

# *Introduction to Public Health Finance & Ratio Analysis*

**APHA Learning Institute #1012  
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## **MEASURING AND IMPROVING THE FINANCIAL PERFORMACNE OF LOCAL HEALTH AGENCIES**



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# Public Health Finance



Advancing as a field of study  
because of the

***“Sense of Urgency”***

to understand the ***composition, utilization, and impacts*** of the *finances* that fund all components of the *public health system*

# *Public Health Systems Research*

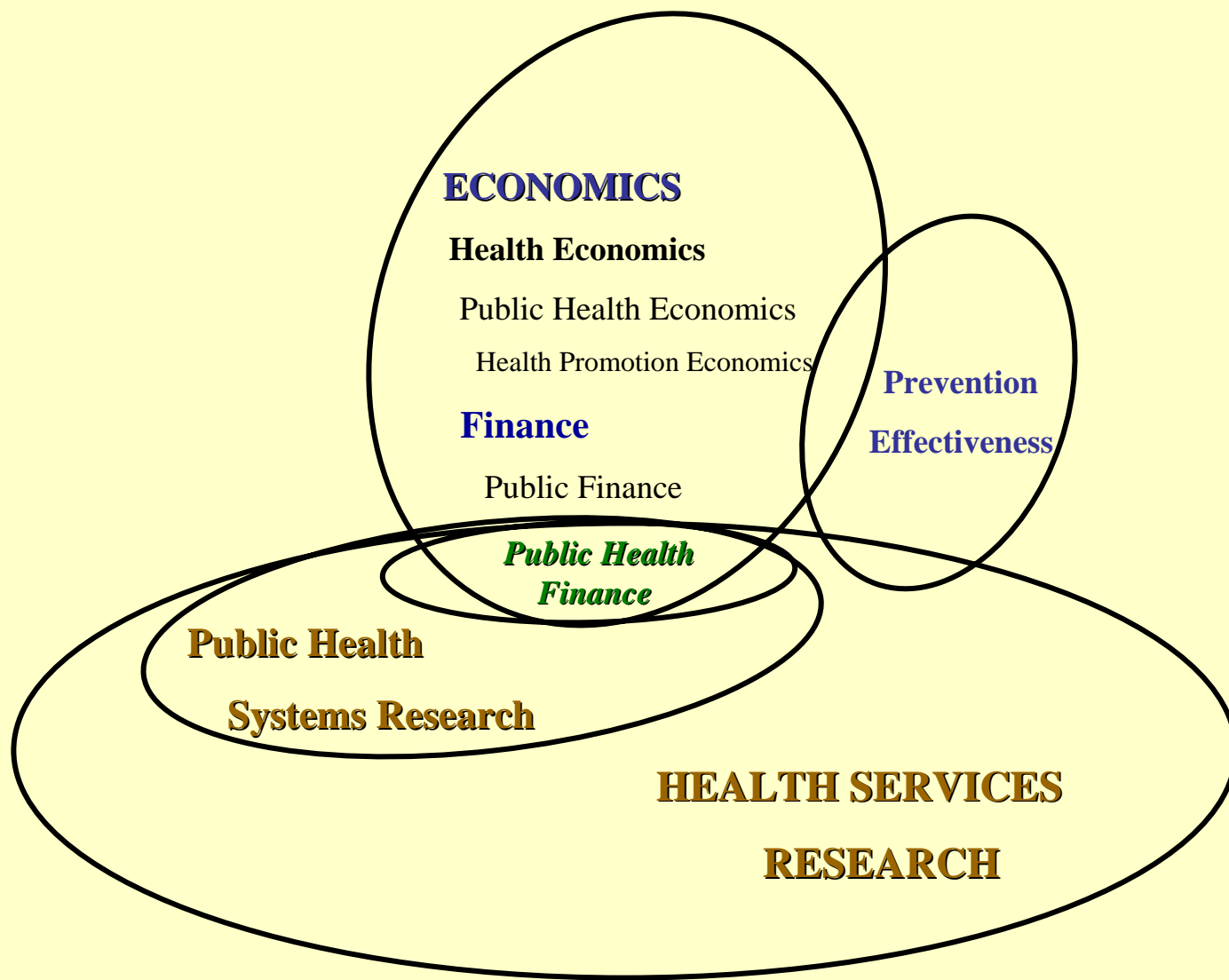
A field of inquiry examining the organization, *financing*, and delivery of public health services at local, state and national levels, and the impact of these activities on population health.....

*Mays, Halverson, Scutchfield, JPHMP2003*

# Definition

**Public Health Finance** is a field of study that examines the **acquisition, utilization, and management** of resources for the delivery of public health functions and the impact of those resources on population health and the public health system.

