

THE IMPACT OF CHRONIC DISEASE ON U.S. HEALTH AND PROSPERITY

A COLLECTION OF STATISTICS AND COMMENTARY

ALMANAC OF CHRONIC DISEASE

20
09



PARTNERSHIP TO FIGHT
CHRONIC DISEASE

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American Academy of Nursing

Canyon Ranch Institute

DMAA: The Care Continuum Alliance

National Association of Chronic Disease Directors (NACDD)

National Association of Public Hospitals and Health Systems (NAPH)

Pharmaceutical Research and Manufacturers of America (PhRMA)

U.S. Chamber of Commerce

YMCA of the USA





FOREWORD

As 17th Surgeon General of the United States, I made every decision based on the knowledge that the strength of our great nation is in the good health of its people. Today, as our country faces tremendous economic challenges, we must remember that improving the health and well-being of the American people is always a good investment.

Throughout my career as a medic, registered nurse, physician, university professor, and as CEO of a health system, I learned that helping people to prevent disease and live healthier lives boosts individual and community productivity and makes health care more affordable. Today, millions of people are applying these same seemingly simple principles to the way they lead their families, communities and businesses – and even the way they govern.

This is good news because these same principles must also be a part of meaningful health reform. The reality is that our current health care system is not truly serving our health needs. We have focused on treating illness rather than promoting prevention and wellness. The negative consequences of this sick-care system are taking a toll on our health, our economic stability and the futures of our children and grandchildren.

Chronic diseases, such as asthma, cancer, diabetes and heart disease, affect approximately 133 million Americans. These often-preventable health problems ultimately lead to 70 percent of the deaths in our country each year. Future generations are also being impacted in ways that as a young physician in training 30 years ago, I could never have imagined. The percentage of children who are overweight or obese has more than doubled in the past 20 years, leading to historic rates of “adult” diseases being diagnosed in children. For the first time ever, children may have a shorter lifespan than their parents.

The good news is that we can stop and even reverse this trend. This work is not easy, and it requires dedication and investment. This Almanac can be used as a resource by everyone who is seeking real, evidence-based solutions to the crisis of chronic disease.

Since launching the Partnership to Fight Chronic Disease in 2007, our hundreds of national and state-based partners have shown that we can build consensus around common principles, set aside small differences and together transform our culture from one that focuses only on treating illnesses after they occur to one that embraces and incentivizes prevention.

As individuals, we can make small changes in our lives, like reducing intake of fats and sugars, eliminating smoking and including physical activity in our daily lives.

As leaders in businesses and communities, we can support the health of our workforces and our neighbors through workplace wellness programs and community-based prevention initiatives.

As a nation, we can embrace prevention and earlier diagnosis of disease through screenings and improve management of chronic disease to avoid costly health complications.

In the following Almanac chapters, the scientific evidence reveals how chronic disease saps our health and economic well-being, placing an unsustainable burden on our nation and our future. Chronic disease impacts every aspect of our lives, from our children's ability to learn, to our nation's ability to compete in the global market, from our economic stability to national security.

I worked to reduce the impact of chronic disease on the largest medical practice in the world – 300 million Americans whom I had the privilege to serve as U.S. Surgeon General. I remain dedicated to continuing this effort with every person who will join me. This is a very personal quest for me. My own parents died before they should have because of preventable diseases, mirroring the data in this Almanac.

This Almanac is for every person who suffers from chronic disease and every leader who is working today to make a positive difference in our health.

Ultimately, our combined efforts for better prevention and disease management will save lives, save money, and improve the health, safety and security of every American.

Richard H. Carmona, M.D., M.P.H., FACS
17th Surgeon General of the United States (2002-2006)
President, Canyon Ranch Institute
Chairperson, Partnership to Fight Chronic Disease





INTRODUCTION

In his address to the nation this year, President Obama was clear in his vision and forceful in his intent, but realistic about the challenges of health care reform and the importance of addressing them now despite the competing demands of the economic downturn and other national priorities.

Some Americans question whether a structural overhaul of the health care system is something that our nation can afford to undertake right now given the state of the economy. The 2009 Almanac of Chronic Disease highlights both the urgency of taking on such a challenge and the opportunities for improving the sustainability of our health care system by addressing chronic disease. As you will see in the first few chapters of the Almanac, the path to successful health care reform goes straight through more effective chronic disease prevention and treatment.

Rates of chronic disease are higher in the U.S. than anywhere else, and Americans already spend well beyond what other industrialized nations are spending on health care, with overall expenditures rising faster than the GDP. In addition, due to out-of-pocket health care costs that are outpacing average wages, half of all Americans are going without certain types of medical care, impeding their ability to treat their chronic health problems effectively. We cannot afford to stay on this course.

Health care affordability, workforce productivity and quality of life are threatened by the rise of chronic illnesses like diabetes, heart disease and asthma, which are in turn driven by increases in risk factors like obesity. Nationwide, more than 75 cents of every health care dollar – or \$1.7 trillion annually – goes toward the treatment of chronic illness. Putting this number in the context of the current economy, the sum dedicated to treating chronic disease in 2007 is equivalent to paying 34 million salaries of \$50,000.

Given these trends, simply trying to expand subsidies and other assistance for health care coverage is not a sustainable solution. If our nation hopes to slow rising health care costs, policymakers must make changing the trends in chronic disease – largely a preventable crisis – a key focus of health and economic reform. With stronger policies in place to encourage lifestyle changes, and with more effective programs to increase use of preventive services, health spending and economic growth in the U.S. could look significantly different – as could the health of all Americans.

