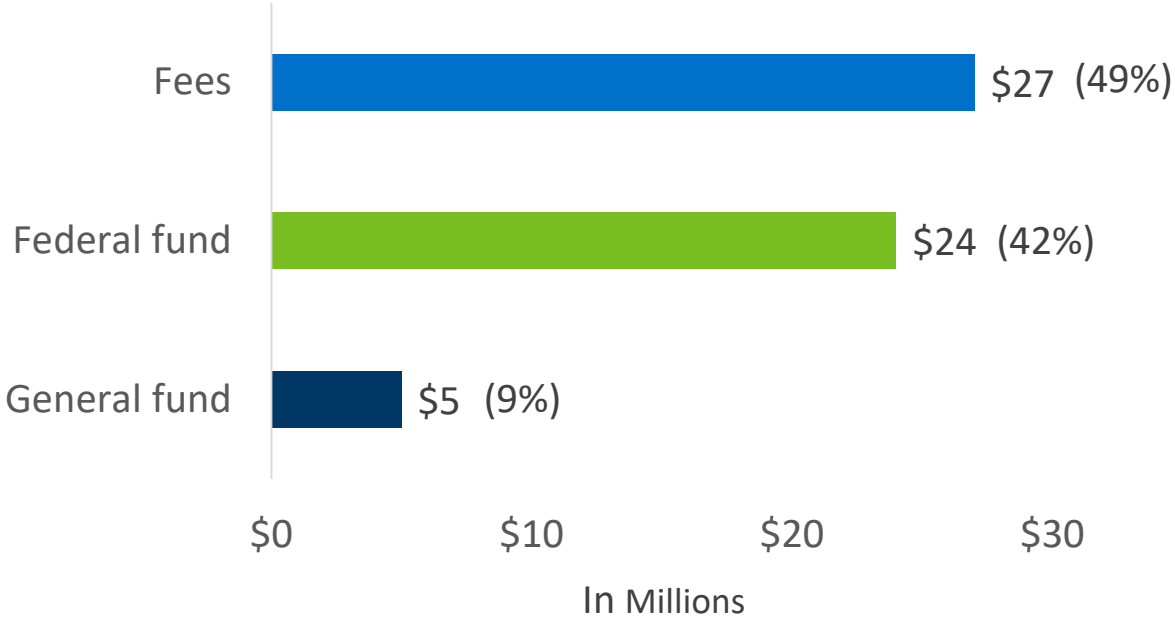
4% of agency budget

Funding Sources



4% of agency budget

Funding Sources

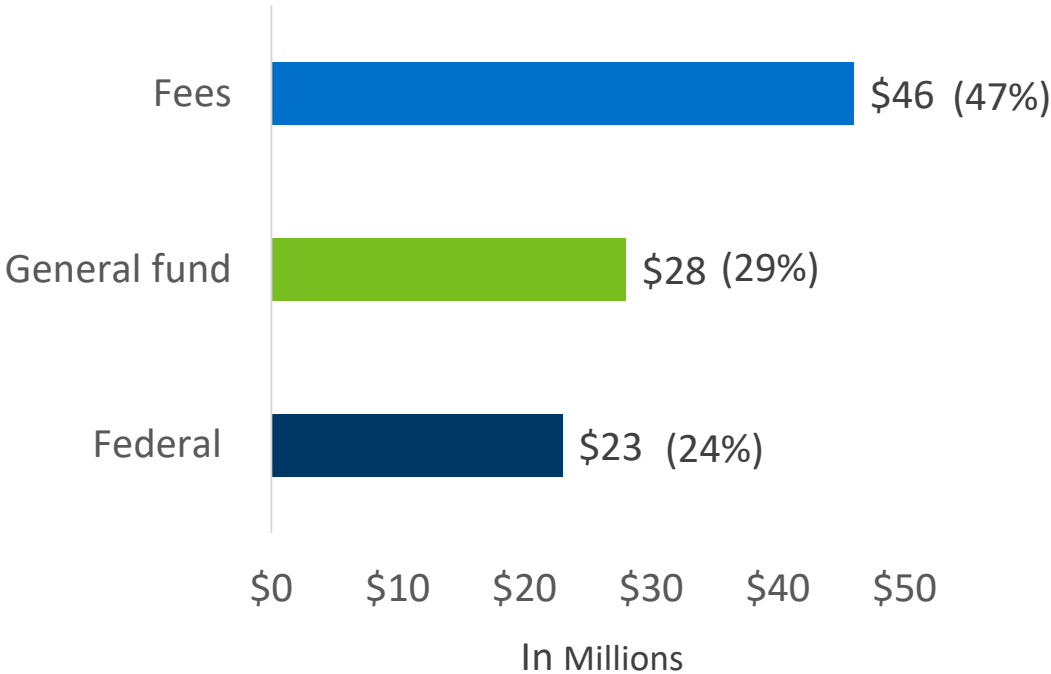


Health Regulation

FY 2022-2023

7% of agency budget

Funding Sources

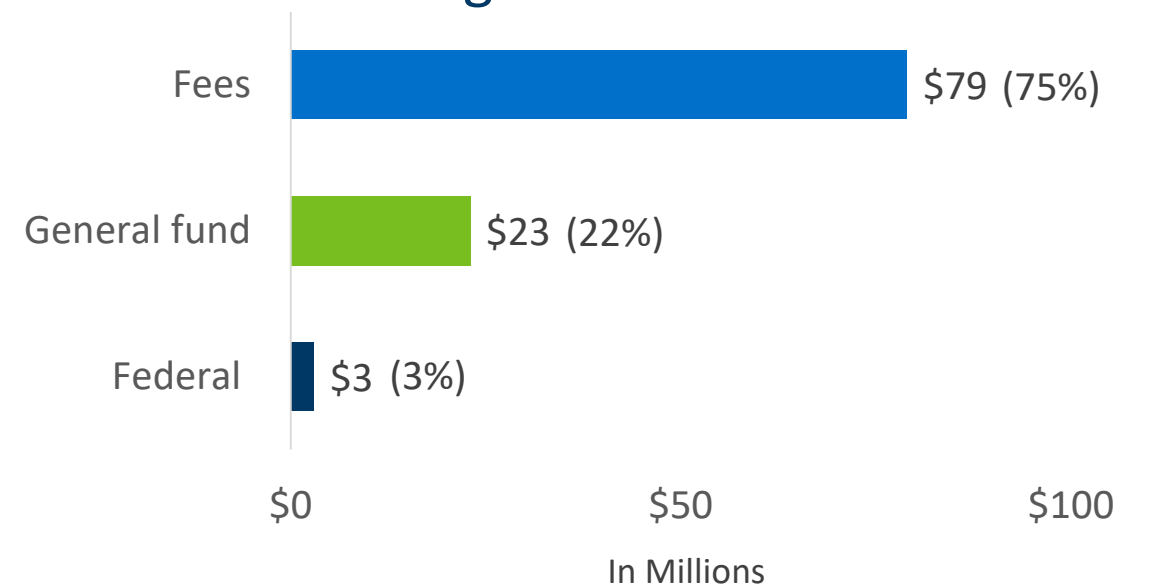


Health Operations