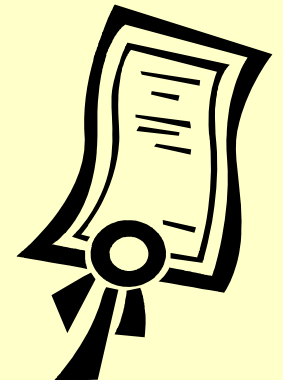
*Honoré & Amy, 2007*



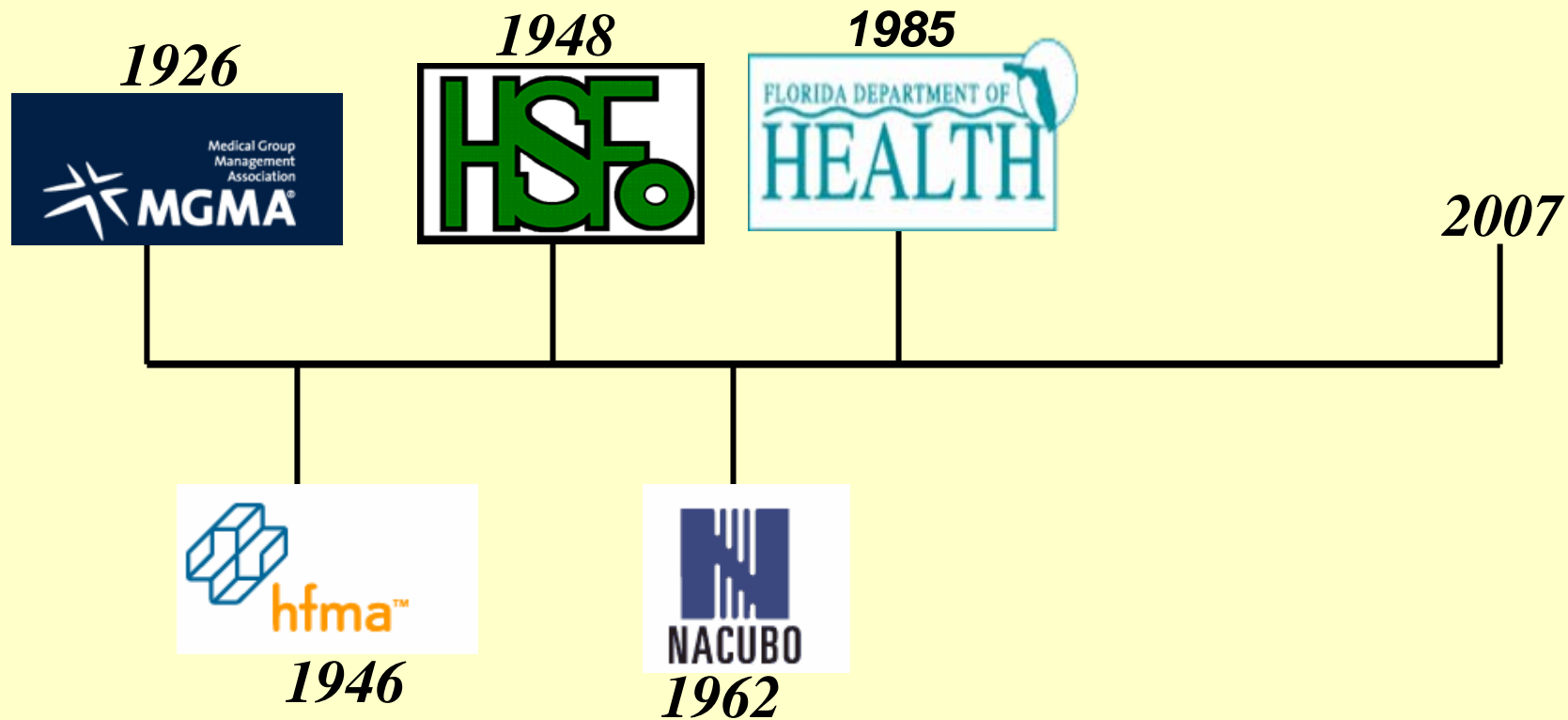
# Conceptual Base of Public Health Finance & Relationship to Public Health Systems Research

# Dimensions of the Field

Public Health Finance should be an  
Economic Concept  
and  
*a Profession*



# *Gaps in Professional Recognition*



**NO** *National Public Health Finance Professional Association*

# Consequences

Lack of comprehensive financial analysis could be a contributor to the absence of *innovative revenue streams* in public health and related *marketing strategies*





# Financial Performance Measurement Practices of System Partners



# NATIONAL CENTER FOR EDUCATION STATISTICS

## *The National Center for Education*

*Statistics*, located within the U.S.

Department of Education and the *Institute of Education Sciences*, is the primary federal entity for collecting and analyzing data related to education





# The Integrated Postsecondary Education Data System (IPEDS)

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Statistical data and Information on  
Postsecondary Institutions