Prevention is only part of the overall solution, however. We also need to promote efficiency and create incentives for increased quality and shared responsibility to address the huge gaps in effective, coordinated care for chronic diseases when they occur. We can start by realigning health system incentives to prioritize efficient chronic care management along

with prevention, creating a health care infrastructure that more effectively brings together health care payers, employers and providers and holds them accountable for the prevention, detection, and treatment of chronic diseases. Improving chronic disease care can help not only to lower projected spending, but also to increase quality of life, drive greater efficiency, improve health care outcomes and generate higher value for every health care dollar spent.

A related priority needs to be the elimination of health disparities so that every American has access to quality health care, regardless of geographic location, race, age, gender or disability. This also means promoting health across generations, halting the trend of younger Americans suffering from preventable chronic diseases at higher rates than their parents did at the same age.

Taken together, these efforts will help close the gaps in health care quality and outcomes, while also slowing cost growth and improving affordability.

Health care reform cannot succeed on a partisan agenda – nor can it be successful without addressing chronic disease. Fortunately, as the 2009 Almanac of Chronic Disease demonstrates, there is evidence that taking action to address chronic disease is an issue that members on both sides of the aisle can support, and for which there is proven evidence that change will lead to savings and better value.

Our current economic condition makes this year one of the most challenging for reforming our health care system, yet it also makes it one of the most promising. There is real opportunity and momentum for creating an infrastructure that supports chronic disease prevention and management. For far too long, we have been unwilling or unable to make the changes we need, and the toll is all too evident. The future of our economy is tied to the health of our citizens, and our health is increasingly related to chronic disease prevention and treatment. Until we succeed in leading healthier lives and delivering better care to treat chronic disease, our long-term prosperity is at risk.

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AN OVERVIEW OF CHRONIC DISEASE IN AMERICA

Chronic illnesses – ongoing, generally incurable illnesses or conditions, such as heart disease, asthma, cancer and diabetes – are among the greatest threats to Americans' health. More than 133 million Americans, or 45 percent of the population, have at least one chronic condition.

Not surprisingly, chronic diseases have become the leading cause of death and disability in the United States. Seven out of every 10 deaths are attributable to chronic disease, and illnesses like heart disease and cancer top the list of most common causes of death. Chronic diseases also compromise the quality of life of millions of Americans.

Rising rates of chronic diseases pose a significant and growing problem in the United States. As a result of many factors – including poor lifestyle choices, as well as lack of access or emphasis on preventive care – the incidence of chronic diseases has increased dramatically over the last three decades. With the growth in obesity – especially among younger Americans – the diagnosis of childhood chronic diseases has almost quadrupled over the past four decades, and rates of chronic disease are expected to continue to rise.



Nearly half of Americans have one or more chronic diseases. (Chart 1)

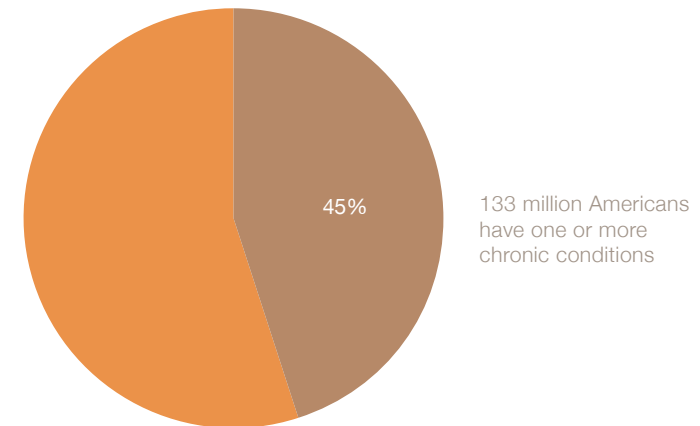
- Chronic diseases are ongoing, generally incurable illnesses or conditions such as heart disease, asthma, cancer and diabetes. These diseases are often preventable, and frequently manageable through early detection, improved diet, exercise and treatment.

A quarter (26%) of Americans have multiple chronic conditions. (Chart 2)

For the sake of Americans' health, and to truly change the economics of our health care system, the U.S. must dramatically shift its health care focus toward preventing chronic disease.

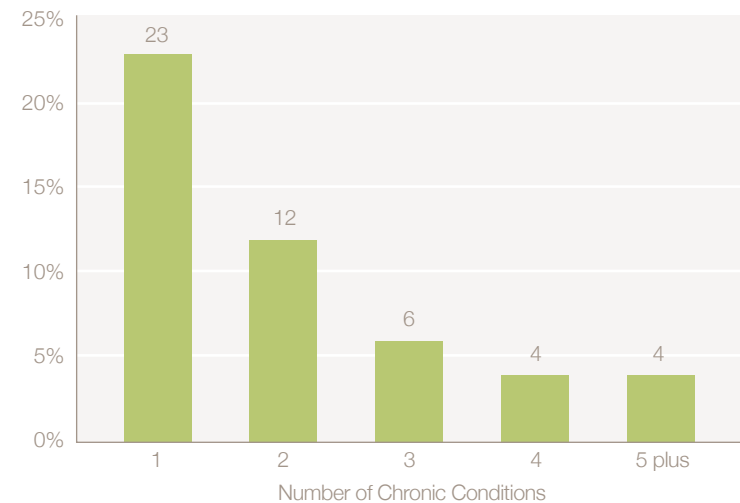
Taken from "Call to Action: Health Reform 2009." Issued by Sen. Max Baucus, D-Mont.

