

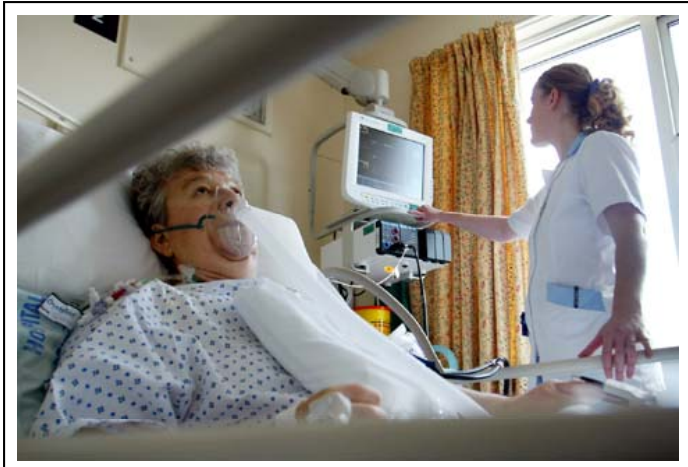
**the need for  
community-based  
prevention  
in payment reform**

Massachusetts Public Health Association, 2011

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# spending on “health care” vs. “sick care”

Each year, we spend **97%** of our health care dollars caring for individuals once they're already ill . . .



. . . and only **3%** of those dollars on preventing diseases from developing in the first place.

# our health spending mismatch

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The New England Health Care Institute cites research showing that 88% of our health is determined by our environment and our behavior – not by the health care we receive.



## our health spending mismatch, con't

- 7 out of every 10 deaths among Americans each year are caused by chronic diseases such as heart disease, cancer, stroke and diabetes
- 75% of health care dollars in Massachusetts go toward treating preventable chronic diseases

# prevention must be part of payment reform

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- **Community-based prevention** works to prevent illness and injury before they happen
  - Settings include schools, workplaces, neighborhoods
- **Clinical prevention** involves screening and disease management
  - Conducted in health settings

