Prevention Pays

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Today’s Presentation

Highlight role of prevention in containing or reducing health care costs
CAN YOU GIVE ME ONE REASON WHY HEALTH INSURANCE IS SO HIGH?
Accounting for Health & Expenditures

**Health Outcomes**
- 50% Behaviors
- 20% Genetics
- 20% Environment
- 10% Medical Care

**National Health Expenditures**
- 96% Medical Care
- 4% Prevention

Return on Investment

• Trust for America’s Health concluded that an investment of $10 per person per year in 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 in medical costs within 5 years.

• In Arizona, potential savings and Return on Investment within 5 years would total $242 million, for an ROI of 4.2 to 1.

Source: Trust for America’s Health, Prevention for a Healthier America, Issue Brief, July 2008
Prevention Services at ADHS

Health Systems Development

High-Risk Perinatal

Well-Woman Program: Breast & Cervical Cancer

Violence Prevention

School Health

Arizona Health Disparities Center

Women’s & Children’s Health

Healthy Aging

Nutrition & Physical Activity

Tobacco & Chronic Disease

Injury Prevention

Teen Pregnancy Prevention

Fit at Fifty Colorectal Cancer Screening

Health and Wellness for all Arizonans
ADHS Winnable Battles

- Physical Activity & Nutrition
- Tobacco
- Teen Pregnancy
Obesity Trends* Among U.S. Adults
BRFSS, 1990, 2000, 2010
(*BMI ≥30, or about 30 lbs. overweight for 5’4” person)

Arizona had a 19% increase in overweight/obesity since 1993 – this is largest increase in the nation

Diabetes in Arizona increased from 4% of population in 1995 to almost 9% in 2010 (9th biggest increase in country)
The Cost of Obesity

• America spends more than $150 billion annually on health care linked to obesity

• Every year, obesity costs U.S. employers $73 billion in lost productivity.

• The U.S. Centers for Disease Control and Prevention (CDC) estimates that obesity kills more than 110,000 Americans a year.

Cost of Obesity

• Nearly a third of Americans ages 17–24 are too heavy to join the military.

• Studies suggest that about half of the over 1.1 million incoming and current firefighters are overweight, while almost a third are obese.

• 1 of every 5 health care dollars is spent on caring for people diagnosed with diabetes.

• Annual health care costs are $1,400 higher for people who are obese, $6,600 higher for those with diabetes.

Physical Activity & Nutrition

- People who increased physical activity (2 ½ hours per week) and had 5 to 7% weight loss reduced their risk of developing type 2 diabetes by 58%.

- A 1% reduction in weight, blood pressure, glucose and cholesterol would save $83 to $103 annually in medical costs per person.

Tobacco

- Tobacco is leading cause of preventable death in US and in Arizona
- AZ smoking prevalence is 16%
- Smoking costs estimated at $1.3 billion in healthcare in Arizona, $1.7 billion in productivity
- Smoking cessation benefit: $1.20 – $4.80 per person; $1,623 per smoker per year in excess medical expenditures

Source: BRFSS, CDC, Campaign for Tobacco Free Kids, University of Arizona
Tobacco

• 170,000 Arizonans quit smoking in 2008, saving an estimated $21 million per year in productivity and health care costs over the remainder of their lifetimes.

• Smoking bans in workplaces, restaurants, & other public places have been shown to decrease heart attacks among nonsmokers by approximately 17-19%.

Chronic Diseases

- Total hospital charges from major cardiovascular diseases were more than $5.5 billion in 2010 in AZ
- Total cost of hypertension to AHCCCS was $140 million in 2007
- A 5% reduction in prevalence of hypertension would save $25 billion in 5 years in U.S.

An Example: Worksite Wellness

• Within three to five years, comprehensive wellness strategies yield a Return on Investment of nearly $4 in reduced health care costs and about $5 in reduced absenteeism costs for every $1 invested.

• A meta-review of 42 published studies showed that worksite wellness programs:
  – **reduced health care costs** by an average of 26 percent
  – **lowered absenteeism** rates by an average of 28 percent
  – **decreased workers’ compensation and disability** by an average of 30 percent
Worksite Wellness

• **Northeast Utilities** – The company’s Well Aware Program demonstrated a $1.4 million decrease in behavioral claims, 31% decrease in smoking, 29% decrease in inactivity, 16% decrease in mental health risk, and 11% decrease in cholesterol risk. The Return on Investment was 6:1.

• **Motorola** – Program participants experienced an increase of only 2.4% in health care costs whereas non-participants experienced an 18% increase in health care costs. The Return on Investment was $3.93:1.

• **Union Pacific Railroad** – The company’s wellness program produced a $53 million reduction in health care costs in one year.

Teen Pregnancy

Arizona had 6th highest teen birth rate in U.S. in 2008

80% of births to teens are paid for by AHCCCS
Taxpayer costs associated with children born to teen mothers included: $66 million for public health care (Medicaid and KidsCare); $50 million for child welfare; and, for children who have reached adolescence or young adulthood, $44 million for increased rates of incarceration and $92 million in lost tax revenue due to decreased earnings and spending.
The Savings

• The teen birth rate in Arizona declined 30% percent between 1991 and 2008. The progress Arizona has made in reducing teen childbearing saved taxpayers an estimated $176 million in 2008 alone over the costs it would have incurred had the rates not fallen.
Closing Thoughts