Chart 1 Total U.S. Population



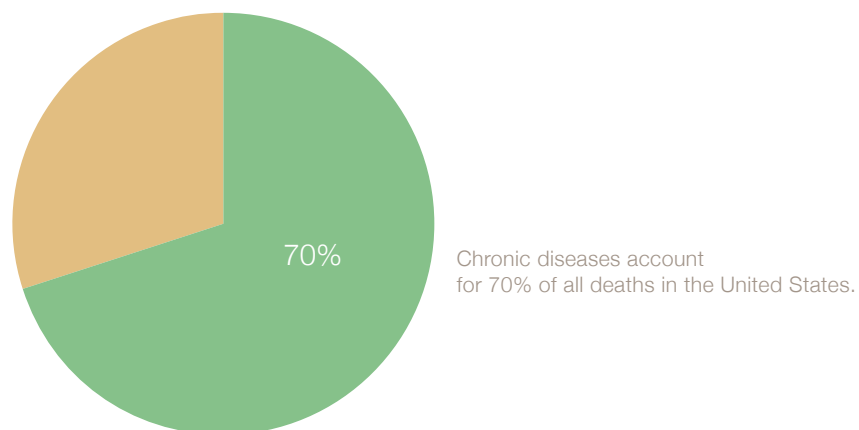
Source: RAND Corporation

Chart 2 Percent of All Americans with Chronic Health Conditions, 2006



Source: Johns Hopkins University

Chart 3 U.S. Deaths, By Cause



Source: CDC

Chart 4 Top 5 Causes of Death (1980, 2005)

	1980	2005
1	Heart disease	Heart disease
2	Cancer	Cancer
3	Cerebrovascular diseases (Stroke, hypertension)	Stroke
4	Unintentional injury	Chronic respiratory disease
5	Chronic obstructive pulmonary disease	Unintentional injury

Source: CDC

Chronic disease is the leading cause of death and disability in the U.S.

- Chronic disease is responsible for seven out of every 10 deaths each year. (Chart 3)
- Chronic disease accounted for four of the top five causes of death in 2005. (Chart 4)



Public hospitals ensure that the nation's most vulnerable patients receive coordinated care. Public hospitals don't just treat symptoms; they remove obstacles that often hinder a patient's ability to manage disease.

Larry S. Gage, President, National Association of Public Hospitals and Health Systems



The share of children who are overweight has tripled in the U.S. over the past two decades. (Chart 5)

- The increase in childhood obesity is placing the next generation at great risk for developing other chronic diseases earlier in life.

The diagnosis of childhood chronic diseases has almost quadrupled over the past four decades. (Chart 6)

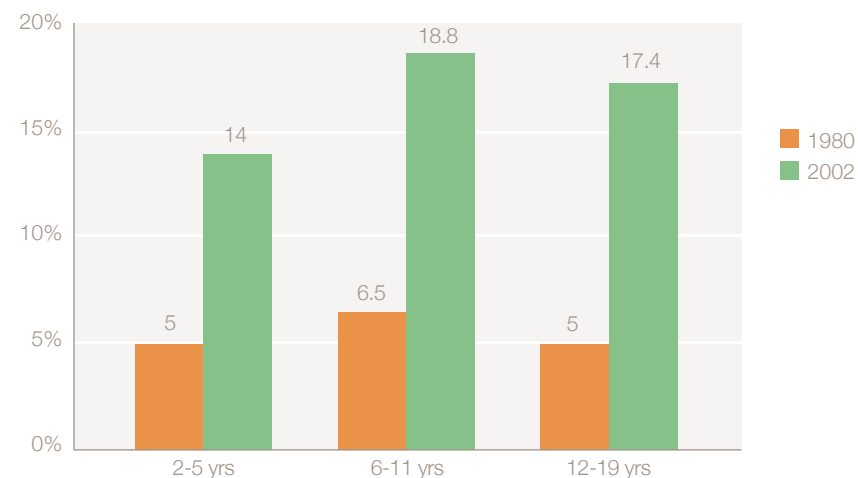
- According to the Centers for Disease Control (CDC), one in three children will develop diabetes over their lifetime, given current trends in overweight or obesity.



Confronting America's health crisis requires that we support individuals and communities in making better choices. But, it also requires that we work together to address the underlying conditions and other factors that contribute to our declining health and well-being, particularly for those living in communities with limited access to the tools and resources needed to attain and maintain a healthier lifestyle.

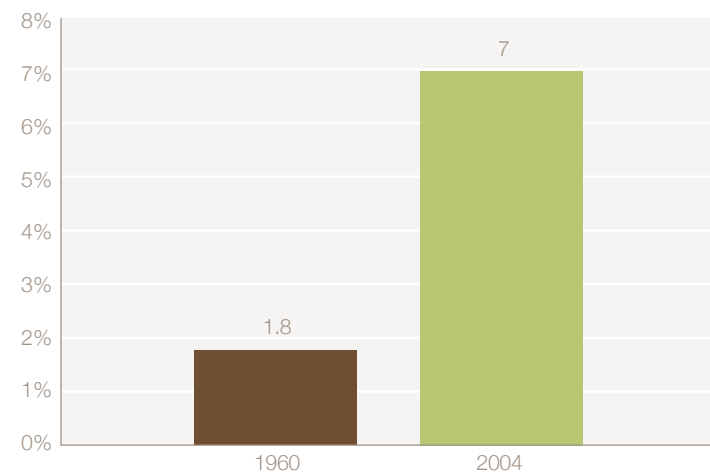
Neil Nicoll, President & CEO, YMCA of the USA