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## **Executive Peer Tool**

<http://nces.ed.gov/ipedspas/ExPT/index.asp>

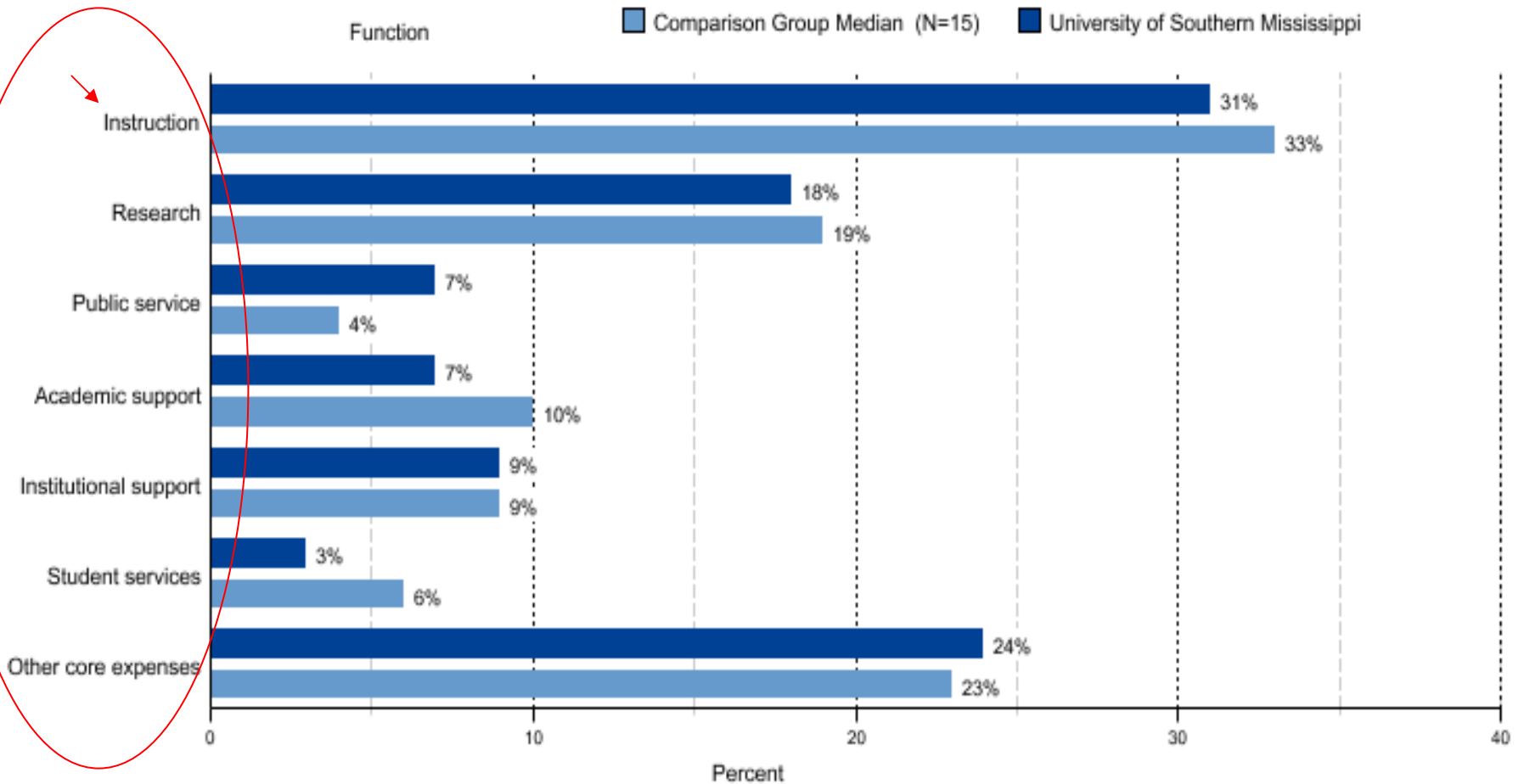
# Sample University Reports in Course Handouts



