

2. TEXAS RECOGNIZES THE COSTS OF EXCESS WEIGHT, AND TRIES TO DO SOMETHING ABOUT IT

Texas has a reputation as a pro-business state. It has a long history of embracing and encouraging entrepreneurs, from wildcat oil prospectors to cutting-edge energy companies, and it regularly tops state rankings for its educated workforce, low taxes and relative lack of regulation.

But in one key way, businesses in Texas are at a disadvantage. A report published earlier this year by the state comptroller found that obesity cost Texas businesses an extra \$9.5 billion in 2009: more than \$4 billion for health care, \$5 billion for lost productivity and absenteeism and \$321 million for disability.^{32, 33} The analysis estimated that if current trends continue, the cost could more than triple by 2030.³⁴

“Those are shocking numbers,” said Susan Combs, the state comptroller.

Obesity is a serious problem for Texas. Nearly 30 percent of the state’s residents — more than eight million people — are obese, while another 37 percent are overweight.³⁵ Over the past 20 years, these rates have increased dramatically; in 1990, just over 12 percent of residents were obese.³⁶ Overall, Texas is the 12th most obese state in the country, according to a report released earlier this year by the Trust for America’s Health.³⁷

Of course, Texas is not the only state where obesity hinders economic development. But for almost a decade, Combs has focused on the economic costs of the obesity crisis. As a result, more information exists about Texas’ situation than for most states. First as agriculture commissioner and then as comptroller, she has worked to alert Texans to the health and economic risks of obesity.

In addition, Combs has focused on raising awareness in the private sector. “This is a huge issue for the financial security of our state,” she said. “We know we have to get business involved. I don’t know any other way to do it.”

Combs is not the only one worried about obesity’s effect on the state’s economy. “If obesity continues to rise, we will have a workforce that will not be as attractive as it could be to companies thinking of expanding or moving to Texas,” said Eduardo Sanchez, a former state health commissioner who is now the Chief Medical Officer for Blue Cross Blue Shield of Texas, as well as a member of the TFAH board of directors. “Obese workers tend to have lower productivity because they have chronic disease, and they tend to lose time to disability. These are things that companies think about.”

The situation could get much worse. A 2009 report by the state demographer estimated that if current trends continue, 15 million Texas adults will be obese by 2040 — three times as many as now.³⁸

“Future levels of obesity will be intolerable unless we make some changes,” said demographer Karl Eschbach, who wrote the report. “If you look at this from a financial point of view, it’s scary.” Eschbach, who is now a professor at the University of Texas at Galveston, pointed especially to the growing cost of type 2 diabetes, a disease closely linked to obesity.



Based on the possible projections, “you’re looking at the state of Texas going from 10 percent of adults with diabetes to 25 percent with diabetes,” he said. “Diabetes is a very expensive disease.”

As more in both the public and private sector have recognized the financial and medical costs of obesity, the state has become a leader in the fight to improve health. The state government, as well as

some cities, counties and businesses, has taken steps to help residents, students and workers increase their physical activity and eat more wisely.

“Texas has been on the cutting edge in fighting obesity,” said Carrie Kroll, chairwoman of the Partnership for a Healthy Texas, a coalition of more than 20 health and medical organizations trying to reduce the state’s obesity rates.

Toward Healthier Communities: San Antonio

Many Texas cities and towns are working to help residents improve nutrition and increase activity. Last year, San Antonio embarked on an ambitious anti-obesity program, paid for by a \$15.6 million federal grant.³⁹

The program is funding the creation of three new farmers’ markets around the city, and has started an effort to encourage people to choose healthy food when eating out. Health department dietitians have analyzed the menus of more than 100 local restaurants and identified the healthiest items, which receive stickers that say “¡Por Vida!” Some local fast food restaurants have even joined the program: for instance, at McDonalds, oatmeal and yogurt received the health department’s approval.⁴⁰

In addition, San Antonio has bought 150 bikes, which can be used for a few hours at a time by any city resident who registers online and pays a \$10 yearly fee. So far, the bikes, which are stored at 14 kiosks around the city, are averaging 100 checkouts a day. And the city is crafting Complete Streets regulations, which would require any new projects to include consideration of walkers and bicyclists.⁴¹

The program has installed playgrounds and exercise equipment in 26 parks around the city, as well as outside several city libraries. To encourage activity, the parks department is offering free exercise classes in various parks: yoga, tai chi, as well as more intensive “boot camp” sessions. Since last year, more than 4,000 people have taken the classes.⁴²

The initiative has also focused on childhood obesity, which is a major problem for San Antonio: nearly one in three of the city’s public school students have an unhealthy weight.⁴³

Combs and others emphasize that childhood obesity is also an economic problem. “The cost of childhood obesity is not as well appreciated by policymakers, and by the private sector, as it ought to be,” said Sanchez.

