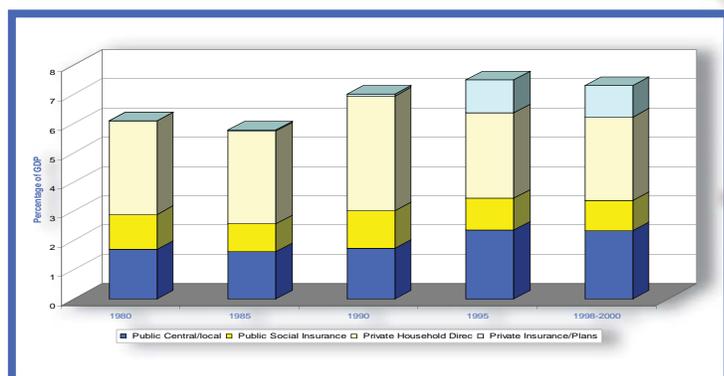


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HARMONIZATION OF ESSENTIAL PUBLIC HEALTH FUNCTIONS (EPHF) WITH THE FUNCTIONAL CLASSIFICATION OF EXPENDITURE (FCE)



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* Working document based on the working document of 23 February 2004 used in the "Workshop on Public Health Expenditure Estimates and Financing," held 9-10 December 2003, and based on discussions and comments made during the working group session, held 28-30 June 2004. Comments or correspondence should be sent to: Amparo Gordillo-Tobar: gordilam@paho.org

HARMONIZATION OF ESSENTIAL PUBLIC HEALTH FUNCTIONS (EPHF) WITH THE FUNCTIONAL CLASSIFICATION OF EXPENDITURE (FCE)¹

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Essential Public Health Functions (EPHF) are understood as the functions essential to attaining public health objectives and strengthening the public institutions' steering capacity in health in the countries.

The EPHF have been "measured" in individual evaluations made by panels of experts, identifying the development of each of these functions in the countries². These efforts make it possible to determine which areas need to be developed in the future. EPHF identified as having been ignored and in need of more attention usually suggest a greater allocation of resources; however, prior to allocating resources, current spending on each of the EPHF must be determined.

To estimate EPHF expenditures or costs, the significance of each EPHF must first be determined; it must then be harmonized with the classifications used in the countries' accounting system. The accounting system with which the EPHF are harmonized below is the Functional Classification of Expenditures (FCE)³.

This document presents a frame of reference for developing standardized estimates of EPHF expenditures and financing in the countries of the Region. This frame of reference is the Functional Classification of Expenditure (FCE) presented in the IMF's Government Finance Statistics Manual (MEFP-2001) and proposes a classification that permits harmonization of MEFP public health activities with the list of Essential Public Health Functions published by PAHO (EPHF-PAHO). In this process of identifying public health activities and harmonizing the list of Essential Public Health Functions, suggestions offered in discussions at workshops⁴ on the subject have been adopted, as have recommendations from professional public health experts on specific topics.

1 Working document based on the working document of 23 February 2004 used in the "Workshop on Public Health Expenditure Estimates and Financing," held 9-10 December 2003, and based on discussions and comments made during the working group session, held 28-30 June 2004. Comments or correspondence should be sent to: Amparo Gordillo-Tobar: gordilam@paho.org

2 Measurement of the EPHF is supported by resolution CD42.R14 of the Pan American Health Organization's Directing Council.