Chart 5 Percent of Children Who are Overweight, by Age



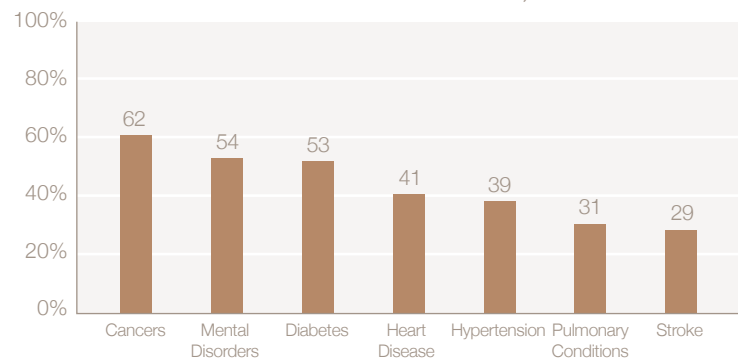
Source: CDC

Chart 6 Percent of U.S. Children Diagnosed With a Chronic Illness



Source: Journal of the American Medical Association

Chart 7 Projected Rise in Cases of Seven of the Most Common Chronic Diseases, 2003-2023*



*This study evaluated the burden of seven of the most common chronic diseases/conditions (cancer, diabetes, heart disease, hypertension, mental disorders, pulmonary conditions, and stroke).
Source: The Milken Institute

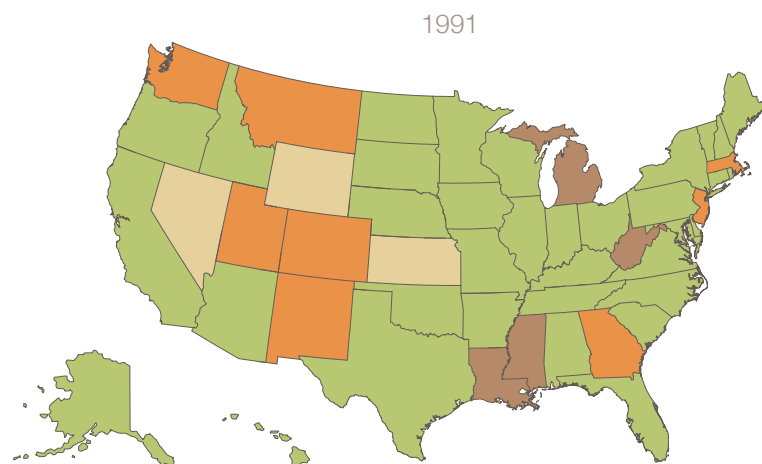
By the year 2023, the incidence of chronic disease is expected to rise dramatically. (Chart 7)

- Without change, the U.S. will experience a more than 50 percent growth in cases of cancer, mental disorders and diabetes and more than 40 percent growth in heart disease.

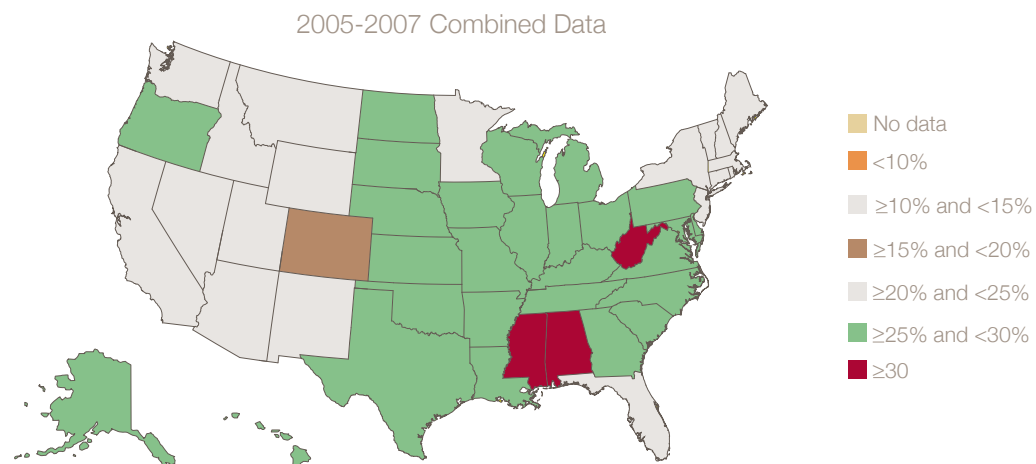
Across the U.S., obesity has continued to increase sharply, and contribute to rising rates of other chronic diseases. (Chart 8)

Chart 8 Obesity Trends Among U.S. Adults

("BMI > 30, or about 30 lbs overweight for 5' 4" person)



Source: Behavioral Risk Factor Surveillance System, CDC



The nation is facing a worsening health care crisis that demands our immediate attention. As a nation, we spend two trillion dollars a year on care, yet 1 in 2 Americans suffer from chronic diseases that decrease quality of life and increase health costs. Estimates indicate that close to 200 million Americans alive today will have a chronic illness, and that 1 in 4 dollars will soon be spent on health care. Without basic reform, the burden and the cost of treating these chronic conditions will not be sustainable for future generations.

Chronic disease can affect all Americans, and we need to focus on the steps we know will work best. The power of prevention is an essential element of health reform—the best way to address the unsustainable increase in health costs related to chronic conditions is to prevent the conditions in the first place.

– Statement of Sen. Edward M. Kennedy, D-Mass., January 22, 2009

Sources

Chart 1 Source: Wu, S, Green, A. Projection of Chronic Illness Prevalence and Cost Inflation. RAND Corporation, October 2000.

Chart 2 Source: Anderson, G. Chronic Conditions: Making the case for ongoing care. Johns Hopkins University. November 2007.

Chart 3 Source: Centers for Disease Control and Prevention. Chronic Disease Overview page. Available at: <http://www.cdc.gov/nccdphp/overview.htm>. Accessed April 6, 2007.