A national study published last year found that for one large corporation, average health insurance costs for an obese child were more than \$1,200 higher than for a healthy-weight child. For a child with type 2 diabetes, costs were more than \$9,000 higher annually.⁴⁴ And of course, obese children are more likely to become obese adults, who spend an average of more than \$1,400 extra on health care annually compared to healthy-weight adults.⁴⁵

To help its children lose weight and stay healthy, San Antonio is installing salad bars in 100 schools, and it has bought exercise equipment for 365 schools, which together serve 275,000 students. The material includes hundreds of balance balls, hula hoops and jump ropes, as well as thousands of orange plastic cones for relay races and obstacle courses.⁴⁶

Some evidence indicates that in San Antonio (as in most places), those with lower incomes tend to have higher obesity rates.⁴⁷ To help deal with this, the health department will give away 1,000 bikes to lower-income residents. The bikes are free, but recipients must first show their commitment by taking classes on bike safety and bike maintenance. The city has also built five walking trails in public housing projects around the city.⁴⁸

To publicize all of this work, San Antonio will soon roll out an integrated media campaign, whose slogan is “Find Your Balance.” It will include TV, radio and print ads, a website and social media.⁴⁹

San Antonio is not the only place in the state trying to lose weight. Over the past decade, El Paso has undertaken several anti-obesity efforts, much of it funded by the Paso Del Norte Foundation, a local non-profit group.^{50,51} The group is funding a community walking program, cooking classes and food labeling in supermarkets and restaurants, so shoppers and diners can more easily identify healthy and unhealthy foods.

Employers: Helping Workers Get Healthy, Lowering Insurance Costs

Across the state, businesses are also realizing how obesity can significantly increase health care costs and reduce productivity. Some are attacking the problem by setting up wellness programs that help workers better control their weight. “Corporations are starting to realize that this is costing them a lot of money,” said University of Texas epidemiologist Steve Kelder, who has studied the state’s obesity problem for more than a decade.

For instance, the regional supermarket chain HEB, which is based in San Antonio, has also developed a successful wellness program.⁵² “We wanted to reduce health care costs and get people to take more responsibility for their health,” said Kate Rogers, who oversees the company’s program. More than 700 workers serve as “wellness champions,” encouraging colleagues to join and answering their questions. Over the past eight years, the program has helped HEB keep health care cost increases at less than half of the national average.^{53,54}

Last year, the company inaugurated its “Slim-down Showdown”: 15 employees, one from each region, competed to see who could lose the most weight. The winner received \$10,000. Rogers said the contest helped energize other employees who want to improve their health. In

addition, each of the 15 regions sponsors at least one 5k community race.⁵⁵

HEB is also encouraging kids to be more active. It will award 12 schools \$15,000 each to improve their health and nutrition education programs. The contest is open to any school in Texas within 60 miles of an HEB store.^{56,57}

Some towns and cities in the state are also trying to cut costs through wellness programs. Hurst, a suburb of Fort Worth, developed a comprehensive wellness program for employees, retirees and their families.⁵⁸ Started six years ago, it encourages participation with bonuses, gifts and extra vacation time. For the last two years, the program has had a weight loss contest, and more than a third of all city workers have taken part. Due largely to the wellness program, the city’s health insurance premiums have risen little over the past five years, much less than would be expected. And between 2007 and 2009, absenteeism among Hurst workers fell by nearly 40 percent.⁵⁹

The city also offers a less extensive web-based wellness program to all of its 36,000 residents. That program, Healthy Hurst, helps participants with exercise plans, nutrition information, food logs and a program to track progress.⁶⁰

Health in Schools: Investing in the State’s Future

Across the state, childhood obesity is a major problem: one in five Texas children is obese, higher than the national average.⁶¹

Over the past decade, the state government has made several moves to reduce the problem. In 2001, it required all elementary schools to provide 135 minutes of physical education per week.⁶² A large percentage of schools, especially elementary schools, have adopted these guidelines.⁶³

Two years ago, the legislature passed regulations requiring schools to devote at least half of every PE class to physical activity.⁶⁴ Previously many schools used PE as study hall or supervised free time.

In 2003, the state department of agriculture limited access to unhealthy competitive foods — products sold at on campus that are not part of the school meal program.⁶⁵ Texas was one of the first states to regulate competitive foods.⁶⁶

Many state elementary and middle schools have also adopted the Coordinated Approach To Child Health (CATCH), a program to help students control weight and improve health.⁶⁷ CATCH includes a range of features, such as classroom education about nutrition and physi-

cal activity, training for teachers and expert advice for cafeteria workers on how to make school food healthier. The program was developed two decades ago by researchers at four universities, including the University of Texas Health Science Center at Houston. Studies have shown that CATCH can reduce the fat content of school lunches, increase physical activity during PE classes and improve students’ eating and exercise habits.⁶⁸

An independent study of CATCH in the El Paso school district found a seven percent decrease in obesity rates among fourth graders.⁶⁹ “There were dramatic reductions in rates of obesity and overweight,” said Kelder, one of the study’s authors. “This is a good example of what a community can do.”