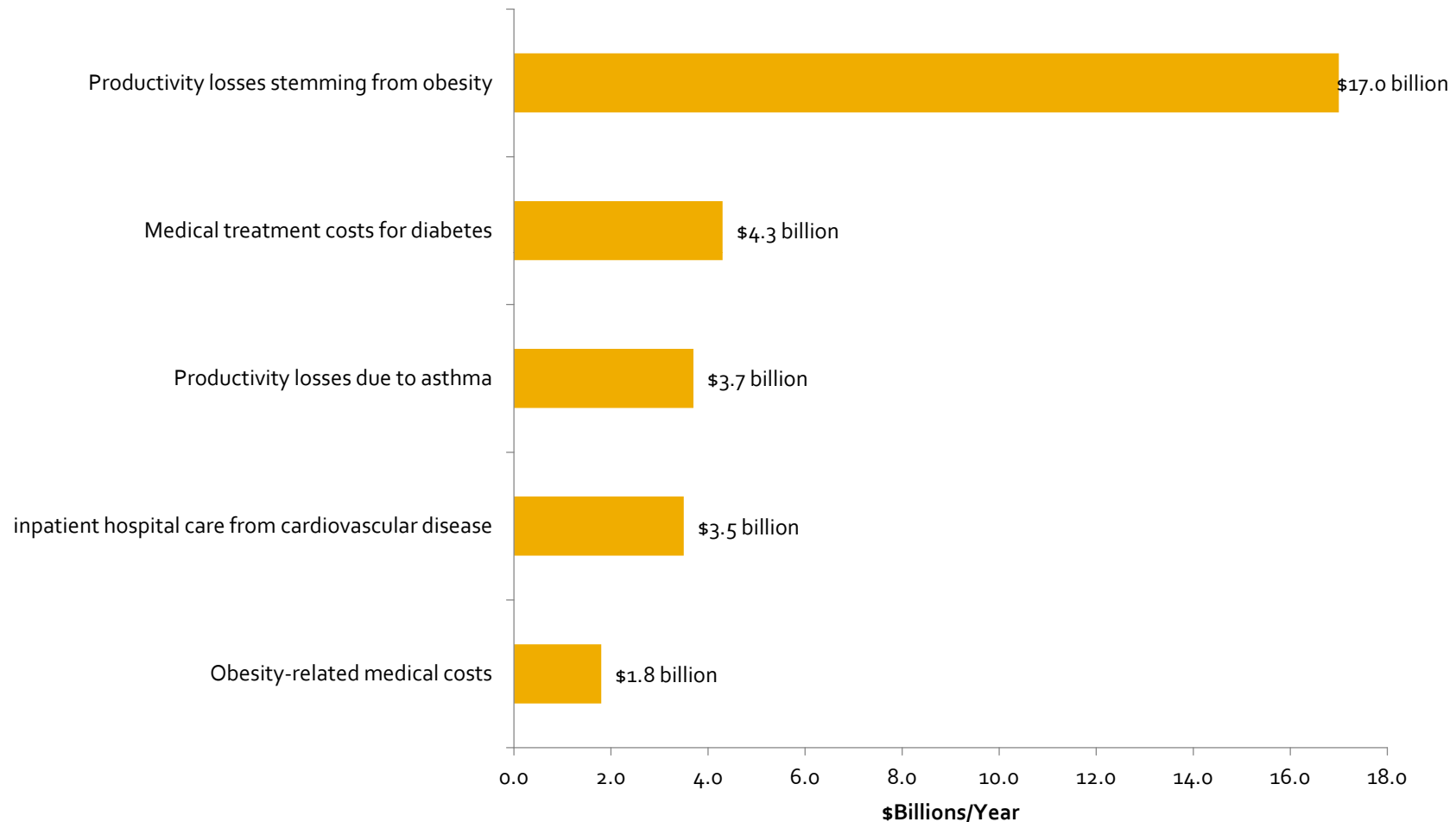
# community-based prevention

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- **Community-based prevention efforts include:**
  - Changing the indoor environment to reduce asthma triggers
  - Preventing youth tobacco use
  - Making nutritious foods more accessible and affordable - in schools , markets , and through public benefits programs
  - Improving neighborhood space for physical activity, such as new or improved sidewalks, parks, and bike lanes



# current cost of preventable health conditions in MA



Source: 1. Finkelstein. State-level estimates of annual medical expenditures attributable to obesity. *Obes Res.* 2004;12(1). 2. Milken Institute. *An Unhealthy American: The Economic Burden of Chronic Disease.* 2007. 3. MA DPH. Healthy Massachusetts Disease Management and Wellness: Focus on Diabetes.2009. 4. MA DPH. *Health of Massachusetts.* 2010.