Chart 4 Source: Centers for Disease Control and Prevention. Health, United States, 2007. <http://www.cdc.gov/nchs/data/hus/hus07.pdf#summary>

Chart 5 Source: Centers for Disease Control and Prevention. Childhood Overweight. Accessed at: <http://www.cdc.gov/nccdphp/dnpa/obesity/childhood/>

Chart 6 Source: Perrin, J, Bloom, S, Gortmaker, S. The Increase of Childhood Chronic Conditions in the United States. Journal of the American Medical Association

Chart 7 Source: DeVol, R, Bedroussian, A, et al. An Unhealthy America: The Economic Burden of Chronic Disease. The Milken Institute. Oct. 2007. Full report and methodology accessed at: www.chronicdiseaseimpact.com.

Chart 8 Source: “F as in Fat: How Obesity Policies Are Failing in America.” Trust for America’s Health and Robert Wood Johnson Foundation. August 2008. Accessed at: <http://healthyamericans.org/reports/obesity2008/Obesity2008Report.pdf>





1

THE RAPID RISE IN COSTS IN THE U.S. HEALTH CARE SYSTEM

The U.S. health care system is in urgent need of reform, especially when it comes to reducing cost.

Year after year, the amount the nation is spending on health care increases – both at a national level and for individuals and families. In 2007, the U.S. spent over \$2.2 trillion on health care. This represents 16 percent of U.S. gross domestic product (GDP): the highest proportion in U.S. history and a larger percentage of GDP than any other developed country. For many Americans, rising health costs are jeopardizing the affordability of insurance coverage and leading to high rates of personal bankruptcies.

Without action to contain costs, national and personal health spending is expected to continue to grow and will consume an increasing share of the U.S. government, and personal, budgets.



Over the past four decades, U.S. health care spending has increased substantially. (Chart 1.1)

- In 2007, the U.S. spent \$2.24 trillion on health care.

Health care spending is distributed approximately evenly between the public and private sectors. (Chart 1.1)

- In 2007, private health spending accounted for 53.8 percent of total health expenditures. Public spending accounted for 46.2 percent.

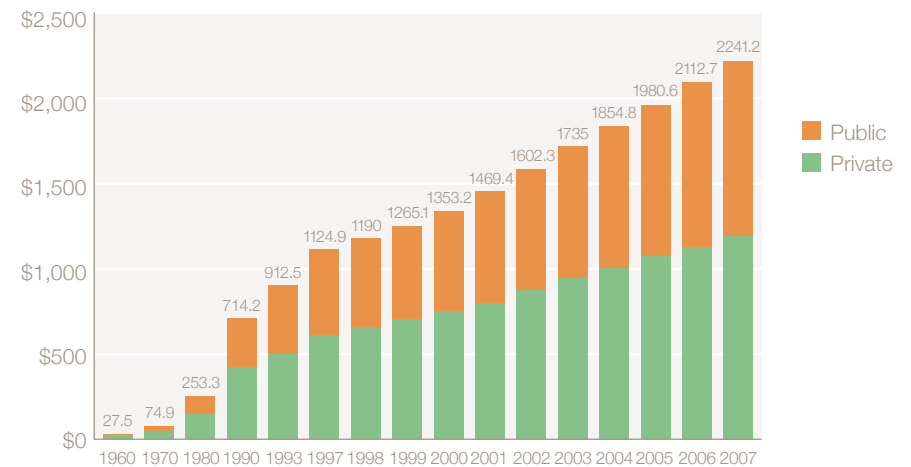
Absent change, U.S. health spending is predicted to almost double over the next 10 years. (Chart 1.2)

- The Centers for Medicare and Medicaid Services (CMS) predicts that, without change, total health expenditures will increase at roughly 6.7 percent annually from 2007-2017.
- Based on this prediction, U.S. health spending could reach \$4.3 trillion in 2017.

The single most important factor influencing the federal government's long-term fiscal balance is the rate of growth in health care costs.

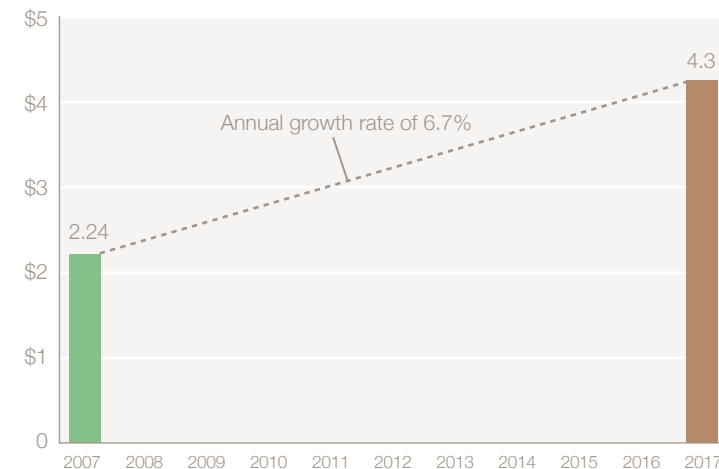
Peter Orszag, Former Director, Congressional Budget Office, at the Health Reform Summit of the Senate Finance Committee, June 16, 2008