3 International Monetary Fund. Government Finance Statistics Manual, 2001

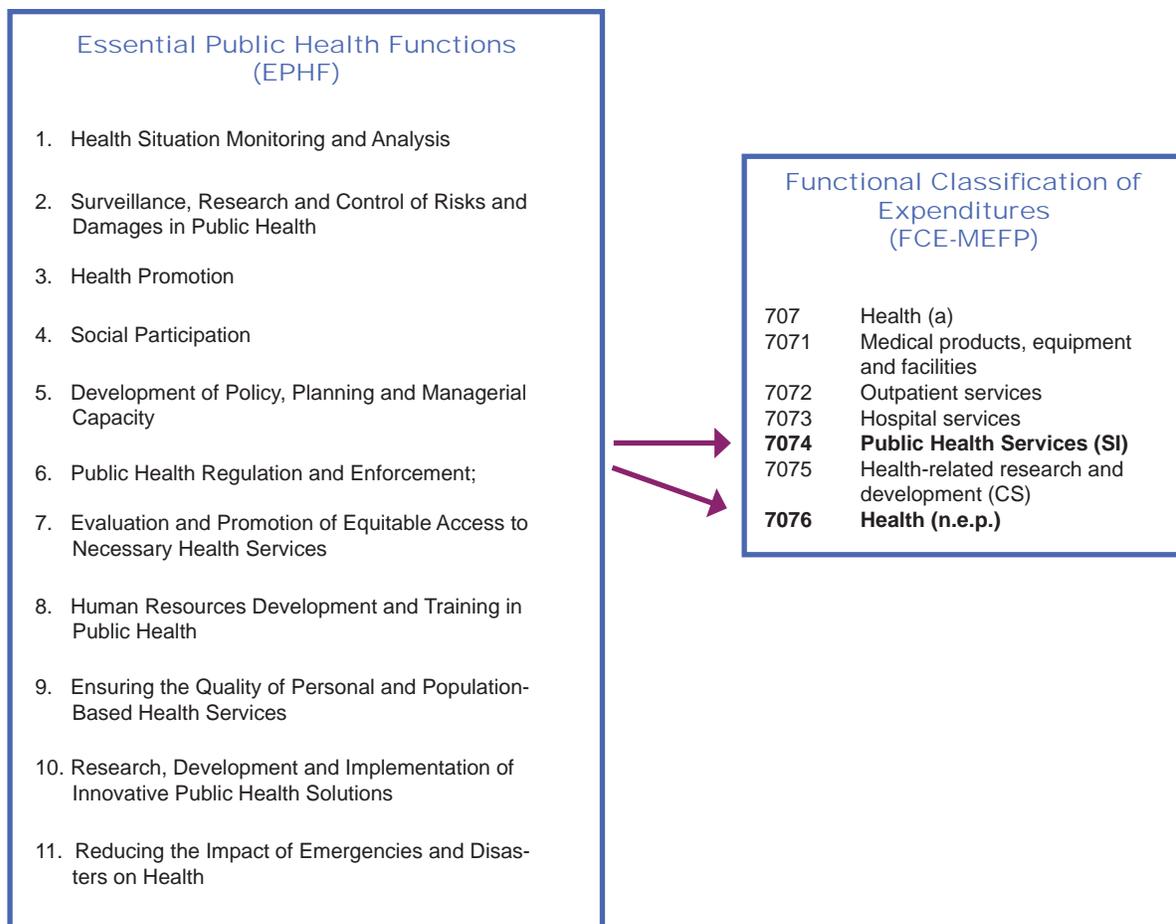
4 Advisory group: Essential Public Health Functions. 15-17 September 2003. Washington, D.C.; Workshop: Improving Public Health in the Americas: Workshop on Public Health Expenditure Estimates and Financing. 9-10 December 2003, Washington, D.C.; Working group on EPHF and Public Health expenditure, financing and costing. 28-30 June 2004. Buenos Aires, Argentina

HARMONIZATION OF THE EPHF WITH THE FCE

The EPHF include activities for individual care that have a collective benefit, collective activities, and general preparations made to carry out the aforementioned activities. The FCE includes individual activities of collective benefit and collective and administrative actions in support of the above. Harmonization of the two classifications is proposed based on the general characteristics of the two classifications.

Figure 1 presents the Essential Public Health Functions and health expenditures, including public health, of the Functional Classification of Expenditure of the Government Finance Statistics Manual.

Figure 1.