# Functional Categories

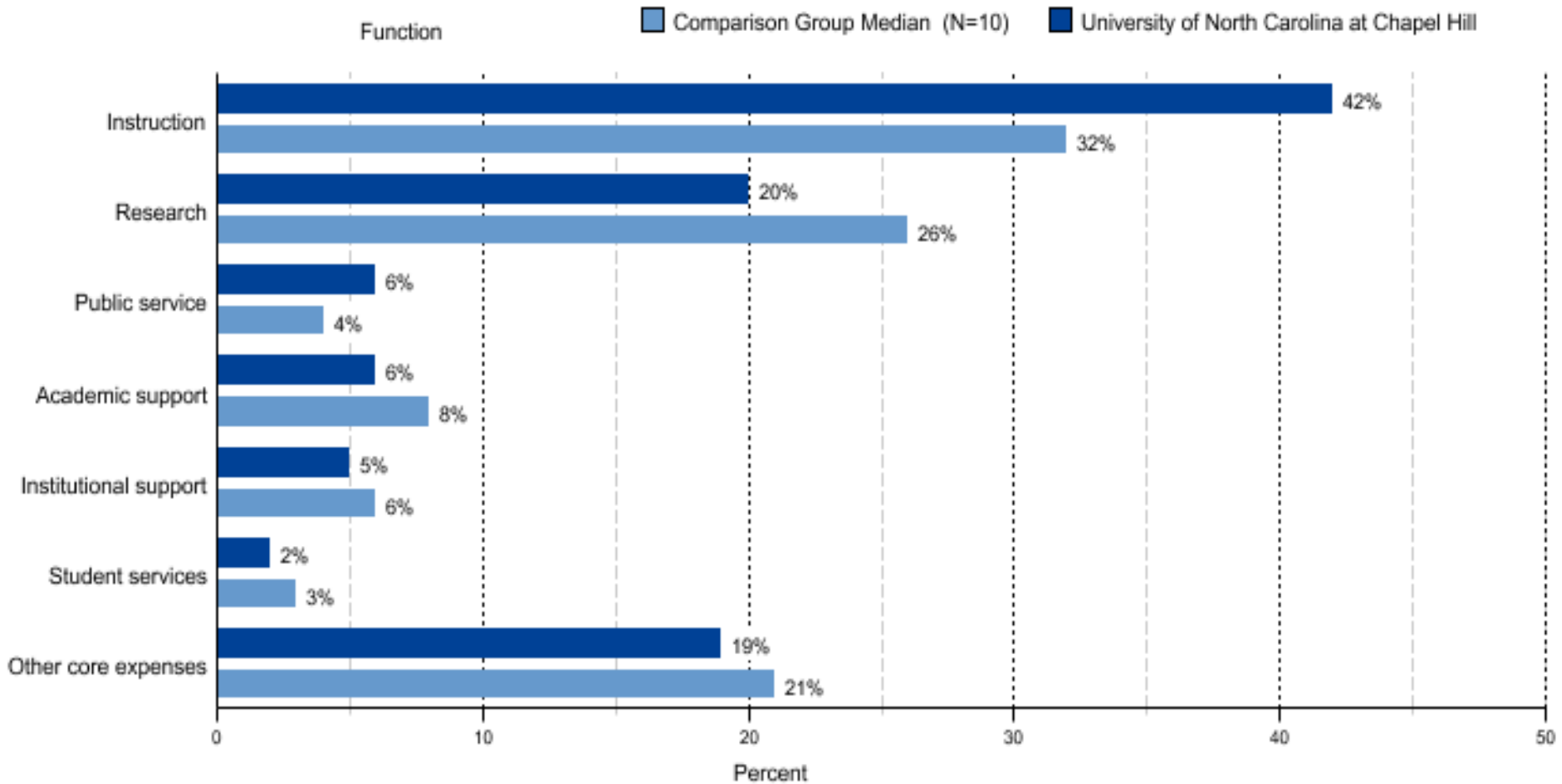
- Next Slide:
  - note the categorization of financial data by the Higher Education Functional Categories.
- No consensus in Public Health for ***Functional Categories*** to classify data.

