

## I. IN MINNESOTA, SHIP COMES IN, SAVING LIVES — AND MONEY

For years, Minnesota has been among the healthiest states in the country.<sup>2</sup> It has low rates of tobacco use, obesity and chronic disease, and high rates of physical activity. But in recent years, Minnesota has slipped. In annual rankings of state



health from the United Health Foundation and the American Public Health Association, Minnesota dropped from first in 2006 to sixth in 2010.<sup>3</sup>

And even though it remained near the top, the state still has millions of citizens with preventable diseases. More than 60 percent of Minnesota residents are either obese or overweight; 17 percent — almost a million people — use tobacco products.<sup>4</sup> Obesity and tobacco use significantly increase the risk of chronic ailments such as heart disease, diabetes, cancer and asthma.

These conditions not only cause suffering; they are also expensive. Studies have shown that three-quarters of the money Americans spend on health care is devoted to dealing with largely preventable chronic diseases.<sup>5</sup> In Minnesota alone, smoking kills more than 5,000 people a year, and leads to almost \$3 billion in excess medical costs annually. According to a study published this year, obesity costs the state \$2.8 billion a year;<sup>6</sup> of that, \$515 million came from Medicare, while \$468 million came from Medicaid.<sup>7</sup>

In addition, experts say, high rates of preventable chronic disease can also harm the bottom line, increasing health care costs for businesses, and decreasing the possibility that new businesses will expand or relocate to a given area.

“Companies in Minnesota are now really thinking about how they can lower their health care costs,” said Sanne Magnan, MD, PhD, who from 2007 to 2010 was Minnesota’s health commissioner. “They are very interested in how to do that efficiently.”

### The Goal: Improving Health on a Wide Scale

Four years ago, Minnesota started an ambitious attempt to reduce its burden of chronic disease by helping millions of residents lead healthier lives.<sup>8</sup> Officials say the program, the Statewide Health Improvement Program, or SHIP, could save the state billions of dollars in healthcare expenses, and could help private business cut costs too.<sup>9</sup>

“This is aimed at keeping people from getting these chronic diseases,” said Minnesota state representative Thomas Huntley, who was one of the law’s architects. “If they don’t smoke, and they watch what they eat and stay active, people are less likely to get heart disease or diabetes in the first place.”

SHIP was passed with the backing of then-governor Tim Pawlenty, and got bipartisan support in the legislature. “Everyone recognized that you had to invest in helping the population get healthier,” said Magnan. “That had wide appeal.”

The idea behind SHIP is simple. In recent years, public health researchers have found that people are more likely to change unhealthy behavior — give up smoking, increase physical activity, or eat more healthily — when such choices are easy. But right now, most Minnesotans, and most Americans, live in an environment dominated by fast food restaurants, high-calorie, low-nutrition snack food, television and the automobile, an environment that strongly encourages obesity and its attendant ailments.<sup>10</sup>

## Aiming for Long-Term Change

SHIP aims to turn this equation on its head. Through a variety of methods, the program is trying to modify the environment in which Minnesota residents live, so that it becomes much simpler to live in a healthy way. For instance, instead of funding a short-term program focused on weight loss, SHIP will help communities build new sidewalks and bike lanes, which will permanently increase the likelihood that all residents will walk and ride bicycles.

“We’re giving people more healthy food choices, more opportunities for physical activity, more opportunities to live in a smoke-free environment,” said epidemiologist Rachel Cohen, who is overseeing SHIP for the Minnesota Department of Health.

State officials say that over time, SHIP will save the state money. Julie Sonier, who until last year was Minnesota’s state health economist, estimated that if it receives funding through 2015, SHIP will help more than a quarter million Minnesotans stop smoking, and more than 460,000 residents lose enough weight to no longer be classified as obese or overweight. According to the estimates, these reductions will allow Minnesota to save almost \$2 billion in health care costs annually.

“There is a lot of potential with this,” said Sonier. “If you’re going to contain health care costs, it’s im-

portant to stop the rise of preventable chronic disease. The idea is to generate savings by reducing the number of people who have these conditions.”