## cost savings from prevention, con't

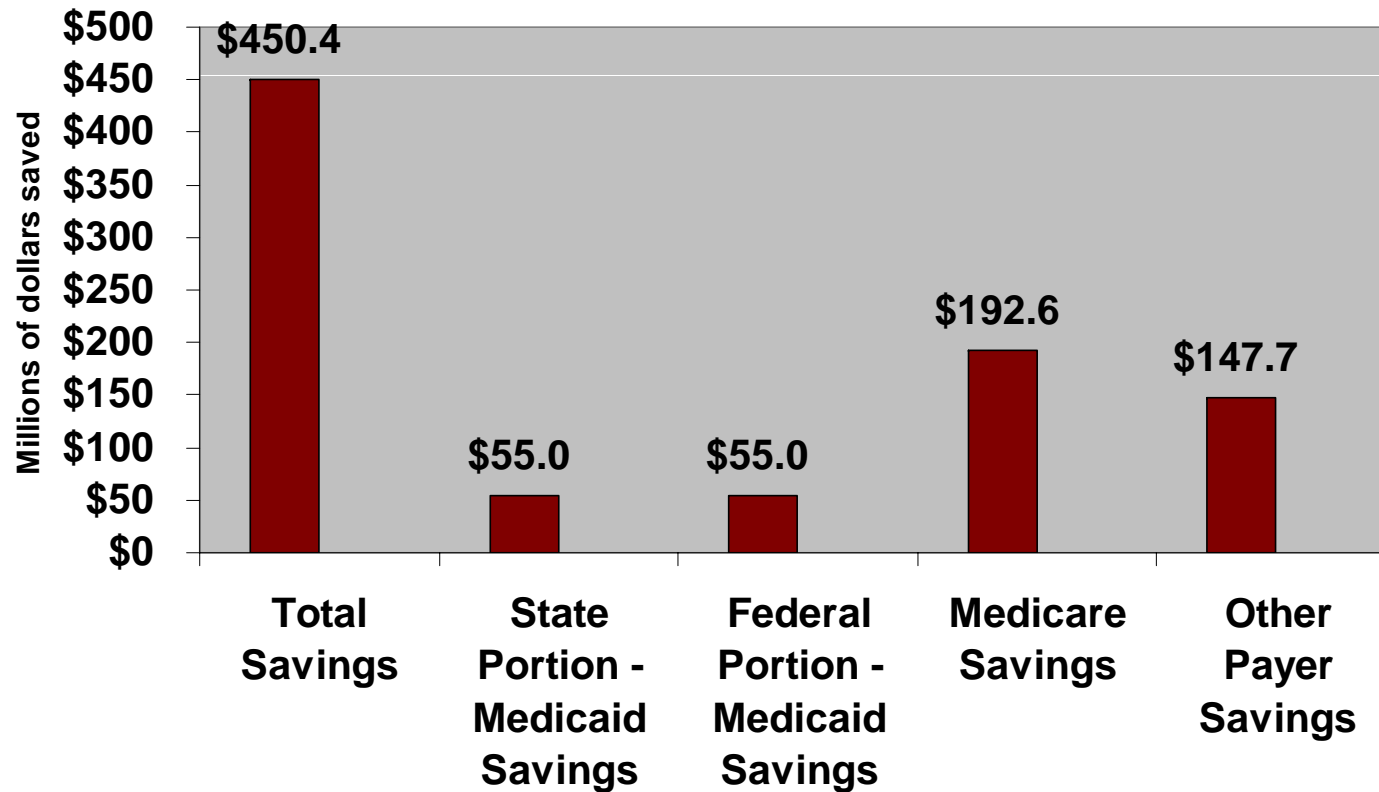
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- Prevention can save Massachusetts nearly **half a billion dollars** each year within 5 years.
- A 2011 study showed that reducing the prevalence of diabetes and hypertension by 5% would lead to large decreases in medical costs within only a few years.