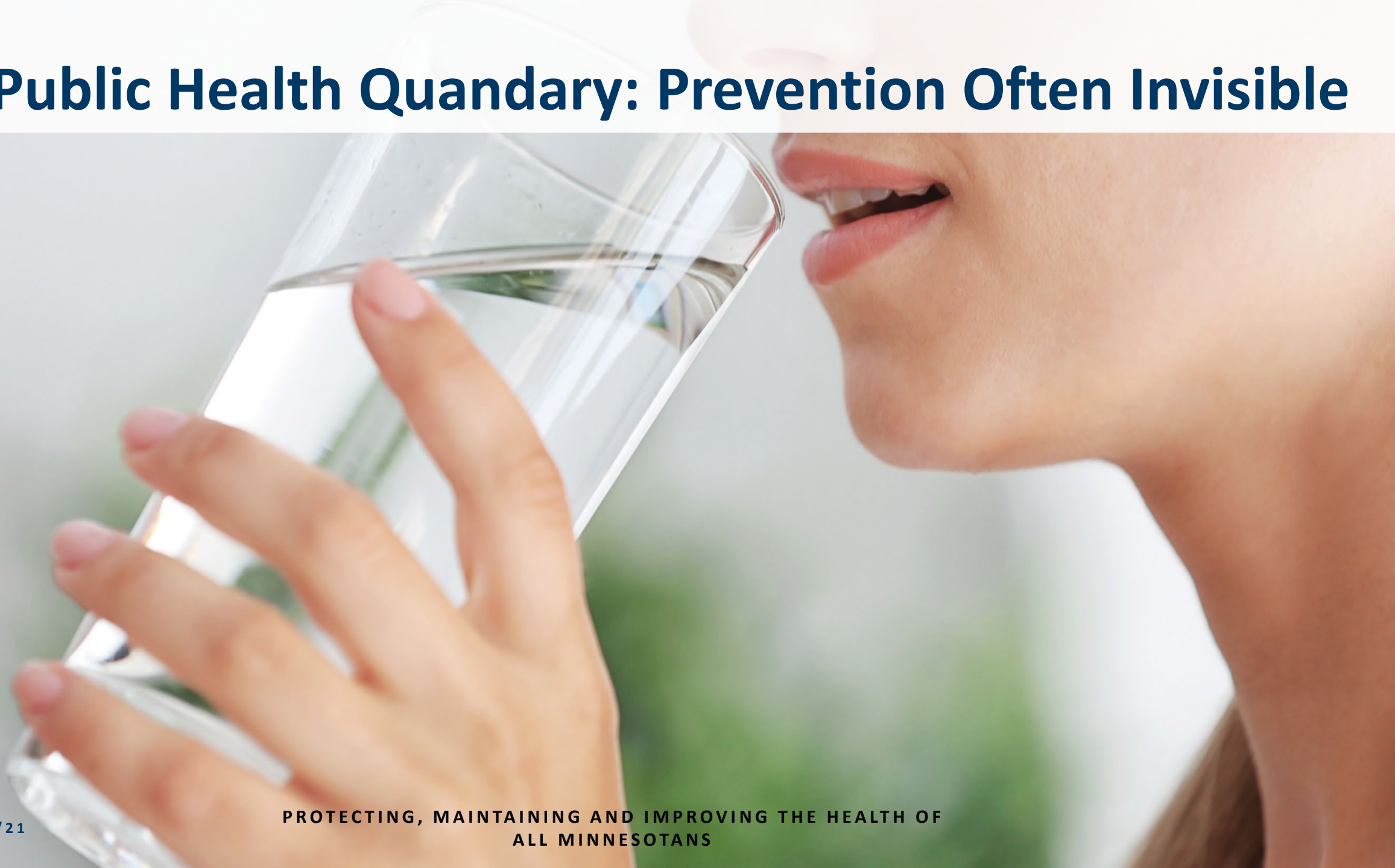
FY 2022-2023

7% of agency budget

Funding Sources



The Public Health Quandary: Prevention Often Invisible



1/12/21

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Contacts:

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