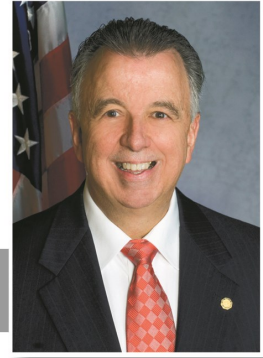


# Primer

House Appropriations Committee (D)

**JOE MARKOSEK**, DEMOCRATIC CHAIRMAN

March 31, 2014



## Departments of Health and Drug and Alcohol Programs

*The Department of Health (DOH) works with providers and consumers to assess, analyze and report on health threats; assure the quality and availability of health care services; support health care research; and promote healthy behavior. Department of Health activities fall into four program areas: health support services, health research, preventive health and health treatment services. The Department of Drug and Alcohol Programs, created in 2011, provides drug and alcohol prevention and treatment services.*

### Department of Health

#### Health Support Services

The program area of **Health Support Services** includes funding for the administrative and technical systems that support disease prevention and treatment, including general government operations of the department. Also included in this program are quality assurance activities, the operation of state laboratory facilities, and oversight of health care associated infections.

#### Health Research

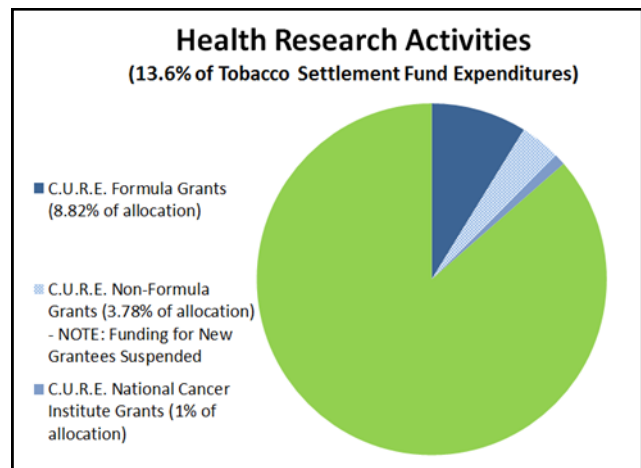
The program area of **Health Research** includes funding for the data collection of vital statistics, research programs addressing health disparities and research grants funded under the Tobacco Settlement Act of 2001.

In past years, this program area also included funding for health-related non-preferred appropriations. A non-preferred appropriation is an appropriation to any charitable or educational institution not under the absolute control of the commonwealth and which requires the affirmative vote of two-thirds of the members elected to each House of the General Assembly.

#### Tobacco Settlement Fund: Health Research

The Department of Health also oversees health research projects funded under the Tobacco Settlement Fund (TSF). Act 71 of 2013 amended the

Tobacco Settlement Act of 2001 providing 13.6 percent for health research funding. Specifically 12.6 percent of TSF expenditures are allocated for **Commonwealth Universal Research Enhancement (CURE)** research grants (previously 18 percent) and 1 percent for **National Cancer Institute (NCI)** research grants.



Historically, under the CURE program, 70 percent of available funds (or 8.82 percent of the total health research allocation) have been awarded based on a formula, using an institution's average award from the National Institutes of Health (NIH) for several previous years. The remaining 30 percent of available funds (or 3.78 percent of the total health research allocation) known as non-formula funds,

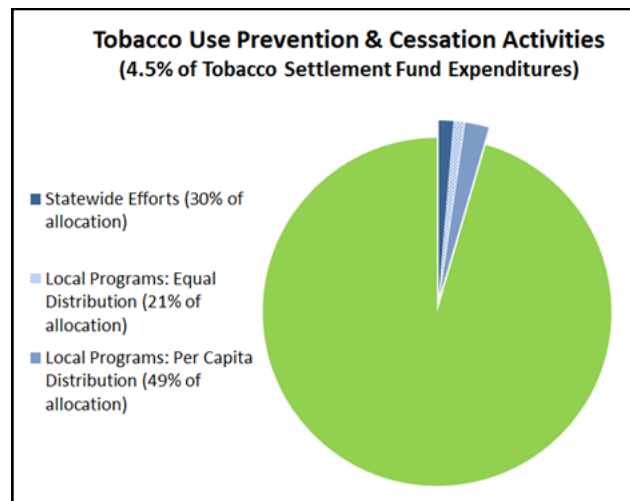
have been awarded competitively by bid, subject to a peer review. With the reduction in the allocation for research projects (Act 71 of 2013), the non-formula funds have been suspended. No new awards are being made under this category. However, the formula-based grants continue as usual.

