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.

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.
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
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 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

Productivity losses stemming from obesity: $17.0 billion

Medical treatment costs for diabetes: $4.3 billion

Productivity losses due to asthma: $3.7 billion

Inpatient hospital care from cardiovascular disease: $3.5 billion

Obesity-related medical costs: $1.8 billion

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.

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

<table>
<thead>
<tr>
<th>Millions of dollars saved</th>
<th>Total Savings</th>
<th>State Portion - Medicaid Savings</th>
<th>Federal Portion - Medicaid Savings</th>
<th>Medicare Savings</th>
<th>Other Payer Savings</th>
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<td>$55.0</td>
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<td>$192.6</td>
<td>$147.7</td>
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cost savings from prevention, con’t

Treatment Expenditures in Massachusetts, Heart Disease

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

Source: Trust for America’s Health, February 2009
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

Diabetes Death Rates in Massachusetts, 2007

Prevalence of diabetes among Massachusetts adults by income, 2009

Source: Health of Massachusetts Report, 2010

unequal access to health, con’t examples

Overweight Among Massachusetts High School Students, 2007

Source: Health of Massachusetts Report, 2010
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


- 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
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
“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
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

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.”

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

Source: Milken Institute. *An Unhealthy American: The Economic Burden of Chronic Disease*
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, Massachusetts Public Health Association, 857-263-7072 x111, mribble@mphaweb.org