In addition, SHIP is helping small businesses across the state set up wellness programs, which can also save money. Studies suggest that for every dollar a company spends on these programs, it can save between three and six dollars in health care costs.<sup>11</sup> Researchers have also found that employer wellness programs can cut costs related to sick leave, workers’ compensation and disability compensation by as much as 25 percent.<sup>12</sup>

Beyond SHIP, the state’s private sector is increasingly aware that improving employee health can be a good investment. Last year, the non-profit group Alliance for a Healthier Minnesota polled 400 Minnesota manufacturers. “Health care costs were the top concern,” said Tom Mason, the group’s president. “It wasn’t even close. Even in the midst of the recession, health care was seen as the top issue.”<sup>13</sup>

He said that for the first time, many of the companies are considering wellness programs as a way to lower costs. “This is a big trend,” said Mason. “My sense is that businesses are now really looking for ways to address spiraling health care costs.”

## State Funding, Local Autonomy

But SHIP is much more comprehensive. The legislature provided the program with \$47 million over two years, through 2011. Per capita, the cost ends up being \$3.89 per person. “A Happy Meal costs more than that,” said Cara McNulty, a health policy expert who until earlier this year oversaw SHIP for the state health department.

The money is divided between 87 counties and nine tribal governments, with each region getting a base amount, as well as additional funding based on population.<sup>14</sup> SHIP gives each region leeway to choose measures that will help local residents. Counties and tribal areas pick from a menu of 33 programs created by the state department of health, with input from the U.S. Centers for Disease Control and Prevention (CDC) and other experts.

“The idea is that individual counties and communities can do their own thing, with oversight from the state,” said Huntley.

The options include Complete Streets initiatives to build more sidewalks and bike lanes; efforts to improve the nutrition of school meals; “Walking School Bus” programs that encourage kids to walk to school; farm-to-school initiatives that supply local food to students; and cessation programs that make it easy for citizens to stop using tobacco. Each county or region must choose at least one tobacco program and one obesity program.

Each of the 98 zones has created a health council made up of local health, school and government officials, as well as business leaders. With help from experts at the state department of health, the councils set up and manage local SHIP efforts.

## Corner Stores and Complete Streets

Some communities have focused on policy change. In Minneapolis, SHIP staff helped implement a law requiring convenience stores to carry a minimum quantity of healthy foods, including at least five varieties of fresh fruit or vegetables. The goal: to increase the availability of nutritious food in areas that lack full-service grocery stores. In these neighborhoods, which are known as “food deserts,” residents often end up doing much of their food shopping at corner stores. Also with the help of SHIP staff, the town of Eyota passed a Complete Streets law.<sup>15, 16</sup>

Other regions have emphasized increasing consumption of healthy food. In the northeast part of the state, a group of Ojibwe Native American communities created or expanded 13 community gardens and started 482 backyard gardens. Using vegetables they’ve grown in the gardens, several of these communities created farm-to-school programs. In addition, the group has started four new farmers’ markets.<sup>17</sup>

Many counties and tribal areas have targeted childhood obesity and teen and young adult smoking. Last year, a survey of Minnesota students found that just one in five sixth-graders ate the recommended five daily servings of fruits and vegetables.<sup>18</sup> Studies have shown that child-

hood and adolescence are crucial windows for introducing healthy behavior: it is much easier to prevent obesity than it is to help those who are already obese lose weight. Similarly, it is easier to prevent tobacco addiction than it is to persuade smokers to quit.