CATCH has been implemented in schools across the country, but it has been used most widely in Texas.⁷⁰ Kelder, who is one of the program’s original developers, estimates that half of the state’s elementary schools have received CATCH training, as have 30 to 40 percent of middle schools.⁷¹

Research suggests that CATCH is a good investment. A 2007 study found that the program was the most cost-effective way to prevent obesity among youth. According to the study, the program costs \$900 for every healthy year it adds to an obese child's life. This is far below the cut-off point of \$30,000 a year that the study used to determine cost-effectiveness.⁷²

In 2007, Texas instituted a comprehensive evaluation of students' physical fitness levels. Known as the Fitnessgram, the analysis consists of six tests, which measure body composition, aerobic capacity, strength, endurance and flexibility.⁷³ During the 2009-2010 school year, the state tested nearly three million students. Only 31 percent of third-grade boys and 37 percent of third-grade girls could pass all of the tests. For older students, the results got progressively worse. For seventh-graders, 28 percent of girls and 21 percent of boys passed every test. Less than ten percent of high school seniors of either gender passed.

But the situation may be improving. In 2007, at Combs' urging, the legislature created Texas Fitness Now, which provides state middle schools with grants to improve physical and nutrition education programs.⁷⁴ So far the state education agency has given \$27 million to more than 2,100 schools.

Most schools have used the grants to train teachers and buy physical education equipment. An evaluation of the program found that participating schools significantly improved the percentage of students who passed their Fitnessgram tests.

Researchers have correlated the Fitnessgram results with other data from school districts, and found links between physical fitness and improved academic performance, school attendance and good behavior.^{75, 76}

Combs has more plans for the Fitnessgram data. Her office is now integrating the results with information about communities' obesity rates along with the number of parks and grocery stores. She plans to share the results with communities so that officials, parents and others will have a better sense of how these environmental factors may affect health and weight.

Combs and other experts realize that Texas faces years of hard work. The obesity crisis has many causes, and reversing it will not be easy. The state faces significant obstacles, including potential state and local budget cuts.

"This is a 20- to 30-year process," said Kelder, the University of Texas epidemiologist. "We can't expect dramatic results quickly."

USAA TAKES WELLNESS TO THE NEXT LEVEL

Peter Wald is willing to try almost anything to help his company's workers get healthy. As the director of USAA's wellness program, he has instituted discounted salads, bonuses for going to the gym, even mileage signs in long hallways.⁷⁷

His work seems to be paying off. Since starting the program in 2002, the San Antonio-based financial services company has reined in health costs.⁷⁸ And 85 percent of the company's 22,000 workers have joined.⁷⁹

The company's program has three goals: to improve health, lower company health costs and improve productivity. Reducing and controlling obesity is a key focus. USAA researchers found that obesity is behind a significant amount of the company's health care spending. "Health care is always a big chunk of your labor costs," Wald said. "With obesity, health care costs have the potential to really go up."

USAA offers employees a variety of inducements to get healthy:

- Employees pay \$300 a year to use company fitness centers, which are in almost every company building. But workers who go once a week for a year get 25 percent off; those who go twice a week get half off; those who go three or more times a week get 75 percent off.
- USAA has built running and walking trails and paths at many of its campuses, and painted mileage markers in company hallways to encourage indoor walking. In company cafeterias, healthy food is at eye level, while food that's bad for

you is lower down — the opposite approach taken by many supermarkets. Healthy items have a prominent green tag.

- In 2008, the program added weight loss and other health incentives; employees who meet requirements can earn up to \$550 a year. USAA also offers lower health insurance premiums for improving health; single workers can save up to \$300, while those with dependents can save as much as \$950.
- In company cafeterias, pricing encourages workers to buy healthy food, water costs \$1.25, while soda is \$1.50; a turkey burger costs slightly less than a beef burger; and a veggie burger costs less than a turkey burger. "We keep track of consumption," Wald said. "It works."

The incentives have contributed to increased weight loss, improved health measurements and decreased costs. In 2009, the company's average employee BMI fell for the first time in five years. Over the past five years, its health insurance costs rose just two percent a year, far below the national average.⁸⁰

In recent years, USAA's annual health care costs have increased by just two percent a year, a quarter of the national average. On top of that, the average employee BMI has gone down slightly for two years in a row.^{81, 82, 83}

"It's much cheaper to keep people healthy than it is to take care of them when they're sick," said Wald. "The way for us to control costs is to keep people healthy. We're doing a full court press."