## Preventive Health

The department also provides programs in the area of **Preventive Health**. Activities include the oversight of the federal Women, Infants, and Children (WIC) program; other children's programs such as immunizations, child lead poisoning, and school health; and health promotion and disease and injury prevention programs. This program area also includes funding for 36 state health care centers and qualifying local health departments.

## Tobacco Settlement Fund: Tobacco Use Prevention and Cessation

Act 71 of 2013 amended the Tobacco Settlement Act providing for 4.5 percent to be used for **tobacco use prevention and cessation activities**. The act specifies that a minimum of 70 percent of this allocation must be used to develop local programs throughout the commonwealth using no more than 67 service areas. Of the amount allocated for local programs, 30 percent (or 21 percent of the total prevention and cessation allocation) shall be allocated equally among each of the 67 counties and the remaining 70 percent (or 49 percent of the total prevention and cessation allocation) shall be allocated on a per capita basis of each county with a population above 60,000. The remaining portion of the prevention and cessation allocation (no more than 30 percent) shall



be used for statewide efforts, including enforcement of the Clean Indoor Air Act.

Annually, since 2005/06, the commonwealth has redirected a portion of the monies designated for tobacco use prevention and cessation to the General Fund to help balance the budget. Act 71 of 2013 permanently changed the allocation for prevention and cessation activities to 4.5 percent.

## Health Treatment Services

Under **Health Treatment Services**, the department provides coordination of a variety of specialized inpatient and outpatient medical services for Pennsylvanians. The department also pays for these services in cases where all other available resources, including Medical Assistance and the Children's Health Insurance Program (CHIP) have been used. In past years, this program area also included funding for health-related non-preferred appropriations.

## Department of Drug and Alcohol Programs

### Drug and Alcohol Abuse Prevention and Treatment

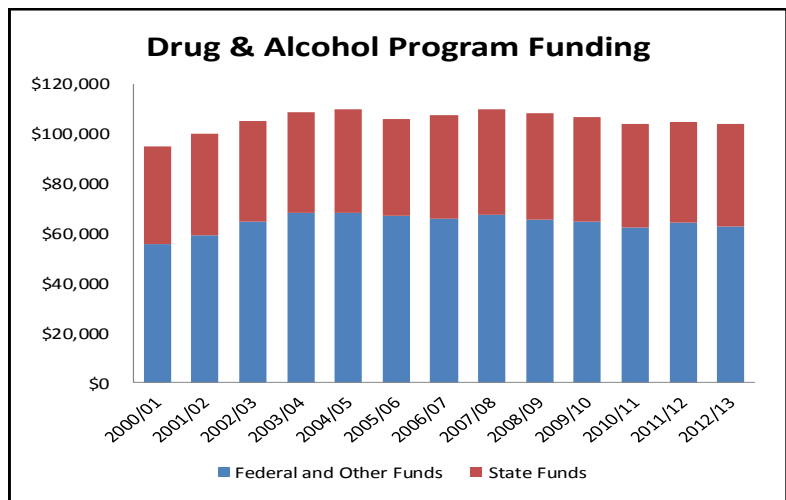
Historically under the Department of Health, **Drug and Alcohol Abuse Prevention and Treatment** services have been provided through the counties for Pennsylvanians who do not have insurance or resources to pay for treatment. Single County Authorities (SCAs) prepare department-approved prevention, intervention and treatment plans tailored to the needs of their respective geographic areas. The appropriation funding this program area has been Assistance to Drug and Alcohol Programs.

**Act 50 of 2010** mandated the transfer of this program to a newly created **Department of Drug and Alcohol Programs** effective July 1, 2011.

The enacted 2011/12 budget did not create a separate department, as required in the Act. Instead, it merely took \$1 million out of the appropriation for drug and alcohol treatment and included a new appropriation entitled "transition to the Department of Drug and Alcohol Programs."

The 2012/13 budget transferred all operations and funding previously under the Bureau of Drug and Alcohol Programs in the Department of Health to the new department.

Under Act 1 of 2010 (which amended the Pennsylvania Race Horse Development and Gaming Act), \$3 million annually is transferred from the Gaming Fund to the Compulsive Gambling Treatment Fund. These funds are distributed to the SCAs solely for financing drug and alcohol addiction assessments, including those associated with or related to compulsive and problem gambling, and for the related addiction treatment in non-hospital residential detoxification facilities, non-hospital residential rehabilitation facilities and halfway houses licensed to provide addiction treatment services. These funds and administration thereof fall under the new department as well.



**House Appropriations Committee (D)**

Miriam A. Fox, Executive Director

Lisa Fleming, Senior Budget Analyst

Stephanie Weyant, Communications Director