## Percent distribution of core expenses, by function: Fiscal year 2006

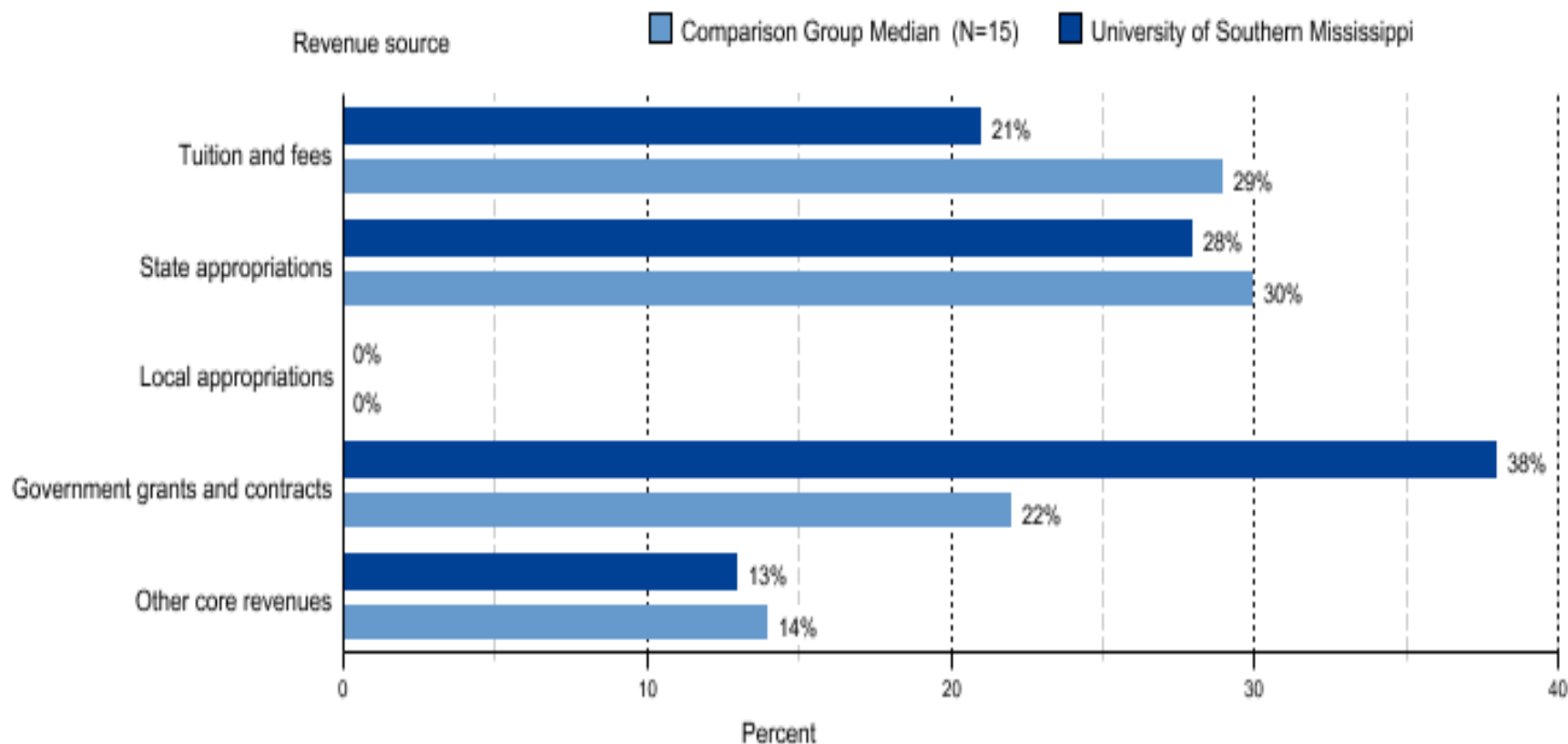


U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS): Spring 2007.

## Percent distribution of core expenses, by function: Fiscal year 2006



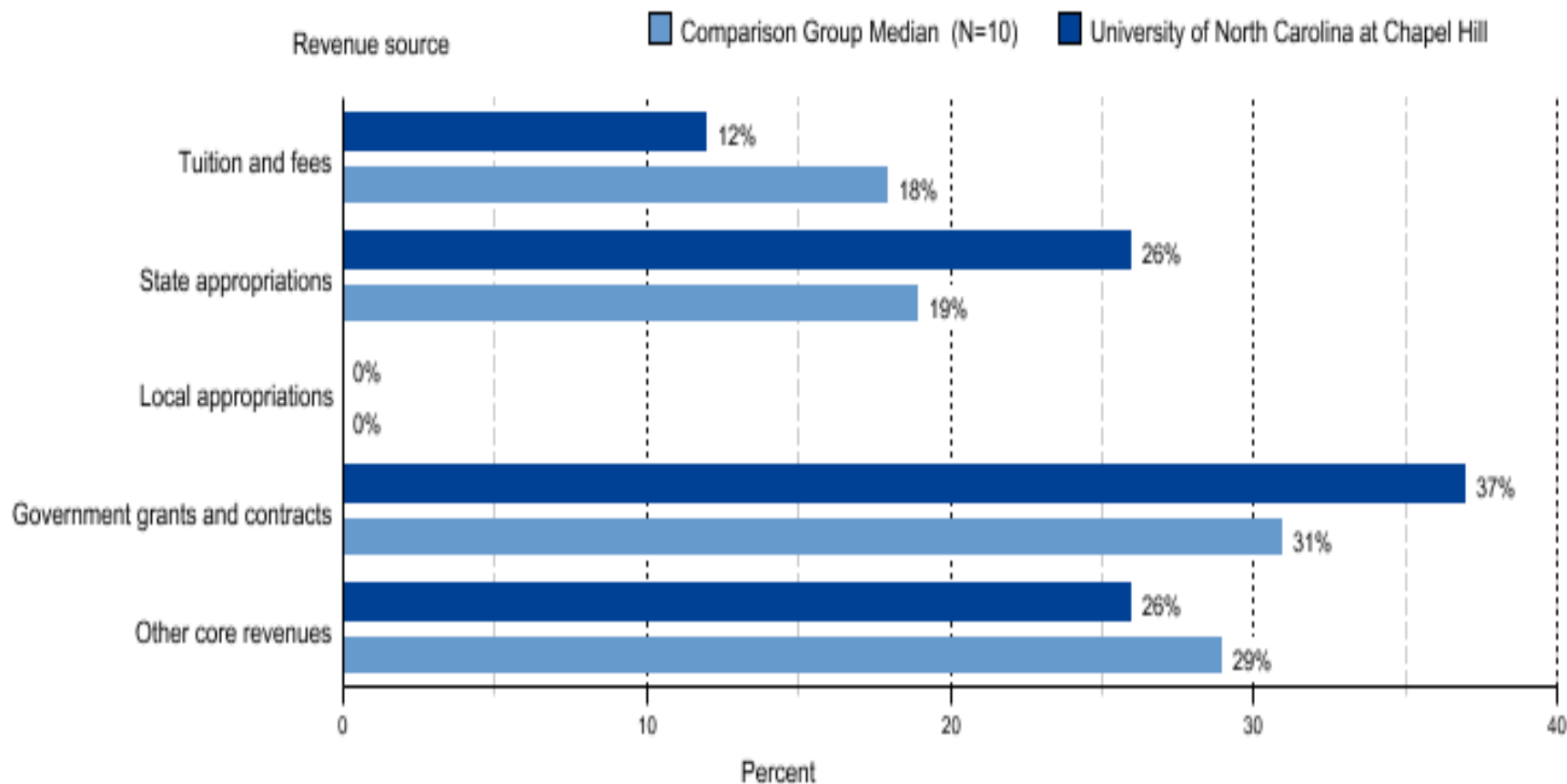
## Percent distribution of core revenues, by source: Fiscal year 2006



U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS): Spring 2007.