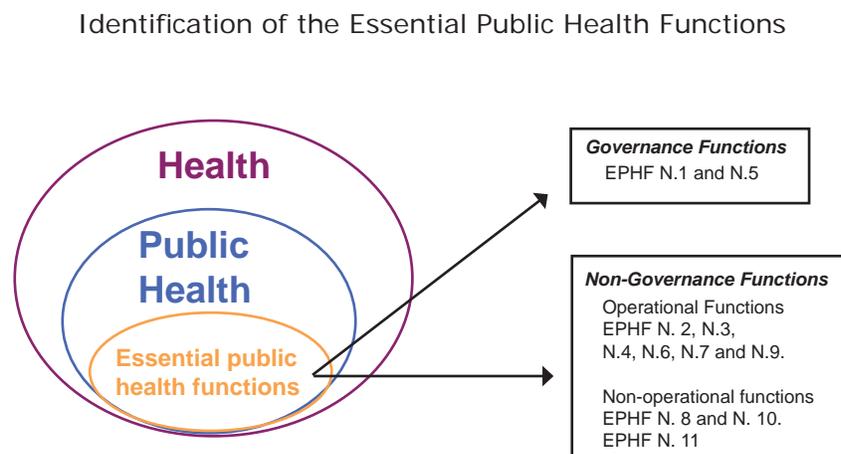
ESSENTIAL PUBLIC HEALTH FUNCTIONS (EPHF):

There are 11n Essential Public Health Functions (EPHF), and each has 2 to 7 explanatory notes on the activities that characterize them. Annex 1 includes all the EPHF with the corresponding numbered explanatory notes. The explanatory notes of each EPHF are underlined if that EPHF is more representative and are in italics when the explanatory notes were deemed less representative or a derivative of previous explanatory notes, although this does not mean that they are less important in the public health mission.

This review of contents made it possible to regroup the EPHF into two major types: Governance Functions and Non-governance or Support Functions. **The Governance EPHF** functions are EPHF N. 1: Health Situation Monitoring, Evaluation and Analysis, and N. 5: Policy development and institutional public health planning and managerial capacity. The essential functions of the National Health Authority's steering role are considered to be the management of empirical evidence on the country's health and the capacity to develop public health policies.

Non-governance EPHF, in turn, were grouped *into EPHF with Operational Functions and EPHF with Non-operational Functions*. The *Non-governance, or Operational*, EPHF are EPHF N.2: Surveillance, Research and Control of Risks and Damages in Public Health; N.3: Health Promotion; Production and dissemination of general information, technical documentation and statistics on health; N.4: Social Participation in Health; N.6: Public Health Regulation and Enforcement; N.7: Evaluation and Promotion of Equitable Access to Necessary Health Services, and N.9: Ensuring the Quality of Personal and Population-based Health Services. Monitoring, Preparation, and implementation of legislation and standards for action in delivering health services (licenses for physicians, paramedics and medical establishments). The Governance or Non-operational EPHF are EPHF N. 8: Human Resources Development and Training in Public Health; N. 10: Research on Public Health; and N 11: Reducing the Impact of Emergencies and Disasters on Health. (Figure 2).

Figure 2.



FUNCTIONAL CLASSIFICATION OF EXPENDITURE (FCE):

The Functional Classification of Expenditure or Government Functions was prepared by the Organisation for Economic Co-operation and Development, published by the United Nations Statistics Division and adopted by the Public Finance Statistical System (EFP)⁵. This classification can be applied to government spending and thus, it is a practical classification because it analyzes government spending in different portfolios.

The FCE has three levels of detail: a) Divisions; b) Groups; and c) Classes. Divisions can be viewed as the government's general objectives, while groups and classes specify the means that make it possible to achieve them. In this breakdown of the CFG, another detail can be added: d) sub-classes, which permit the identification of public health expenditures in greater detail. The groups, classes and sub-classes are identified in the health division (7) in the proposal submitted below in Table 1. The education division (9), including Public Health Education, is also presented.

⁵ The EFP system is a specialized macroeconomic system whose purpose is to support fiscal analysis by providing statistics that make it possible to analyze changes in the general government sector or public sector's financial operations, financial status and liquid asset status.

Table 1.