# cost savings from prevention, cont'd

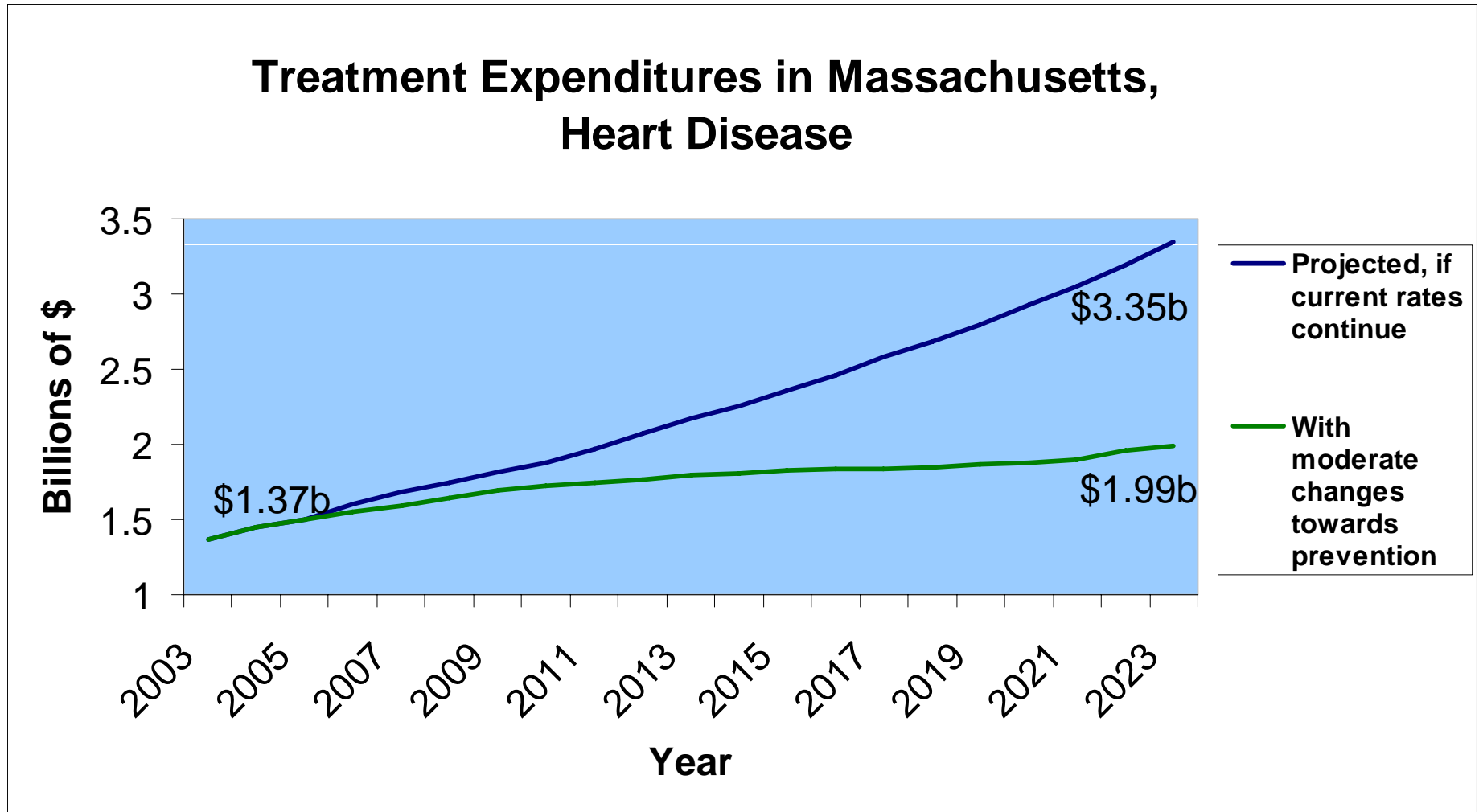
## projected savings within 5 years

Annual medical savings in Massachusetts after a 5% reduction in preventable medical conditions



Source: Ormond B, Spillman C, Waidmann T, Caswell K, Tereshchenko B. Potential national and state medical care savings from primary disease prevention. *American Journal of Public Health*. 2011;101(1):157-164.