## Percent distribution of core revenues, by source: Fiscal year 2006



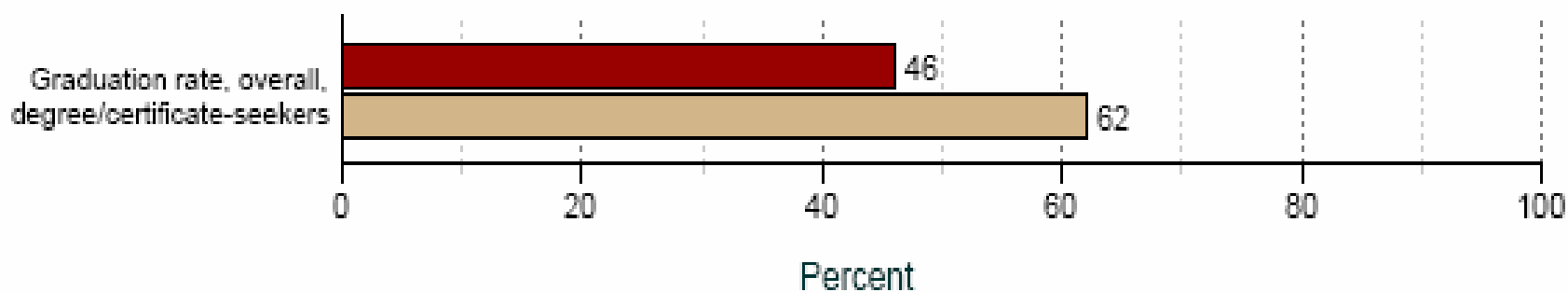
U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS): Spring 2007.

# Graduation rates of full-time, first-time degree/certificate-seeking undergraduates within 150% of normal time to program completion, by race/ethnicity: 1999 cohort

■ COMPARISON GROUP MEDIAN (N=15)

■ University of Southern Mississippi

Grad rate by race/ethnicity



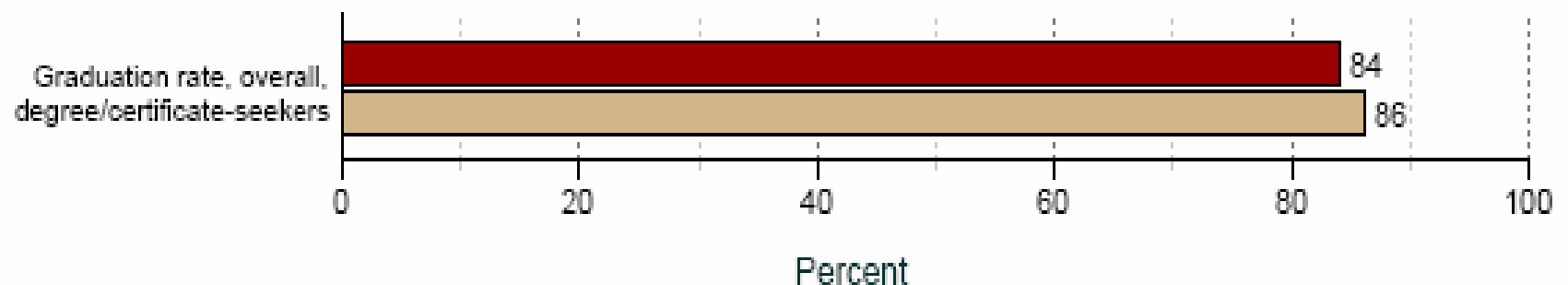
SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS): Spring 2006.

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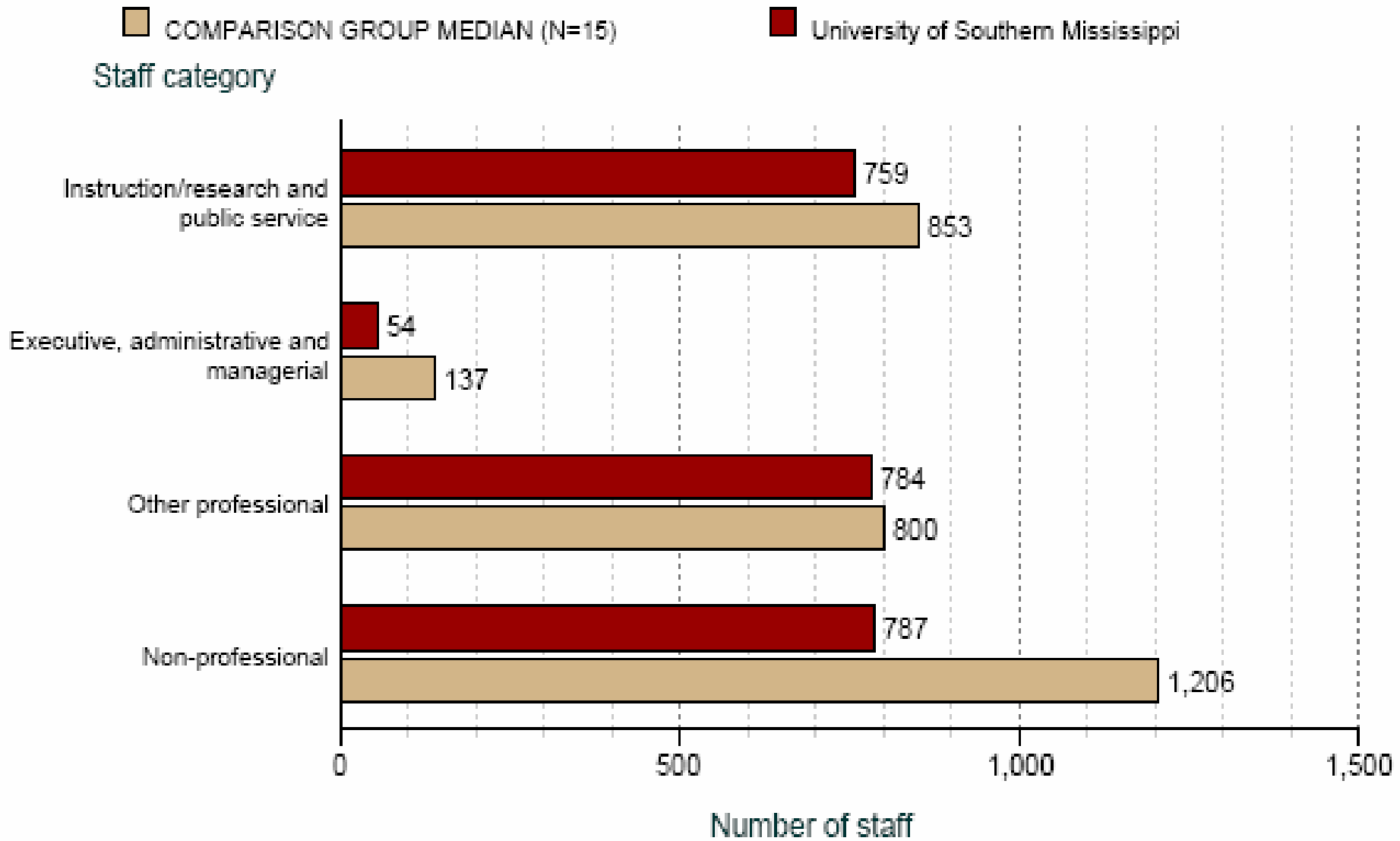
■ University of North Carolina at Chapel Hill