Proposed Categories for Public Health and Essential Public Health Functions

Division (Two digits)*	Group (Three digits)	Class (Four digits)	Sub-Class (Five digits)	Description	
707	7071 7072 7073 7074	70741		HEALTH	
				Medical products, equipment and facilities (IS)	
				Outpatient services (IS)	
				Hospital services (IS)	
				Public Health Services (IS)	
				<i>Public Health services offered (IS)</i>	
				<i>Blood bank management (collection, storage, processing and shipment)</i>	
			<i>707411</i>		
			<i>707412</i>	Diagnostic services (Cancer, TB)	
			<i>707413</i>	Prevention (immunization, inoculation)	
			<i>707414</i>	Monitoring (child nutrition and checkups)	
			<i>707415</i>	Family planning services	
			<i>707416</i>	Public Health Laboratories	
			<i>707417</i>	Other Public Health Services	
			70742	<i>Administration, inspection, management or support for Public Health Services Public</i>	
			<i>707421</i>	<i>Blood bank management (collection,</i>	
			<i>707422</i>	<i>Diagnosis of diseases (Cancer, TB)</i>	
			<i>707423</i>	<i>Prevención (inmunización, inoculación)</i>	
			<i>707424</i>	<i>Monitoring (child nutrition and checkups)</i>	
			<i>707425</i>	<i>Family Planning Services</i>	
			<i>707426</i>	<i>Public Health Laboratories</i>	
		<i>707427</i>	<i>Other Public Health Services</i>		
		70743	<i>Preparation and dissemination of information on topics related to Public Health</i>		
		<i>707431</i>	<i>Well-patient public health services</i>		
		<i>707432</i>	<i>Public health services not related to hospitals, clinics or physicians which involve nonmedical personnel such as health educators or community leaders</i>		
		7075	70751		Health-related Research and Development (CS)
				<i>Health-related research and development</i>	
	<i>707511</i>			<i>Pathology laboratories</i>	
		<i>707512</i>	<i>Donations, financial assistance or subsidies in support of health-related applied research and experimental development by no-governmental organizations such as research institutes and universities</i>		
	7076	70761		Health N.E.P. (CS)	
			<i>Administration, management or support of activities</i>		
			<i>707611</i>	<i>Formulation, administration coordination and monitoring of, health-related policies, plans, programs and general budgets</i>	
			<i>707612</i>	<i>Drafting and implementation of legislation and regulations affecting health services delivery, including granting of licenses to medical establishments and medical and paramedical personnel</i>	
			<i>707613</i>	<i>Production and dissemination of general information on health</i>	
			<i>707614</i>	<i>Production and dissemination of technical information</i>	
			<i>707615</i>	<i>Production and dissemination of statistics on health</i>	
		70762	<i>Health topics not assigned to a category</i>		
709				EDUCATION	

* The first number of the category is not counted

This table breaks down the classification and specifies whether the service is individual (IS) (7074) or collective (CS) (7076) in the identification of Public Health activities. In the functional classification of expenditures, Public Health expenditures were identified in groups 7074, 7075, 7076. Additionally, the human resources component is identified in Division 9 of the Human Resources Education classification. The breakdown of these sub-classes offers a first step in identifying activities that in the future will make possible an official proposal on updating the Government Finance Statistics Manual and the health classification. Annex 2 presents the functional classification of expenditures reported in the MEFP-2001.

Integration of the EPHF and the FCE

Maintaining the initial criteria of Individual Services (IS), Collective Services (CS), and others/administrators, the integration of these two classifications is summarized in Table 2.

This correspondence process required that groups with four-digit codes be broken into classes and those with five-digit codes be broken into sub-classes of the Functional Classification of Expenditures, and that codes be created for the respective classifications. Public Health activities of an individual nature remained under category 7074 while Public Health activities of a collective nature were placed under category 7076. EPHF 2, 4, and 7 were considered to have a major individual service component and, accordingly, were placed under code 7074; EPHF 1, 3, 5, 6, 9 and 11 were considered to be related to Public Health and were placed under Functional Classifications category 7076, and EPHF 10, also collective, under category 7075. EPHF 8 (Individual Education) [was placed under] Division 709, which corresponds to education.

