



Bending the Cost Curve

Health care spending in the U.S. is far too high, and we're spending our money on the treatment of costly and preventable diseases, instead of investing in keeping people healthy in the first place.

Some startling statistics:

- In the U.S., we spend \$2.2 trillion on health care annually.
- Seventy-five percent of all health care costs are spent on the treatment of chronic diseases, many of which could have been prevented.
- Chronic diseases cost the U.S. an additional \$1 trillion each year in lost productivity.¹
- We are the fattest nation in the fattest period in the history of the world.

To bend the cost curve, we need to reduce chronic disease rates by preventing the onset of disease before it is too late. But we don't spend nearly enough on disease prevention.

- The federal government spends just \$54 million on heart disease and stroke prevention; in 2009, the direct medical costs of cardiovascular disease are estimated to be almost \$314 billion.²
- The federal government spends \$65.8 million on diabetes prevention; the total annual economic cost of diabetes in 2007 was estimated to be \$174 billion.³
- The federal government spends \$44 million on nutrition, physical activity and obesity prevention. Obesity alone is estimated to cost us almost \$147 billion per year.⁴

¹ Partnership to Fight Chronic Disease.

² CDC FY 09 Budget Justification

³ <http://www.diabetes.org/diabetes-statistics/cost-of-diabetes-in-us.jsp>

⁴ Finkelstein, Eric. "Annual Medical Spending Attributable to Obesity: Payer- And Service-Specific Estimates."

July 27, 2009.

- The federal government spends \$145 million to prevent injuries and violence. In 2000, the direct medical costs of injuries and violence were estimated to be more than \$117 billion with another \$289 billion in productivity losses.

Yet, we know that prevention can be cost-effective and save lives. A report from Trust for America's Health entitled *Prevention for a Healthier America* concluded that an investment of \$10 per person per year in proven community-based programs to increase physical activity, improve nutrition, and prevent smoking and other tobacco use could save the country more than \$16 billion annually within 5 years. This is a return of \$5.60 for every \$1.

According to the Urban Institute, analyses suggest that on average, a prevented case of diabetes or hypertension without heart/stroke/kidney complications would reduce average annual spending on that adult by 11 percent, and reduced complications that would otherwise result from these diseases would reduce spending by another 25.6 percent. Increased physical activity, improved nutrition and smoking cessation can greatly reduce diabetes and hypertension risks.⁵

The House and Senate health reform bills would make an unprecedented and overdue investment in prevention and wellness, one which is necessary to control health care costs.

⁵ How We Can Pay for Health Reform. Urban Institute. July 2009.
http://urban.org/uploadedpdf/411932_howwecanpay.pdf