Grad rate by race/ethnicity



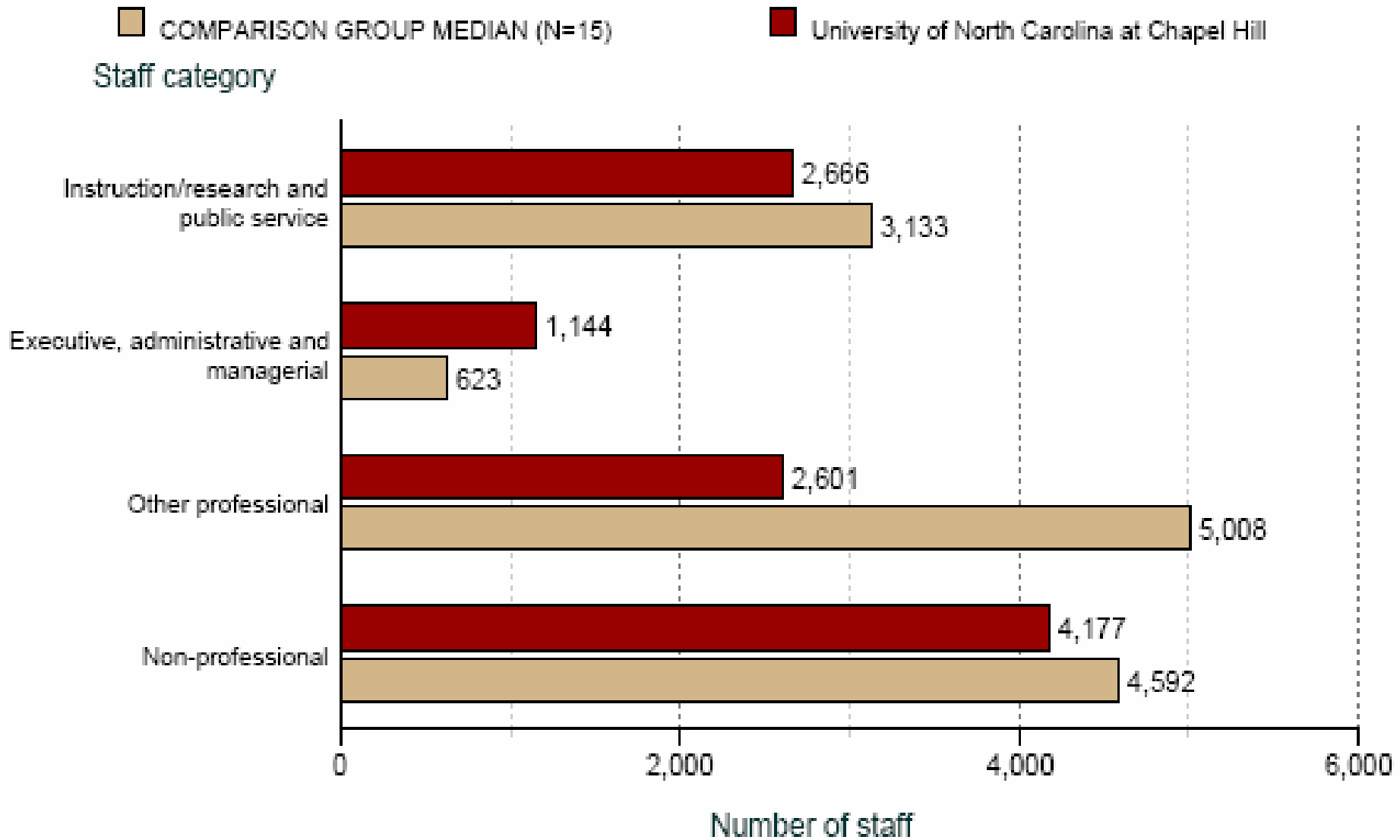
SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS): Spring 2006.