Table 2. Summary of Correspondence between Essential Public Health Functions and Functional Classification of Expenditures

Essential Public Health Functions (EPHF-PAHO)	Functional Classification of Expenditures				
	Division	Group	Class	Sub-Class	Description
	707				HEALTH
<p>NGF N. 2: Public Health surveillance, research and control of public health risks and damages. NGF N. 7: Equitable access to health services</p>		7071 7072 7073 7074			<p>Medical products, equipment and facilities (IS) Outpatient services (IS) Hospital services (IS) Public Health Services (IS)</p>
			70741		Public Health service delivery (IS)
				707411	Blood bank management (collection, storage, processing and shipment)
				707412	Diagnosing diseases (Cancer, TB)
				707413	Prevention (immunization, inoculation)
				707414	Monitoring (child nutrition and checkups)
				707415	Family planning services
				707416	Public Health Laboratories
				707417	Other Public Health Services
			70742		<i>Public Health services administration, inspection, management or support</i>
				707421	<i>Blood bank management (collection</i>
				707422	<i>Diagnosing diseases (Cancer, TB)</i>
				707423	<i>Prevention (immunization, inoculation)</i>
				707424	<i>Monitoring (Child nutrition and checkups)</i>
			707425	<i>Family planning services</i>	
			707426	<i>Public Health Laboratories</i>	
			707427	<i>Other Public Health Services</i>	
		70743		<i>Preparation and dissemination of information on topics related to public health</i>	
			707431	Well-patient public health services	
			707432	Public health services not related to hospitals, clinics or physicians involving nonmedical personnel such as health educators or community leaders	
<p>NGF N. 4: Citizen participation in health (CS)</p>					
<p>NGF N. 10: Public Health Research</p>		7075			<p>Health-related research and development (CS) <i>Health-related research and development</i> <i>Pathology laboratories</i></p>
			70751		
				707511	<i>Pathology laboratories</i>
				707512	<i>Donations, financial assistance or subsidies in support of applied research and health-related experimental development performed by nongovernmental organizations such as research institutes and universities</i>
		7076			<p>Health N.E.P. (CS)</p>
<p>GF N. 1: Monitoring, Evaluation and Analysis of the status of health</p>					
<p>GF N.11: Reducing the Impact of disasters and emergencies</p>			70761		<i>Administration, management and support of activities</i>
<p>GF N. 5: Institutional planning and management policies and competence in public health matters</p>				707611	<i>Formulation, administration, coordination and monitoring of general policies, plans, programs and budgets in health matters</i>
<p>NGF N. 6: Strengthening regulatory and control capacity in public health matters. NGF N. 9: Guaranteeing and improving the quality of individual and collective services. Monitoring, drafting and implementation of legislation and standards for action on health services delivery (licenses for physicians, paramedics and medical establishments)</p>				707612	<i>Drafting and implementation of legislation and standards for action on health services delivery, including granting of licenses to medical establishments and medical or paramedical personnel</i>
<p>NGF N. 3: Health Promotion Production and dissemination of general information, technical documentation and statistics on health</p>				70613	<i>Production and dissemination of general information on health</i>
				70614	<i>Production and dissemination of technical information</i>
				70615	<i>Production and dissemination of health statistics</i>
				70762	<i>Non-assignable health-related topics</i>
<p>NGF N. 8: Development and Training of Human Resources in Public Health</p>	709				EDUCATION

