

# SUCCESSFUL PAYMENT REFORM DEPENDS ON PREVENTION



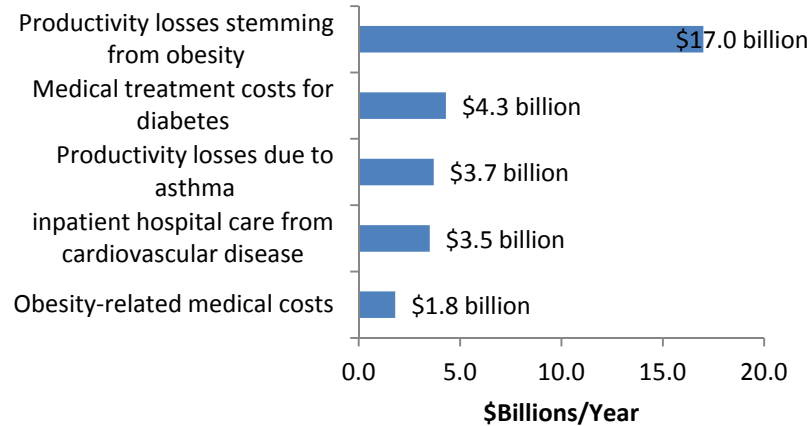
Health Resources in Action  
Advancing Public Health and Medical Research

Massachusetts Healthy  
Communities System

## PROBLEM

**1** Each year, we lose billions due to preventable disease.<sup>1, 2, 3, 4</sup>

**Cost of Preventable Health Conditions in Massachusetts**



## SOLUTION

**1** A modest investment in prevention could reduce our disease burden.<sup>8</sup>

A \$10/person investment in prevention within a population could result in significant reductions. Targeted interventions would be even more cost effective.

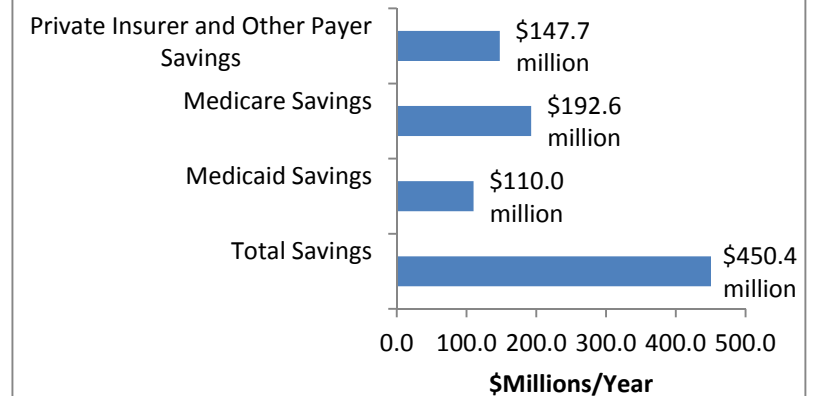
1-2 yrs: 5% reduction in diabetes & hypertension

5 yrs: 5% reduction in heart disease, stroke & kidney disease

10-20 yrs: 2-5% reduction in arthritis, COPD & certain cancers

**2** Reducing our disease burden modestly could save us billions every year.<sup>7</sup>

**Massachusetts Savings within 5 years from a 5% reduction in diabetes and hypertension**



## OPPORTUNITY

**1** **Payment Reform**

Prevention can help accomplish our goal of aligning spending with quality health outcomes. If we miss this chance, it won't come again anytime soon.

**2** **Financing – Building On What Works**

H1498 by Rep. Lewis and Sen. Chandler proposes a small assessment on insurers to fund increased evidence-based prevention efforts. This would build off the successful model we use to support the purchase of childhood vaccines. This funding source works because it:

- ties prevention structurally to the healthcare financing system,
- utilizes existing administrative mechanisms, and
- aligns those paying with those who stand to benefit financially from the program's success.

**3** **Public support**

A recent Blue Cross Blue Shield of MA Foundation poll found strong support for state action to reduce costs. The majority of those polled identified people “not taking good care of their health” as major driver of healthcare costs.<sup>9</sup>

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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. 5. CDC. Chronic disease: The power to prevent, a call to control. 2009. 6. Woolf. The big answer: Rediscovering prevention at a time of crisis in health care. *Harvard Health Policy Review.* 2006;7(2). 7. Ormond. Potential national and state medical care savings from primary disease prevention. *Am J Public Health.* 2011;101(1). 8. Trust for America's Health. Prevention for a Healthier America. Investments in Disease Prevention Yield Significant Savings, Stronger Communities. 2009. 9. Blendon. Public Perceptions of Health Care Costs in MA. 2011.