



State Budget Policy

- Governors can direct their agencies to “row” in the same direction to help all residents to live healthy, safe, and productive lives.
- People who are healthy are more likely to be able to find and hold jobs and pay state taxes.
- Helping people become and stay healthy can [save](#) money for state Medicaid programs and stabilize commercial premiums.

Resources and policy tools to address state budgets	What state agencies can address the state’s budget
<ul style="list-style-type: none"> • The state budget process 	<ul style="list-style-type: none"> • Governor’s office • Department of finance • Office of management and budget/state budget office • Agency directors

State Policy Options

Invest in healthy communities: Investing in economic development, clean air, quality education, safe and walkable neighborhoods, and access to healthy food substantially improves population health outcomes while [lowering spending](#) on costly, traditional medical care.

Reward value over volume in Medicaid: Across the nation, state [Medicaid programs](#) had the largest percentage increase in total state spending in fiscal year 2018. Innovative accountable health models can help bend the cost curve while improving care quality.

Incentivize healthy behaviors. Taxing unhealthy behaviors can be part of a comprehensive approach, in addition to other evidence-based strategies, to incentivize healthy behaviors.

This document is part of NASHP’s [Upstream Health Priorities for New Governors Toolkit](#). Explore the entire toolkit [here](https://nashp.org/toolkit-upstream-health-priorities-for-new-governors/).

Evidence and Resources for State Leaders

Policy	Resource	Notes
Invest in healthy communities	To Lower the Cost of Health Care, Invest in Social Services	The United States spends far more on health care per person per year than any other country, but gets a poor return on investment. Other developed nations do a far better job of preventing their vulnerable populations from suffering serious illness, by investing substantially more in social services that impact health.
	National Conference of State Legislature's Health Provider and Industry State Taxes and Fees	Provider assessments can be used to generate new funds as a match to draw down additional federal Medicaid funds.
	SNAP Enrollment Associated with Reduced Health Care Spending Among Poor , JAMA, Sept. 2017	SNAP food benefits have been linked to lower health spending by low-income adults
	Deeply affordable housing, with supportive services	A goal in the Illinois Annual Comprehensive Housing Plan is to identify savings from providing affordable supportive housing for vulnerable populations. It also explicitly connects housing and health.
Reward value over volume in Medicaid	Ten Strategies To Lower Costs, Improve Quality, And Engage Patients: The View From Leading Health System CEOs	Medicaid programs had the largest percentage increase in total state spending in fiscal year 2018.
	Evaluation of Oregon's 2012-2017 Medicaid Waiver , OHSU, Dec. 2017	Oregon's Medicaid Coordinated Care Organizations were associated with decreased spending relative to that of a neighboring state. CCOs allow spending on health-related flexible services to improve health.
	Massachusetts' MassHealth Launches Restructuring To Improve Health Outcomes for 1.2 Million Members	Massachusetts launched its restructured health care delivery system with the implementation of Accountable Care Organizations (ACOs) are responsible for the total cost of care for their members, and that work in close partnership with health care providers and community-based organizations and will improve service by better to integrating care and connect for members to social services.
Incentivize healthy behaviors	Centers for Disease Control and Prevention's Health Impact in Five Years Helping people quit tobacco	Increasing the price of tobacco, as part of comprehensive approach to tobacco prevention, reduces its use and helps prevent young people from starting smoking. New Jersey has a statutory Alcohol Education, Rehabilitation, and Enforcement Fund funded by a tax on alcoholic beverages. Kaiser Family Foundation's map shows State Cigarette Excise Tax Rates