# Full-time equivalent staff by assigned position: Fall 2005



SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS): Winter 200506.

# Full-time equivalent staff by assigned position: Fall 2005



SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS): Winter 200506.



# Almanac of Hospital Financial and Operating Indicators

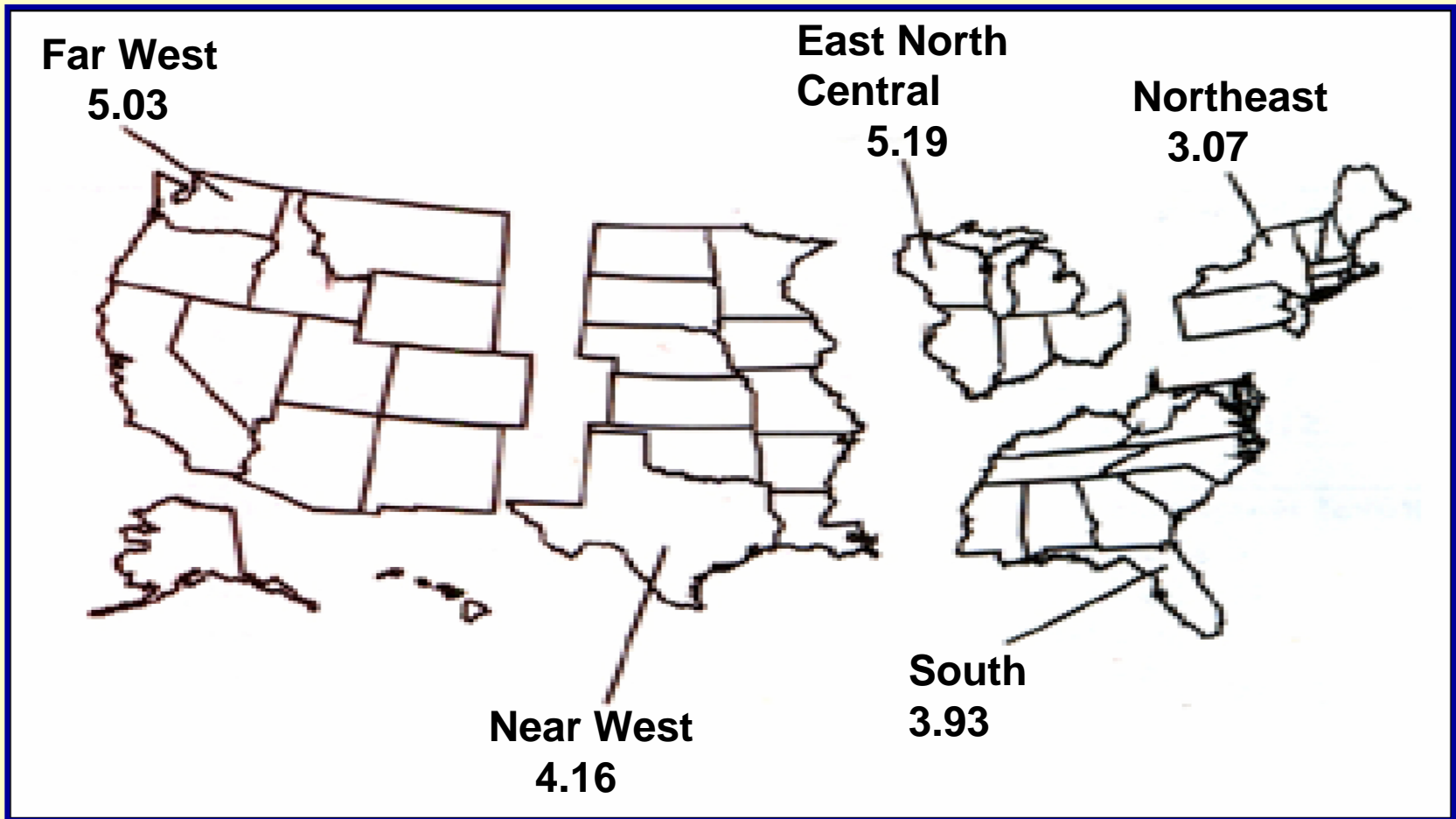
***147 Indicators and Ratios  
Provide Detailed Analysis***

- Identify institution strengths and flaws
- Evaluate key financial indicators and ratios
- Reference hospital financial statements
- Determine profitability and outcomes
- Set accurate performance targets

# Sample Hospital Reports in Course Handouts



# Hospital Total Margin Regional Variations





**Data input worksheets and  
more info on  
Public Health Finance  
at:**

**<http://phsr.uky.edu>**

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***THANK YOU!***

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