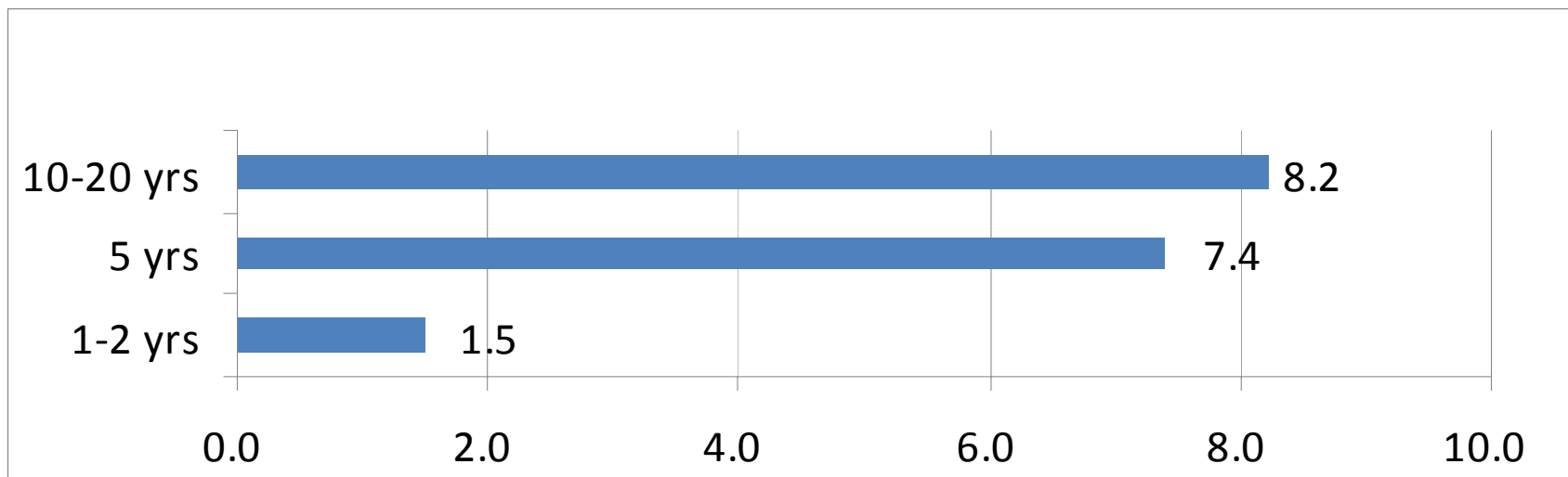
# cost savings from prevention, con't



Source: Milken Institute. *An Unhealthy American: The Economic Burden of Chronic Disease*. Available at: <http://www.chronicdiseaseimpact.com/ebcd.taf?cat=state&state=MA>

# prevention's return on investment

Massachusetts Return on Investment of \$10/person in Prevention Spending



Source: Trust for America's Health, February 2009



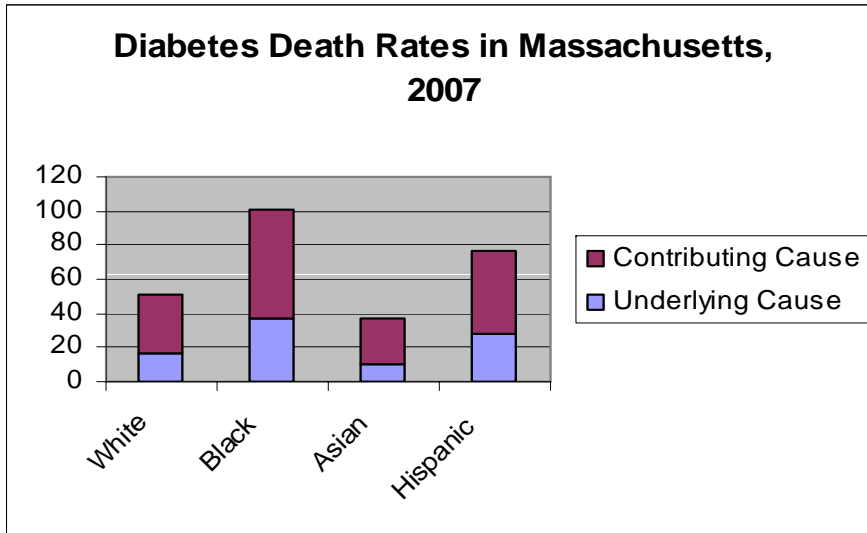
# unequal access to health

**Problem: Unhealthy neighborhood conditions contradict our basic values of fairness and equality - and lead to health inequities.**



