

Investment in Disease Prevention Could Save America More than \$16 Billion in Five Years

Return on investment of more than 5 to 1; focus on increasing physical activity, improving nutrition, and preventing smoking

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A small strategic investment in disease prevention could result in significant savings in U.S. health care costs, according to a new report released today by the Trust for America's Health (TFAH). In its report, entitled *Prevention for a Healthier America: Investments in Disease Prevention Yield Significant Savings, Stronger Communities*, TFAH finds that an investment of \$10 per person per year in proven 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 within five years. This is a return of \$5.60 for every \$1.

“Health care costs are crippling the U.S. economy. Keeping Americans healthier is one of the most important, but overlooked ways we could reduce these costs,” said Jeff Levi, Ph.D., executive director of TFAH. “This study shows that with a strategic investment in effective, evidence-based disease prevention programs, we could see tremendous returns in less than five years—sparing millions of people from serious diseases and saving billions of dollars.”

Out of the \$16 billion, Medicare could save more than \$5 billion, Medicaid could save more than \$1.9 billion, and private payers could save more than \$9 billion.

The economic findings are based on a model developed by researchers at the Urban Institute and a review of evidence-based studies conducted by the New York Academy of Medicine. They found that many effective prevention programs cost less than \$10 per person, and that these programs have delivered results in lowering rates of diseases that are related to physical activity, nutrition, and smoking. The evidence shows that implementing these programs in communities reduce rates of type 2 diabetes and high blood pressure by 5 percent within 2 years; reduce heart disease, kidney disease, and stroke by 5 percent within 5 years; and reduce some forms of cancer, arthritis, and chronic obstructive pulmonary disease by 2.5 percent within 10 to 20 years.

Prevention for a Healthier America, was developed through a partnership of Trust for America's Health, The New York Academy of Medicine (NYAM), the Robert Wood Johnson Foundation (RWJF), The California Endowment (TCE), and Prevention Institute.

“Our nation needs a sustained investment in disease prevention programs that keep people from becoming sick, not just more treatment for those who are already ill,” said James S. Marks, M.D., M.P.H., senior vice president and director of the health group at the Robert Wood Johnson Foundation. “TFAH's report provides important evidence that investing more in prevention can help cut health care costs and ensure all Americans live longer and healthier lives.”

“This report provides strong evidence that prevention must be an essential piece of our national and state discussions on health care reform,” said Barbara Masters, public policy director of The California Endowment. “It’s time we invest in keeping people healthy instead of only treating them after they’ve gotten sick. It’s an investment in our future health and economic well-being as a country.”

The report focused on disease prevention programs that do not require medical care and target communities or at-risk segments of communities. Examples of these programs include providing increased access to affordable nutritious foods, increasing sidewalks and parks in communities, and raising tobacco tax rates.

Currently, two-thirds of Americans are overweight or obese, one in five Americans do not engage in any physical activity, and one in five adult Americans smoke.

The savings estimates in the report represent medical cost savings only and do not include the significant gains that could be achieved in worker productivity and enhanced quality of life. The researchers built the model to yield conservative estimates for savings, using low-end assumptions for the impact of programs on disease rates and high-end assumptions for the costs. The study is based on 2004 dollars.

“This report confirms what health care professionals have known for years—an ounce of prevention is worth a pound of cure,” said Sen. Tom Harkin (D-Iowa), chairman of the Agriculture, Nutrition and Forestry Committee. “With data showing us that every \$1 spent on prevention strategies yields us a savings of more than \$5 in health care costs, we have no choice but to direct our limited dollars into programs that work. I have worked for years to shift the focus of our health care system to one of prevention and wellness because it not only keeps people out of the doctor’s office, it would lower every family’s health care costs.”

“Our country will never contain health care costs until we place a higher priority on preventive care,” said Rep. Kay Granger (R-Texas). “The Trust for America’s Health report demonstrates how important it is for us to invest in preventive measures and encourage early detection. The benefits not only create healthier lifestyles, but also lower health care costs.”

“This report clearly shows that a little can go a long way towards improving the health of our citizens,” said Sen. Chris Dodd (D-Conn.). “In fact, it shows that investing as little as \$10 per person in community health and nutrition programs will pay huge dividends down the line—both in vast savings for our health care system and in providing millions of Americans a better quality of life. These are important findings as my colleagues in Congress and I gear up to reform our nation’s health care system.”

“This report confirms what those of us who have been working in the field have believed for some time—quality, comprehensive prevention initiatives save lives, suffering, and money,” said Larry Cohen, executive director of Prevention Institute. “There are numerous successful programs and models from around the country that we can expand and replicate to achieve the kind of results detailed in this report.”