Chart 1.1 National Health Expenditures (in Billions) by Source



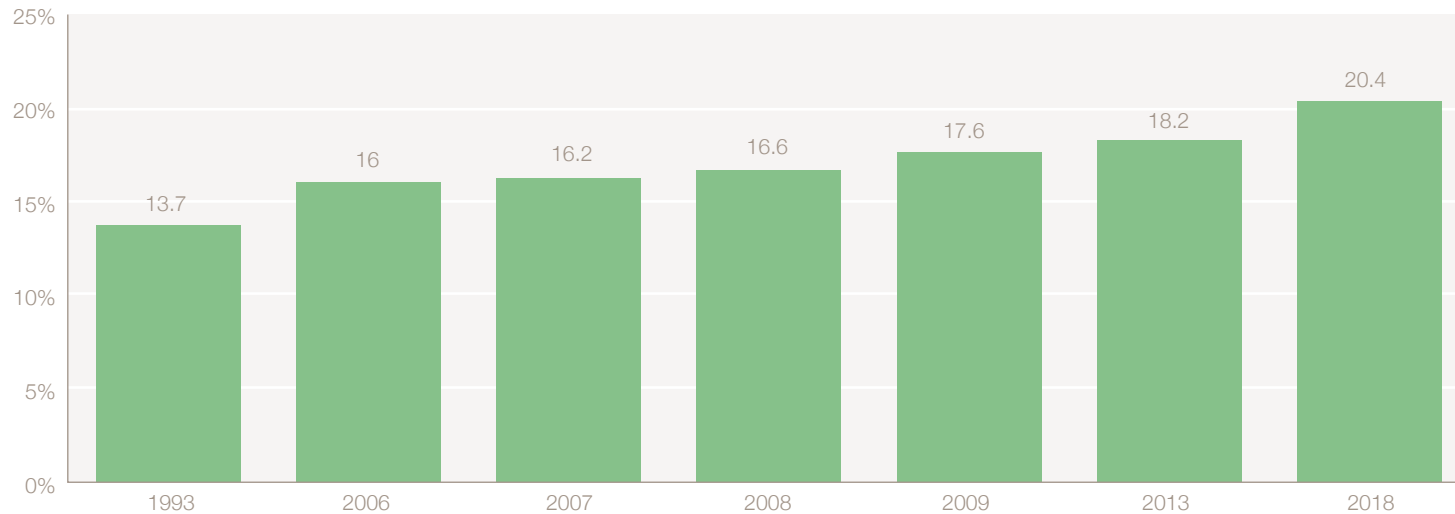
Source: CMS

Chart 1.2 Predicted Annual Growth (in Trillions) in National Health Expenditures, 2007-2017



Source: CMS

Chart 1.3 National Health Expenditures as a Share of GDP



Source: Health Affairs

Health care represents an ever-growing portion of national expenditures in the U.S. (Chart 1.3)

- The health share of GDP is anticipated to rise rapidly from 2007 to 2009, largely as a result of the recession, and then climb to 20.3 percent by 2018.
- Public payers are expected to become the largest source of funding for health care in 2016 and are projected to pay for more than half of all national health spending in 2018.

We must [address] the crushing cost of health care. This is a cost that now causes a bankruptcy in America every thirty seconds. By the end of the year, it could cause 1.5 million Americans to lose their homes. It is one of the major reasons why small businesses close their doors and corporations ship jobs overseas.

President Barack Obama, February 24, 2009 Address to Joint Session of Congress



The U.S. spends significantly more by far on health care as share of GDP than any other developed country. (Chart 1.4)

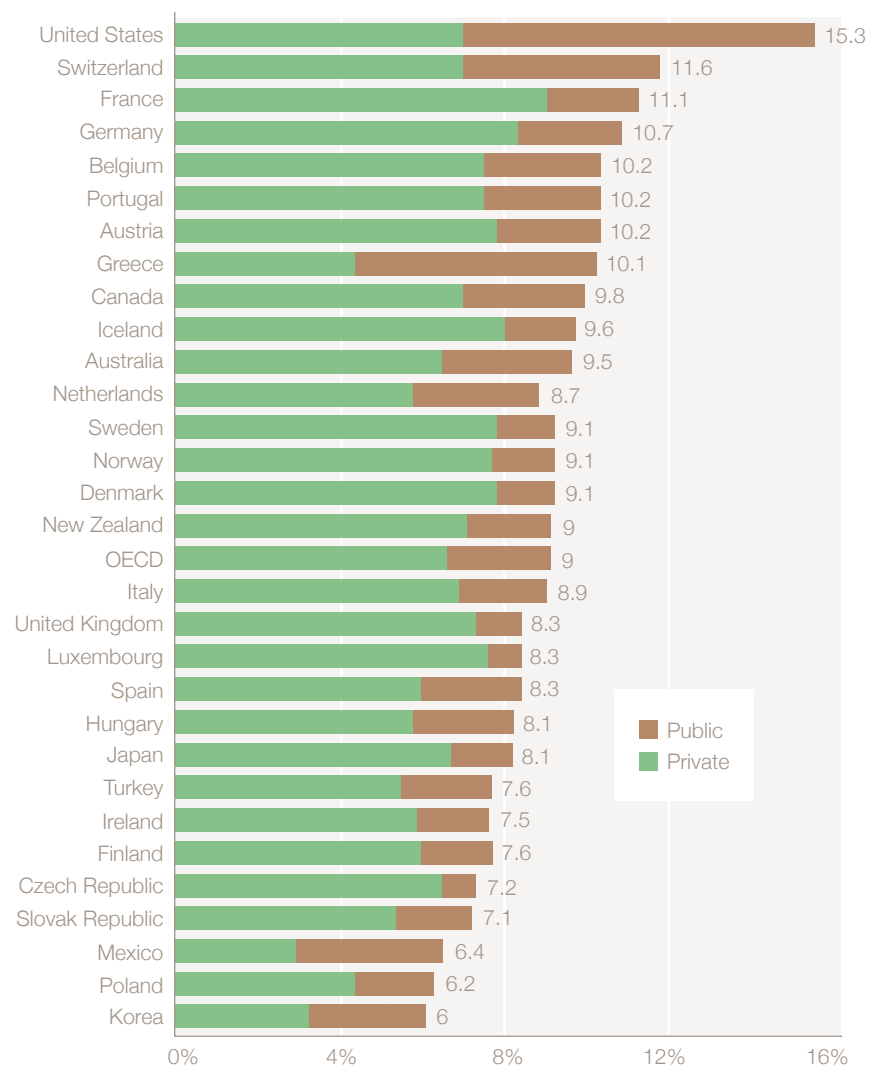
- Switzerland, the country with the next highest health spending as a percent of GDP, had nearly four percent less of its GDP spent on health care.
- Much of the lower health expenditures in European countries can be attributed to their investments in primary care.



