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State Budget and Policy Choices Can Improve Health

Washington, DC – States and localities can improve their residents’ health by making smarter and deeper investments in education, the environment, infrastructure, and other public services, according to a new report by the Center on Budget and Policy Priorities.

States’ and localities’ decisions significantly affect their residents’ health. While this includes their decisions about the health care programs they administer, it also includes a wide array of budget and policy decisions that affect the “social determinants of health” — conditions in which people live, work, learn, and play.

“Access to clean air and water, affordable and safe housing, transit, high-quality education, economic opportunity, parks and places to exercise, nutritious foods, and reliable public health infrastructure: in addition to high-quality, affordable health care, all of these things affect a person’s health,” said CBPP Senior Policy Analyst Jennifer Sullivan. “Focusing exclusively on health care ignores the importance of state and local investments in promoting better health long before people need medical care.”

A broad body of research has documented the effects that social determinants of health have on health outcomes, like life expectancy, maternal and child health, and rates of chronic disease, and on disparities in the health of people across racial groups and income levels.

When compared to other developed nations, the United States performs below average, and often near the bottom of the rankings, on traditional health measures like life expectancy, infant mortality, and low birthweight. Health outcomes are particularly bad for certain communities of color and for low-income individuals.

States and localities can improve residents’ health and help close health gaps between racial and ethnic groups by:

- Improving access to affordable health care, including by expanding Medicaid under the Affordable Care Act;
- Leveraging Medicaid to improve access to other economic and social programs known to improve health, like case management and supportive housing;
- Making deeper and smarter investments in education, infrastructure, economic security, housing, and other parts of the budget that can improve health;
- Enacting social and economic policies, like the Earned Income Tax Credit, that are known to improve health; and
- Improving state and local tax systems so they are based more on a taxpayer’s ability to pay, and so they raise adequate revenue for key public investments.
“States’ failure to invest more in programs that would improve health as well as state and local fiscal policies that have worsened racial inequities have left the U.S. population less healthy than it could be,” said Sullivan. “States can help reverse this trend by making deeper and smarter investments in public services like education and infrastructure, improving the prospects for future widespread prosperity.”

The report is part of a new CBPP project, supported by the Robert Wood Johnson Foundation, to improve understanding of the link between budget and tax decisions and population health.


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