“While public and private insurers focus on managing high cost cases to improve outcomes and save money, this report shows the equally crucial need for the significant investment in community-based prevention to keep people healthier longer and generate (which can yield both significant gains in health and) much greater cost savings,” said Jo Ivey Boufford, president of The New York Academy of Medicine. “This investment makes sense.”

The report was supported by grants from the Robert Wood Johnson Foundation and The California Endowment. The full report, which also includes national estimates for savings for two years and 10 to 20 years and state-by-state findings, is available on TFAH’s Web site, www.healthyamericans.org.

Potential Annual Net Savings and Return on Investment (ROI) for States Within 5 Years of an Investment of \$10 Per Person Per Year in Strategic Disease Prevention Programs in Communities (state estimates are based on potential reduction in health spending by state. Listed in alphabetical order):

Alabama: \$250 million (ROI of 5.6 to 1); Alaska \$47 million (ROI of 7.2 to 1); Arizona \$242 million (ROI of 4.2 to 1); Arkansas \$139 million (ROI of 5 to 1); California \$1.7 billion (ROI of 4.8 to 1); Colorado \$232 million (ROI of 5 to 1); Connecticut \$231 million (ROI of 6.6 to 1); Delaware \$57 million (ROI of 7 to 1); Washington, D.C. \$57 million (ROI of 9.9 to 1); Florida \$1 billion (ROI of 6.2 to 1); Georgia \$426 million (ROI of 4.8 to 1); Hawaii \$70 million (ROI of 5.6 to 1); Idaho \$62 million (ROI of 4.5 to 1); Illinois \$708 million (ROI of 5.6 to 1); Indiana \$343 million (ROI of 5.5 to 1); Iowa \$165 million (ROI of 5.6 to 1); Kansas \$155 million (ROI of 5.7 to 1); Kentucky \$248 million (ROI of 6 to 1); Louisiana \$234 million (ROI of 5.2 to 1); Maine \$98 million (ROI of 7.5 to 1); Maryland \$332 million (ROI of 6 to 1); Massachusetts \$476 million (ROI of 7.4 to 1); Michigan \$545 million (ROI of 5.4 to 1); Minnesota \$316 million (ROI of 6.2 to 1); Mississippi \$150 million (ROI of 5.2 to 1); Missouri \$334 million (ROI of 5.8 to 1); Montana \$51 million (ROI of 5.5 to 1); Nebraska \$102 million (ROI of 5.8 to 1); Nevada \$115 million (ROI of 5 to 1); New Hampshire \$76 million (ROI of 5.9 to 1); New Jersey \$543 million (ROI of 6.3 to 1); New Mexico \$88 million (ROI of 4.7 to 1); New York \$1.3 billion (ROI of 7 to 1); North Carolina \$473 million (ROI of 5.6 to 1); North Dakota \$39 million (ROI of 6.2 to 1); Ohio \$685 million (ROI of 6 to 1); Oklahoma \$183 million (ROI of 5.2 to 1); Oregon \$193 million (ROI of 5.4 to 1); Pennsylvania \$791 million (ROI of 6.4 to 1); Rhode Island \$73 million (ROI of 6.8 to 1); South Carolina \$233 million (ROI of 5.6 to 1); South Dakota \$42 million (ROI of 5.5 to 1); Tennessee \$351 million (ROI of 6 to 1); Texas \$1 billion (ROI of 4.7 to 1); Utah \$89 million (ROI of 3.7 to 1); Vermont \$43 million (ROI of 7 to 1); Virginia \$385 million (ROI of 5.2 to 1); Washington \$343 million (ROI of 5.5 to 1); West Virginia \$124 million (ROI of 6.9 to 1); Wisconsin \$337 million (ROI of 6.2 to 1); Wyoming \$29 million (ROI of 5.8 to 1).

Trust for America’s Health is a non-profit, non-partisan organization dedicated to saving lives by protecting the health of every community and working to make disease prevention a national priority. www.healthyamericans.org

The Robert Wood Johnson Foundation focuses on the pressing health and health care issues facing our country. As the nation’s largest philanthropy devoted exclusively to improving the quality of the health and health care of all Americans, the Foundation works with a diverse

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The California Endowment was established in 1996 to expand access to affordable, quality health care for underserved individuals and communities, and to promote fundamental improvements in the health status of all Californians. The Endowment makes grants to organizations and institutions that directly benefit the health and well-being of the people of California. To date, The Endowment has awarded approximately 9,800 grants across California totaling more than \$1.8 billion. For more information, visit The Endowment's Web site at www.calendow.org.

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