A health care system which focuses more on repairing the damage done by chronic disease than it does on preventing both the disease and the damage it causes is no health care system at all. It is a “sick care” system. At PhRMA, we believe Americans are entitled to affordable access to the great medicines we make to prevent and manage chronic disease – that would truly be a health care system worth fighting for.

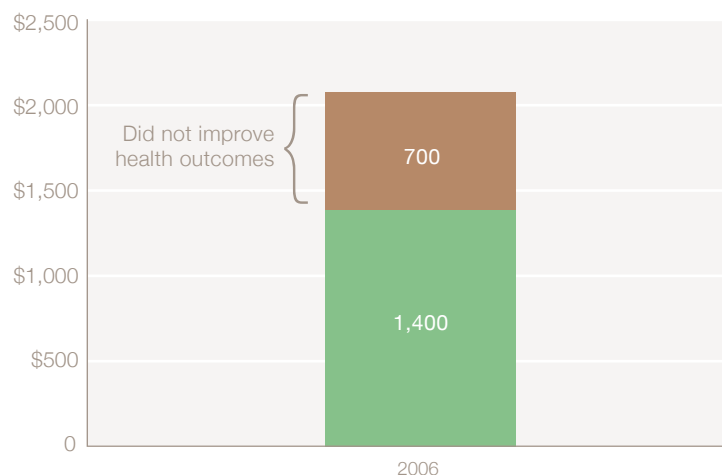
Billy Tauzin, President & CEO, Pharmaceutical Research and Manufacturers of America (PhRMA)

Chart 1.4 Total Health Expenditure as Percent of GDP, 2005



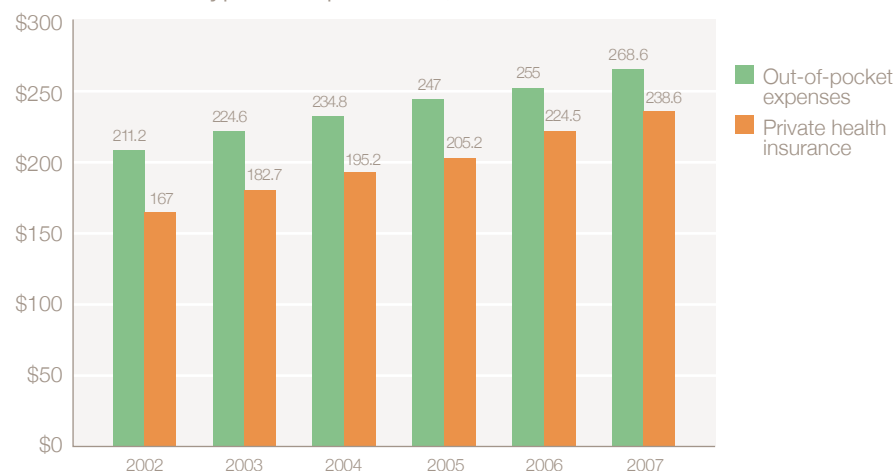
Source: Organisation for Economic Co-operation and Development

Chart 1.5 U.S. Health Care Spending (in Billions) in 2006



Source: Congressional Budget Office

Chart 1.6 Health Expenditures (in Billions) by Type of Expenditure, 2002-2007



Source: CMS

Despite spending more on health care than any other developed country, the U.S. is not spending money efficiently. (Chart 1.5)

- In June 2008, the Congressional Budget Office estimated that up to one-third of 2006 health spending – roughly \$700 billion or nearly 5 percent of GDP – did not improve Americans' health outcomes.

Health care costs are also straining American families' budgets. (Chart 1.6)

- Out-of-pocket spending has increased 27 percent over the last five years.
- Private health insurance expenditures have risen almost 43 percent over the same time period.



The primary driver of soaring health care costs is inadequate investment in prevention, health risk reduction and disease management. These programs do not cost too much, but rather it is far too costly not to implement them.

Anthony C. Wisniewski, Executive Director of Health Policy, U.S. Chamber of Commerce, Founder and Co-Chair, U.S. Workplace Wellness Alliance



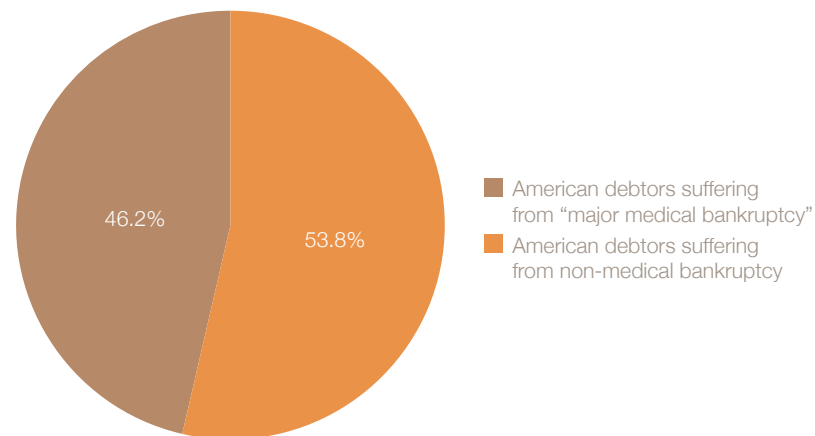
Nearly half of U.S. debtors in 2001 met at least one criterion to classify as declaring “major medical bankruptcy.” (Chart 1.7)

- The criteria for major medical bankruptcy were: (1) citing illness or injury as a specific reason for bankruptcy, (2) reported uncovered medical bills exceeding \$1,000 in the past years, (3) lost at least two weeks of work-related income because of illness/injury or (4) mortgaged a home to pay medical bills.