St. Paul passed a law prohibiting candy cigarettes and lighters that look like toys. Dakota County, a rural area south of Minneapolis, used SHIP funding to set up a “Safe Routes to School” program: all of Dakota County’s 10 schools have developed routes that will allow more students to safely walk or bike to school. One school has its buses drop kids a half-mile from the campus, and students walk the rest of the way.<sup>19</sup>

In its first year, SHIP helped nearly 350 Minnesota child care centers improve nutritional value of the food they offer, and teach children about what to eat, and what to avoid. These centers take care of almost 8,000 young children. With help from SHIP, more than 300 child care centers set up exercise programs for their kids.<sup>20</sup>

In addition, SHIP has helped many schools set up farm-to-school programs. More than 130 Minnesota schools now have such efforts, enabling nearly 70,000 students to eat healthier food.<sup>21</sup>

## Helping Business Help Employees

SHIP also works with local businesses to develop worker wellness programs. It offers advice, and sometimes gives grants to employers who want to start a program. Across the state, businesses have taken a range of steps. Some have reduced the amount of junk food in vending machines or improved the nutritional value of cafeteria food; others have built onsite gyms, paid for gym memberships, or otherwise encouraged workers to get more exercise. Some companies have offered incentives to employees who take smoking cessation classes, or who quit smoking, while others have prohibited smoking on company property.<sup>22</sup>

Huntley said that many counties have focused on helping small businesses set up employee programs. “Nationally, big companies are already into wellness programs, because they see that it saves them money,” said Huntley, the state representative. “But most small businesses don’t have the infrastructure to set up those kinds of programs. They need help.”

In Olmsted County, in the southern part of the state, Mark!t, a small marketing company, used

SHIP funds to help pay for a dietician to help employees eat healthier. SHIP helped Eastwood Bank, a locally-owned institution just down the street, set up an employee fitness program. Hy-Vee, a regional grocery chain, used a SHIP grant to start smoking cessation classes at its Olmsted County store. So far, six workers have quit smoking. With help from state health department workers, the store set a no-smoking policy that got rid of almost all smoking during work hours.<sup>23</sup>

This summer, the state legislature voted to extend SHIP through 2013. But it provided less money — \$15 million — than it did for the first two years.<sup>24, 25</sup> Magnan and others argue that SHIP needs continued support; they say that while it is already showing results, real changes will only show up after five or even 10 years. And they argue that because the program focuses on systemic change rather than quick results, the eventual improvements will be sustainable.

“With a problem as big as this,” Magnan said, “we need to have patience. We’ll see health improvements, and savings, but it will take time.”

## TARGET: AIMING HIGH TO IMPROVE EMPLOYEE HEALTH — AND CUT HEALTH CARE COSTS

With 355,000 employees, Target, which operates 1,755 stores in 49 states, has the population of a large city.<sup>26</sup> The company provides health insurance to nearly a quarter of a million people.<sup>27</sup> This cost is rising rapidly, as it is throughout the private sector.<sup>28</sup>

In an attempt to control that expense — and to help its employees and their families improve their health — the Minneapolis-based company is rolling out an ambitious wellness program.<sup>29</sup> The effort is modeled in part on SHIP, Minnesota's statewide prevention program.<sup>30</sup>

The company hired one of the architects of SHIP, Cara McNulty, to develop and oversee its initiative. Both programs share the same basic goals: increasing physical activity, improving eating habits and reducing tobacco use.

In a bid to change its culture, Target has designated 2,000 workers across the country as “Wellness Champions,” who encourage colleagues to get more exercise and eat right.<sup>31</sup> The company gives information on healthy living to the Champions, who share it with other workers and encourage them to change their behavior. And the company has increased the number of healthy foods available in store vending machines.

Target is considering a range of other steps. Among them:

- Subsidizing healthy food in company cafeterias and encouraging workers to offer healthier snacks and drinks during meetings.
- Giving employees free or subsidized access to gyms, either on site or nearby.
- Providing individualized cessation programs to help some of the 35,000 or so Target workers who smoke.
- Offering discounts on insurance to employees and family members who take steps to improve their health.
- Sending sick workers for treatment in regions of the country that have a particular expertise in a given illness. The goal: to improve quality of care and reduce unnecessary treatment.

The company is also discussing ways to attack childhood obesity among workers' children, as well as in the communities where it operates.

McNulty said that the program could yield multiple benefits: not only lowering health care costs and improving health, but also improving employee productivity.