Healthier America Project

| Current U.S. Health Care Costs: | More Than $2 Trillion Annually |

*More Than Any Other Nation in the World*
More than 140 organizations have signed onto “A Vision for a Healthier America”

1. We believe prevention must drive our nation’s health strategy.
2. We believe Americans deserve healthy and safe places to live, work, and play.
3. We believe every community should be prepared to meet the threats of infectious disease, terrorism, and natural disasters.
4. We believe Americans deserve to know what government is doing to keep them healthy and safe.
## Prevention for a Healthier America: Return on Investment?

### Top Factors That Impact U.S. Health:
- Physical Activity
- Nutrition
- Smoking & Other Tobacco Use

### Current Status:
- 2 out of 3 adults American are overweight or obese
- 1 out of 5 adult Americans do no physical activity
- 1 out of 5 adult Americans smoke
Prevention for a Healthier America

INVESTMENTS IN DISEASE PREVENTION YIELD SIGNIFICANT SAVINGS, STRONGER COMMUNITIES

Trust for America's Health

The New York Academy of Medicine

Prevention Institute

Urban Institute

Robert Wood Johnson Foundation

The California Endowment
Prevention for a Healthier America: Financial Return on Investment?

With a Strategic Investment in Proven Community-Based Prevention Programs to Increase Physical Activity and Good Nutrition and Prevent Smoking and Other Tobacco Use

<table>
<thead>
<tr>
<th>INVESTMENT:</th>
<th>$10 per person per year</th>
</tr>
</thead>
<tbody>
<tr>
<td>HEATH CARE COST NET SAVINGS:</td>
<td>$16 Billion annually within 5 years</td>
</tr>
<tr>
<td>RETURN ON INVESTMENT (ROI):</td>
<td>$5.60 for every $1</td>
</tr>
</tbody>
</table>
# Prevention for a Healthier America: Return on Investment?

## POTENTIAL SAVINGS BY PAYER WITHIN 5 YEARS

*Distribution of Savings*

<table>
<thead>
<tr>
<th>PAYER</th>
<th>Savings</th>
<th>Timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MEDICARE:</strong></td>
<td>More than $5 Billion</td>
<td>annually within 5 years</td>
</tr>
<tr>
<td><strong>MEDICAID:</strong></td>
<td>More than $1.9 Billion</td>
<td>annually within 5 years</td>
</tr>
<tr>
<td><strong>PRIVATE PAYERS:</strong></td>
<td>More than $9 Billion</td>
<td>annually within 5 years</td>
</tr>
</tbody>
</table>
# Health Payoff: Potential Reduction in Disease Rates

<table>
<thead>
<tr>
<th>Disease Area</th>
<th>Reduction Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type 2 Diabetes &amp; High Blood Pressure</td>
<td>5% within 1-2 years</td>
</tr>
<tr>
<td>Heart Disease</td>
<td>5% within 5 years</td>
</tr>
<tr>
<td>Kidney Disease &amp; Stroke</td>
<td></td>
</tr>
<tr>
<td>Some Cancers</td>
<td>2.5% within 10-20 years</td>
</tr>
<tr>
<td>Some Respiratory Disease &amp; Arthritis</td>
<td></td>
</tr>
</tbody>
</table>
Prevention for a Healthier America: Study Design

*Based on extensive literature review by The New York Academy of Medicine of evidence-based community disease prevention programs & Economic model by the Urban Institute*

| Key Assumptions: | □ Impact of programs on increasing activity & good nutrition, preventing smoking & other tobacco use  
□ Behavior change impact on reducing which types of diseases & by how much  
□ Costs of treating these diseases  
□ Costs of these programs |
What is Community-Level Prevention?

- Interventions that promote healthy environments and behaviors – making it easier for people to make healthy choices, such as:
  - Changing community norms and growing community empowerment
    - Coalition and social network building
    - Social marketing campaigns
  - Changing the physical and social environments
    - Organization practices and governmental policies
    - Facilities and programs
    - Walkability – lighting, sidewalks, signs
  - Increasing individual knowledge and skills
    - Health education programs
## Focus of the Model