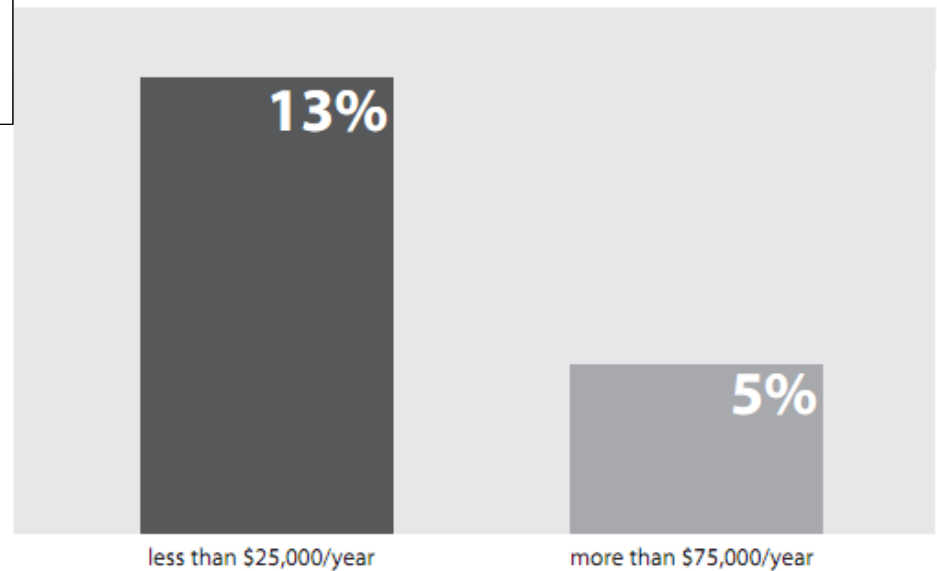
- Example: Low-income, African-American, and Latino neighborhoods have fewer affordable grocery stores *and* less space for recreation, which leads to a greater burden of poor health outcomes and high healthcare costs within communities of color and low income communities

# unequal access to health, con't examples



Source: Health of Massachusetts Report, 2010

Prevalence of diabetes among Massachusetts adults by income, 2009

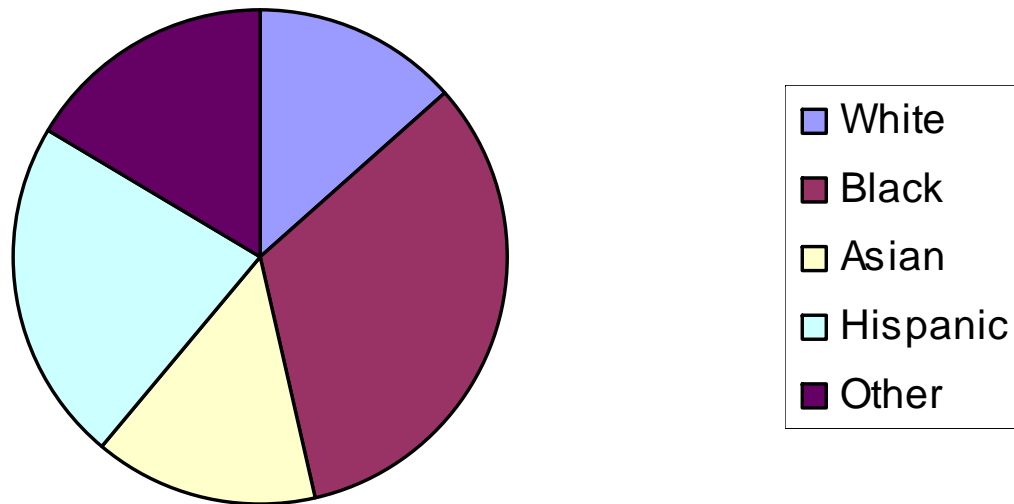


Source: Massachusetts Department of Public Health. *A Profile of Health Among Massachusetts Adults, 2009: Results from the Behavioral Risk Factor Surveillance System*. June 2010.

# unequal access to health, con't

## examples

**Overweight Among Massachusetts High School Students, 2007**



Source: Health of Massachusetts Report, 2010

## unequal access to health, con't

- **Answer:** Investments in community-based disease prevention will have an especially large impact in communities burdened by high rates of preventable disease – and investments will be even more cost effective.

