

# Commentary

## Advancing Public Health Finance

Thomas E. Getzen

---

In order for public health finance to emerge as a new field and to become established as a source of strength that improves the health of Americans, it is necessary for those currently involved to provide the *venture capital* that will build institutions and organizational structures and train people in new ways. The source of capital shapes the organization of a commercial firm, and the source of funding and political support shapes the structure of public health agencies as well. Just as a start-up firm drafts an initial public offering (IPO) to attract investment, so must public health agencies draft their programs and services. After all, good governance means shaping an agency so that it can attract sufficient funding and political support to carry out a defined set of goals.

Public health produces a wealth of information. The information industries (eg, software, entertainment, finance) provide creative methods for converting public support for an idea into revenues. A health search engine or a health news network is probably a better model for future sustainable funding than a 19th-century industrial process based on unit pricing for services.

In order for this to be accomplished, public health managers must begin to think outside the existing box. Trying to preserve public health agencies as they have existed in the past is not likely to build financial support for an expansion of roles in the future. Yet, a recent study noted that as public health agencies espoused new responsibilities, the existing functions are rarely abandoned causing a compounding of responsibilities over time.<sup>1</sup> Public health management must constantly trim programs that still have support, and simultaneously start new programs to deal with emerging health issues. This translates to a need for public health leadership to explore managing a reconfigured set of agencies at the local, regional, national, and even international levels. Public health finance must play a role with in-

creasing knowledge so that this could be successfully accomplished.

Another immediate need is to improve the practice of financial management in public health by upgrading the training and support of those who must manage current operations. A mix of formal degree programs and continuing education is probably required. Establishment of a master's level training program specifically oriented to financial management in public health would be one possible avenue. What has been lacking so far is the application of tools common to financial managers in other areas: ratio analysis, funding formulas, diagnostic checks, functional automation, and decision support metrics. Whereas the finances and staffing of most businesses and non-profit providers have grown tremendously in recent decades, public health has lagged behind. That is the main reason that financial managers in public health are still making with operational procedures appropriate to the 20th century rather than the 21st century.

Getting better at what is currently being done through improved financial management is necessary, but is not sufficient. Public health needs to reestablish a generative research foundation to bring back the excitement and creativity to the profession. It is imperative that a public health finance research agenda be included as part of this revitalization process.

Scientific and organizational developments led to a golden era of public health action in the early 20th century, a time where the infrastructure seemed ideally suited to the challenges faced. Public health has struggled to preserve that dynamism and energy, but in so

---

Corresponding author: Thomas E. Getzen, PhD, Temple University, 435 East Durham St, Philadelphia, PA 19119 (e-mail: Getzen@temple.edu).

---

**Thomas E. Getzen, PhD**, is Professor of Risk, Insurance & Health Management, Temple University, and Executive Director, International Health Economics Association (IHEA), Philadelphia, Pennsylvania.

doing has failed to evolve rapidly enough to meet the changed circumstances of a new era. Creativity in the area of public health finance could serve as one source to bringing back that excitement.

#### REFERENCE

1. Beitsch LM, Brooks RG, Menachemi N, Libbey P. Public health at center stage: new roles, old props. *Health Aff.* 2006;24(4):911–922.