FG: Governance Function

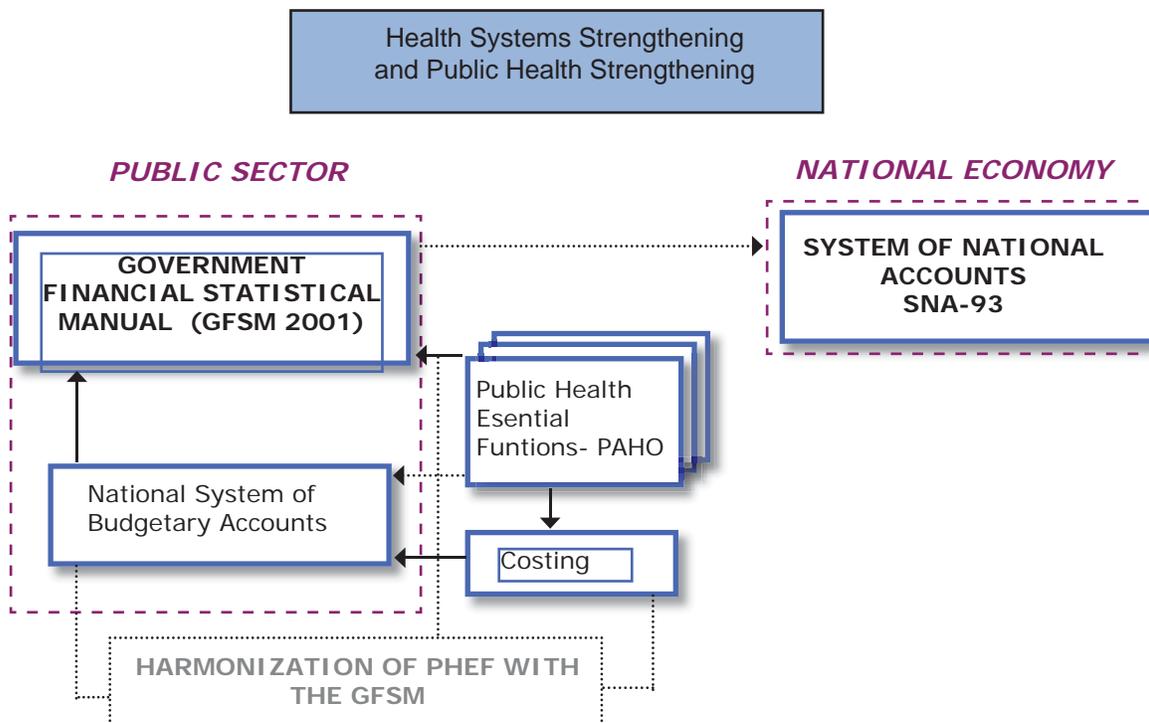
* The first number of the category is not counted

NGF: Non-Governance Function

ESSENTIAL PUBLIC HEALTH FUNCTIONS, COST, EXPENDITURES AND PUBLIC HEALTH FINANCING AND THE SYSTEM OF NATIONAL ACCOUNTS

This document constitutes the first approximation in the process of integrating the Essential Public Health Functions with government finance statistics. Figure 3 presents the contribution of this document in integrating information that serves as the basis for public health expenditures. Future approximations between the EPHF and costs, and integration of EPHF-Costs-Budgets-Expenditure and Financing are necessary in order to integrate these concepts into information management systems. Future procedural documents for estimating the expenditures, costs, and financing of Essential Public Health Functions will attempt to present a practical way of quantifying the functions.

Figure 3.



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Fondo Monetario Internacional; Manual de las Estadísticas de las Finanzas Públicas; 2001, Washington, DC, Capítulos 1, 2; Anexo al capítulo 2; (Protección Social); Cáp. 6 (Gasto);

OPS; La Salud Pública en las Américas: nuevos conceptos, análisis del desempeño y bases para la acción; 2002; Cap. 14; pp. 271-295.

List of Essential Public Health Functions⁶**EPHF 1: Monitoring, evaluation, and analysis of the health situation**

- F1.1 Up-to-date evaluation of the country's health situation and trends and their determinants, with special attention to identifying inequalities in risks, threats, and access to health services.
- F1.2 Identifying the health needs of the population, including evaluation of health risks and the demand for health services.
- F1.3 Managing vital statistics and the specific situation of special-interest or at-risk groups.
- F1.4 *Generating useful information for evaluating health services performance.*
- F1.5 *Identifying resources outside the health sector that can improve health promotion and the quality of life.*
- F1.6 *Developing technology, experience, and methods to manage, interpret, and communicate information to those responsible for public health, including those who work outside the health sector, providers, and ordinary citizens.*
- F1.7 Defining and developing organisms to evaluate the quality of the data collected and its proper analysis.