# Prevention and Cost Control Trust – H1498

Sponsored by Rep. Jason Lewis and Sen. Harriette Chandler

- Stable source of funding for evidenced-based community health programs
- Competitive grants awarded to communities and groups of communities
- Oversight Board will document the most prevalent and costly health conditions each year and identify evidence-based interventions
- Requires a surcharge of less than 1% on Health Safety Net Surcharge Payers

# H1498 - Financing

## Building on what works

- Builds on the model currently used to support the purchase of childhood vaccines
  - Ties prevention structurally to the healthcare financing system
  - Utilizes existing administrative mechanisms
- **Aligns those paying with those who stand to benefit financially from the program's success**

## **Growing Momentum**

*“The opportunity that we have before us today – to enact comprehensive payment reform that emphasizes prevention and wellness, instead of just disease treatment – may not come again for decades.”*

## Growing Momentum, con't

- H1498 was reported favorably by the Joint Committee on Public Health in July 2010
- On September 12, 2011, MPHA and partners delivered a letter to legislative leaders urging them to include a robust system of community-based prevention, including dedicated funding, in the next phase of health reform
- The 300+ signatories included municipal, healthcare, and business leaders

# Growing Momentum, con't

## Signers in support of prevention as key strategy in payment reform

- **Mayors and town managers**, including Boston Mayor Thomas M. Menino, New Bedford Mayor Scott W. Lang, Fall River Mayor William Flanagan, Peabody Mayor Michael Bonfanti, Revere Mayor Thomas Ambrosino, Somerville Mayor Joseph Curtatone, Weymouth Mayor Susan Kay, Woburn Mayor Scott Galvin, Worcester Mayor Joseph O'Brien, Winthrop Town Manager James McKenna.
- **Philanthropic, business, and labor leaders**, including Celia Wcislo, The Boston Foundation, The Health Foundation of Central MA, Larson Ventures Inc. President John Larson, William Gallagher Associates CEO Philip Edmundson, Greater Boston Hotel Employees/Local 26 Trust Funds.
- **Healthcare leaders**, including Nancy Turnbull, the MA Chapter of the American Academy of Pediatrics, Association for Behavioral Healthcare, Baystate Health, Cooley Dickinson Hospital, MA League of Community Health Centers, MA Medical Society, MA School Nurse Organization.

# Growing Momentum, con't

## Signers in support of prevention as key strategy in payment reform

- **Statewide and local organizations**, including the Greater Boston Interfaith Organization, American Cancer Society-New England Division, American Diabetes Association-Northeast, Berkshire Area Health Education Center, Cape Care Coalition, Codman Square Neighborhood Council, Disability Policy Consortium, Groundwork Lawrence, Jewish Alliance for Law and Social Action, Livable Streets Alliance, Lynn Health Task Force, MA Association of Community Development Corporations, Mass Bike, Walk Boston, Massachusetts PTA, Partners for a Healthier Community/Live Well Springfield, Catholic Charities of Worcester, Project Bread – The Walk for Hunger, the MA Health Council, Voices for a Healthy Southcoast, the MA Board of Rabbis.

# Business Leaders for Prevention

- Progressive Business Leaders Network delivered a letter to legislators expressing their concerns about the high costs of health care:

*"Our members are deeply concerned about the business impact and cost to government of health care and feel strongly that including and promoting prevention and wellness measures is crucial to lowering costs and achieving successful health care reform."*

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- Productivity losses stemming from obesity in MA: **\$17 billion/year**
  - Productivity losses stemming from asthma in MA: **\$3.7 billion/year**

# Get Involved!

- **Learn more:**

[www.MPHAweb.org/Prevention\\_in\\_Payment\\_Reform.htm](http://www.MPHAweb.org/Prevention_in_Payment_Reform.htm)

- **Get involved:** Contact Maddie Ribble,  
Director of Policy and Communications,  
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857-263-7072 x111, [mribble@mphaweb.org](mailto:mribble@mphaweb.org)