<table>
<thead>
<tr>
<th>Diseases</th>
<th>Interventions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expensive</td>
<td>Type of intervention</td>
</tr>
<tr>
<td>Chronic</td>
<td>Effect on disease</td>
</tr>
<tr>
<td>Amenable to community-based prevention</td>
<td>Associated costs</td>
</tr>
<tr>
<td>Most Expensive Conditions</td>
<td></td>
</tr>
<tr>
<td>---------------------------</td>
<td></td>
</tr>
<tr>
<td>Heart disease</td>
<td></td>
</tr>
<tr>
<td>Cancer</td>
<td></td>
</tr>
<tr>
<td>Trauma</td>
<td></td>
</tr>
<tr>
<td>Mental disorders</td>
<td></td>
</tr>
<tr>
<td>Pulmonary conditions</td>
<td></td>
</tr>
<tr>
<td>Diabetes</td>
<td></td>
</tr>
<tr>
<td>Hypertension</td>
<td></td>
</tr>
<tr>
<td>Cerebrovascular disease</td>
<td></td>
</tr>
<tr>
<td>Arthritis</td>
<td></td>
</tr>
<tr>
<td>Pneumonia</td>
<td></td>
</tr>
<tr>
<td>Kidney disease</td>
<td></td>
</tr>
<tr>
<td>Endocrine disorders</td>
<td></td>
</tr>
<tr>
<td>Skin disorders</td>
<td></td>
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<tr>
<td>Back problems</td>
<td></td>
</tr>
<tr>
<td>Infectious diseases</td>
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</table>
Priority Conditions

- Heart disease
- Cancer (selected)
- Trauma
- Mental disorders
- Pulmonary conditions (selected)
- Diabetes
- Hypertension
- Cerebrovascular disease
- Arthritis
- Pneumonia
- Kidney disease
- Endocrine disorders
- Skin disorders
- Back problems
- Infectious diseases
Data Analysis

- **Data**
  - Medical Expenditures Panel Survey (MEPS), pooled 2003-2005 (adults only, excludes nursing home care)

- **Methods**
  - Regression analysis to predict expenditures
    - by disease cluster
    - by disease trajectory
    - by payer
Disease Clusters-Intervention Pathways:

**Short Run**
- Physical activity, obesity, nutrition, smoking cessation

**Medium Run**
- Diabetes & HBP
- Heart disease
- Stroke
- Renal disease

**Long Run**
- Cancer
- Arthritis
- COPD
## Annual Change in Expenditures

*(5% effect, 2004)*

### Total Dollars – Includes Intervention Costs

<table>
<thead>
<tr>
<th>Payer</th>
<th>Short</th>
<th>Medium</th>
<th>Long</th>
</tr>
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<tbody>
<tr>
<td>All U.S.</td>
<td>$5.7 Billion</td>
<td>$19.5 Billion</td>
<td>$21.4 Billion</td>
</tr>
</tbody>
</table>

Short Run: 1 to 2 Yrs.  
Medium Run: 5 Yrs.  
Long Run: 10 to 20 Yrs.
Prevention for a Healthier America: Return on Investment?

**POTENTIAL SAVINGS BY PAYER WITHIN 5 YEARS**

*Distribution of Savings*

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Trust for America's Health

[www.healthymoreamericans.org](http://www.healthymoreamericans.org)
## Prevention for a Healthier America

### Additional National Findings:
- **$2.8 billion annually within 1-2 years**
  - ROI of nearly $2 for every $1
- **$18.4 billion annually within 10-20 years**
  - ROI of $6.20 for every $1

### Potential State Savings, Top 3 States -- Annually within 5 years:
- California -- $1.7 billion
- New York -- $1.3 billion
- Texas -- $1 billion

### Potential State Savings, Lowest 3 States -- Annually within 5 years:
- Vermont -- $43 million
- North Dakota -- $39 million
- Wyoming -- $29 million
Prevention for a Healthier America: Study Design

The findings are

CONSERVATIVE ESTIMATES

- Low-end assumptions for impact on diseases
- High-end assumptions for costs of programs
- One-time reduction in rates of each disease

Did not include:
- Worker productivity
- Reduced absenteeism
- Enhanced quality of life
- Nursing home spending on these conditions
Prevention for a Healthier America: Examples of Programs

Healthy Eating, Active Communities
-- funded by The California Endowment
$7 per person cost: new parks, city planning, marketing health foods in local stores, school programs

Cigarette Taxes: Proposition 99 in California
Cost is revenue generating: Reduction in adults smoking from 26.7% in 1988 to 22.2% in 1992.
Additional Information

- Full report available: www.healthyamericans.org
- Contact Rich Hamburg, Director of Government Relations, with questions: rhamburg@tfah.org