EPHF 2: Public health surveillance, research, and control of risks and threats in public health

- F2.1 The ability to conduct research and surveillance of epidemic outbreaks and models for reporting communicable and noncommunicable diseases, behavioral factors, accidents, and exposure to toxic substances or environmental agents harmful to health.
- F2.2 A public health services infrastructure designed to conduct population analyses, case studies and epidemiological research in general.
- F2.3 Public health laboratories capable of performing rapid analyses and processing the high volume of tests needed to identify and control new threats to health.

⁶ Underlined items: more weight / *italicized items*: less weight in MFP classification inclusion

- F2.4 Developing active programs for epidemiological surveillance and infectious disease control.
- F2.5 *Capacity to connect to international networks that make it possible to better confront the health problems of greatest interest.*
- F2.6 *Preparing the NHA and reinforcing surveillance capability at the local level to generate rapid responses to control health problems or specific risks.*

EPHF 3: Health promotion

- F3.1 Encouraging changes in lifestyle and environmental conditions to promote the development of a culture of health.
- F3.2 Encouraging intersectoral partnerships to promote action more effectively.
- F3.3 *Assessing the impact of public policies on health.*
- F3.4 *Developing educational activities and mass communication focused on promoting healthy conditions, lifestyles, behaviors, and environments.*
- F3.5 *Reorienting health services to develop models of care that encourage health promotion.*

EPHF 4: Citizen Participation in health

- F4.1 Empowering citizens to change their own lifestyles and play an active role in processes aimed at the development of health and healthy environments, so they may influence the decisions that affect their health and their access to adequate public health services.
- F4.2 Facilitating organized community participation in decisions and actions related to health programs for prevention, diagnosis, treatment, and rehabilitation, to improve the health status of the population and promote an environment conducive to a healthy life.

EPHF 5: Developing policies and institutional planning and management capability with regard to public health.

- F5.1 Defining public health objectives at all levels that are measurable and consistent with a framework of values that promotes equality.
- F5.2 Developing, monitoring, and evaluating political decisions concerning public health, through a participatory process consistent with the political and economic context in which those decisions are made.

- F5.3 Institutional capability for managing public health systems, including strategic planning, with special interest in the processes of constructing, executing, and evaluating initiatives aimed at solving the population's health problems.
- F5.4 Developing decision-making competencies, based on tests that incorporate planning and evaluation, leadership capability and effective communication, organizational development and resource management.
- F5.5 *Developing the capacity for managing international cooperation in public health.*

EPHF 6: Strengthening the institutional capacity for regulation and control in public health

- F6.1 Institutional capacity to develop the regulatory framework to protect public health and monitor its implementation.
- F6.2 Capacity to develop new laws and regulations aimed at improving the health of the population and promoting the development of healthy environments.
- F6.3 *Protecting citizens in their relationships with the health system.*
- F6.4 Implementing all these activities to ensure appropriate, proper, consistent, and full compliance with the regulations.

EPHF 7: Evaluating and promoting equitable access by the population to necessary health services

- F7.1 Promoting fairness in the effective access of all citizens to necessary health services.
- F7.2 Developing actions geared to overcoming obstacles to access to public health interventions and toward facilitating ties between vulnerable groups and health services, not including the financing of care.
- F7.3 Monitoring and evaluating access to necessary health services, through public and/or private providers; adopting a multisectoral, multi-ethnic, and multicultural approach that makes it possible to work with various agencies and institutions to eliminate injustice and inequalities in the utilization of services.
- F7.4 Close collaboration with governmental and nongovernmental institutions to promote equitable access to necessary health services.

