

the nation's health, august 1981

A significant lead time is required for the President's Column prior to the publication and distribution of *The Nation's Health*. As I write this, decisions have not been made regarding the issue of block grants for funding health programs. The American Public Health Association Executive Board has gone on record as favoring the retention of categorical grants and indicating that if block grants are to be ordered, there should be four health block grants with specified controls written into the statutes.

Block grants are not a new concept. The first block grant for health programs became known as 314(d). The funding was developed back in the 1960s in response to the hue and cry of state health officials that they could handle the funds better and place priorities on health problems more effectively at the state level than could their counterpart bureaucrats on the Potomac. Grants under 314(d) "blocked" a number of previous categorical funds and allowed a considerable degree of flexibility in their utilization. In practice, most states changed their priorities little from what had previously been determined by the Feds for categorical funding. But an interesting result ensued. Soon, the state health departments became the only constituency for 314(d) funding with the predictable results that such funding has gradually decreased; has been the object of budget recisions; and is now only a shadow of its former self.

The Reagan Administration has proposed grouping some 29 categorical programs into three block grants, and suggesting that a) the states can do it better, and b) the proposed 25 percent reduction really would not be all that serious because much of it would be re-gained by eliminating the federal bureaucracy administering the categorical funds.

Many of the existing categorical programs were developed because states either could not or would not do it themselves. This has been true of such important programs as Mental Health, . Family Planning, Migrant Health, Community Health Centers, and others. Now we are to believe that states have suddenly seen the light and recognize these as priority issues for the state bureaucrats to administer in a more efficient manner.

A little simple arithmetic indicates that the actual cuts in services delivered to *people* would be significantly greater than the 25 percent the Administration admits to. The 25 percent reduction leaves 75 percent. However, the proposed funding is based on current levels of categorical funding and do not include any increases for inflation. Additionally, each state government would have to retain an appropriate sum to develop its own bureaucracy in order to responsibly handle the funds and be accountable for their proper and legal utilization. After subtracting these overhead costs and the program reduction caused by inflation, we would have something like 50 percent of the current program level.

And now let's get back to the matter of the lack of a constituency. If Family Planning, or Mental Health, or Migrant Health, or Community Health Center constituencies were to find the need for increased federal funding and convince Congress of the need, there would not be the slightest assurance that any increase would be utilized in the interests of that particular constituency at the local-level. Therefore, I foresee a gradual erosion of the proposed block grant funding just as we witnessed for 314(d).

For those "public healthers" who have ignored these issues because their particular programs have not been funded by federal categorical grants, think again! The obvious and appropriate recourse for the constituency of each program which has been cut by the Reagan

Administration is their state legislatures. Each state legislature would face increasing pressure and witness increasing competition for available state health dollars.

We need the continuation of a balanced, coordinated effort between the federal government and state and local governments to best serve the interests of all of our citizens.

If a decision has not been made by the time this column is distributed, please let your congressional delegation and appropriate committee chairpersons know of your position regarding block grants.