EPHF 8: Human resource development and training in public health

- F8.1 Identifying a profile for human resources in public health that is appropriate for allocating public health services.
- F8.2 Educating, training, and evaluating public health personnel to identify health care and public health service needs, to effectively address high-priority public health problems and properly evaluate public health actions.
- F8.3 *Defining accreditation requirements for health professionals in general, and adopting programs to continuously improve the quality of public health services.*
- F8.4 *Forming active partnerships with professional development programs, to ensure that all students obtain meaningful public health experiences and continuing education in human resources management and leadership development in public health.*
- F8.5 *Developing capabilities for interdisciplinary and multicultural work in public health.*
- F8.6 Ethical training of public health personnel, with special attention to principles and values such as solidarity, equality, and respect for the dignity of people.

EPHF 9: Guaranteeing and improving the quality of individual and collective health services

- F9.1 Promoting the existence of evaluation systems and improving their quality.
- F9.2 Encouraging the drafting of standards on the basic characteristics that quality assurance and improvement systems must have and supervising the performance of service providers subject to this obligation.
- F9.3 Defining, explaining, and guaranteeing health service users' rights.
- F9.4 The existence of a health technologies evaluation system that assists in the decision-making process of all health systems and helps improve their quality.
- F9.5 Use of scientific methodology for evaluating health interventions with varying degrees of complexity.
- F9.6 The existence of systems for evaluating user satisfaction and the use of this evaluation to improve the quality of health services.

EPHF 10: Public health research

- F10.1 Rigorous research focused on enhancing knowledge that supports decision-making at various levels.
- F10.2 Execution and development of innovative public health solutions whose impact can be measured and evaluated.
- F10.3 Establishing partnerships with research centers and academic institutions, inside and outside the health sector, for the purpose of conducting appropriate studies that support the NHA's decision-making at all its levels and spheres of activity.

EPHF 11: Reducing the impact of emergencies and disasters on health

- F11.1 Development, planning, and implementation of policies for prevention, mitigation, preparedness, response, and rapid rehabilitation activities to reduce the impact of disasters on public health.
- F11.2 An integrated approach to the threat and etiology of all possible emergencies or disasters in the country's current situation.
- F11.3 Participation of the entire health system and broader intersectoral and interinstitutional collaboration in reducing the impact of emergencies or disasters.
- F11.4 Management of intersectoral and international cooperation in solving health problems created by emergencies and disasters.

Government Finance Statistics Manual-2001**7074 PUBLIC HEALTH SERVICES**

70740 Public Health Services (IS)

- Public health services delivery;
- Administration, inspection, and management or support of public health services, blood bank management (collection processing, storage, shipment), diagnosis of diseases (cancer, tuberculosis, venereal diseases), prevention (immunization, inoculation), surveillance (child nutrition, child health), epidemiological data collection, family planning services, etcetera.
- Preparation and dissemination of public information on health-related matters
Includes: public health services provided by special teams to groups of clients, most of whom are in good health, at the workplace, at schools and at places other than medical centers; public health services unrelated to a hospital, clinic, or physician; public health services that are not provided by qualified physicians; public health laboratories.
Excludes: medical analysis laboratories (70724); pathology laboratories (70750).

7075 HEALTH-RELATED RESEARCH AND DEVELOPMENT

70750 Health-related Research and Development (CS)

- Administration and management of governmental organisms devoted to applied research and health-related experimental development.
- Donations, financial assistance, or subsidies in support of applied research and health-related experimental development carried out by nongovernmental organs such as research institutes and universities.
Includes: pathology laboratories.
Excludes: basic research (70140).

7076 HEALTH N.E.P.

70760 Health N.E.P. (CS)

- Administration, management, or support of activities such as the formulation, administration coordination and monitoring of policies, plans, programs and general budgets in health; drafting and implementation of legislation and action standards on health services delivery, including the granting of licenses to medical establishments and to medical and paramedical staff; production and dissemination of general and technical information and statistical documentation on health.
Includes: health-related matters and services that cannot be assigned to (7071) (7072), (7073), (7074) or (7075).