It's the number one fiscal challenge for the federal government, it's the number one fiscal challenge for state governments and it's the number one competitive challenge for American business. We're going to have to dramatically and fundamentally reform our health care system in installments over the next 20 years. And if we don't, it could bankrupt America.

David Walker, Former U.S. Comptroller General, July 8, 2007 Interview with “60 Minutes”

Chart 1.7 Percent of 2001 U.S. Bankruptcies Attributable to “Major Medical Bankruptcy”



Source: Health Affairs

Sources

Chart 1.1 Source: National Health Expenditure Data. Centers for Medicare and Medicaid Services. January 2009. Accessed at: http://www.cms.hhs.gov/NationalHealthExpendData/02_NationalHealthAccountsHistorical.asp.

Chart 1.2 Source: National Health Expenditure Projections 2007-2017. Centers for Medicare and Medicaid Services. December 2008. Accessed at: <http://www.cms.hhs.gov/NationalHealthExpendData/Downloads/proj2007.pdf>.

Chart 1.3 Source: Sisko, A, Truffer, C et al. "Health Spending Projections Through 2018: Recession Effects Add Uncertainty To The Outlook." Health Affairs. February 2009.

Chart 1.4 Source: Health Expenditure in Relation to Gross Domestic Product. Organisation for Economic Co-operation and Development. Accessed at: <http://lysander.sourceoecd.org/vl=1952715/cl=34/nw=1/rpsv/health2007/5-2.htm>.

Chart 1.5 Source: Orszag, P. "Opportunities to Increase Efficiency in Health Care." Statement at Health Reform Summit of the Committee on Finance, United States Senate. Congressional Budget Office. June 16, 2008. Accessed at: <http://www.cbo.gov/ftpdocs/93xx/doc9384/06-16-HealthSummit.pdf>.

Chart 1.6 Source: Health Expenditure in Relation to Gross Domestic Product. Organisation for Economic Co-operation and Development. Accessed at: <http://lysander.sourceoecd.org/vl=1952715/cl=34/nw=1/rpsv/health2007/5-2.htm>.

Chart 1.7 Source: Himmelstein, D, et al. "Illness and injury as contributors to bankruptcy." Health Affairs Web Exclusive. February 2, 2005.





2

THE ROLE OF CHRONIC DISEASE IN HIGHER HEALTH COSTS AND LOWER U.S. ECONOMIC GROWTH

While rising health care costs are often attributed to many different things, research shows that chronic diseases are a major contributor to rising health care spending in the United States. Of each dollar we spend on health care nationwide more than 75 cents – or about \$1.7 trillion annually – goes toward the treatment of chronic illness. In addition to treatment costs, chronic diseases also take a toll on the nation's economy by lowering productivity and slowing economic growth.

High health care costs can have a significant impact on the likelihood that Americans will be able to effectively managing their chronic conditions. High costs are causing many Americans to forgo certain types of medical care – and this can harm their ability to effectively treat their chronic health problems. Complications due to the mismanagement, under-treatment or underdiagnosis of chronic diseases will only add to the rapidly increasing costs and heavy burden associated with these long-lasting diseases.



The single greatest cause of rising health care spending in the U.S. is rising prevalence of chronic disease. (Chart 2.1)

- About two-thirds of the rise in health care spending from 1987-2002 (\$453.3 billion) is due to the rise in the prevalence of treated chronic disease.

Treatment of patients with one or more chronic diseases is responsible for 75 percent of total health spending in the U.S. (Chart 2.2)

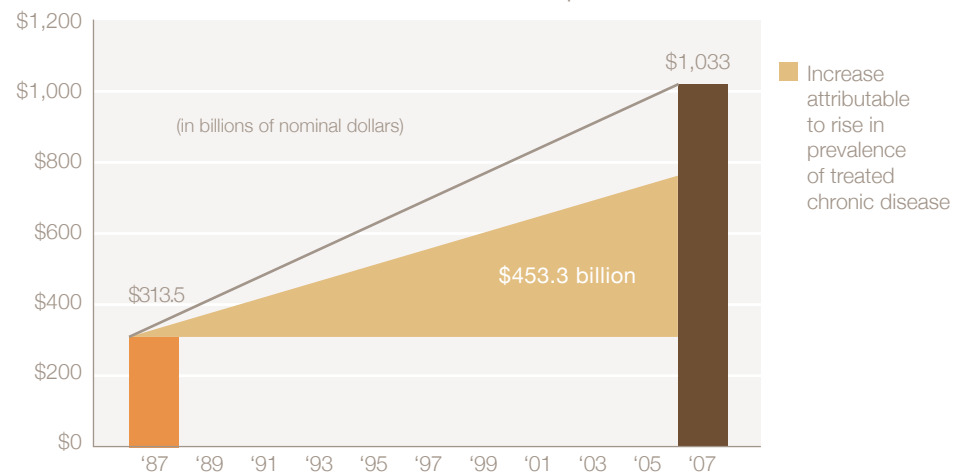
- In 2007, health care costs associated with patients with one or more chronic diseases amounted to approximately \$1.7 trillion.



The American Academy of Nursing strongly believes that it is in our country's best interest to examine all research-based solutions that meet the overall needs of each patient and widely adopt those models of care that result in lower costs and a healthier population.

Pat Ford-Roegner, MSW, RN, FAAN
CEO, American Academy of Nursing

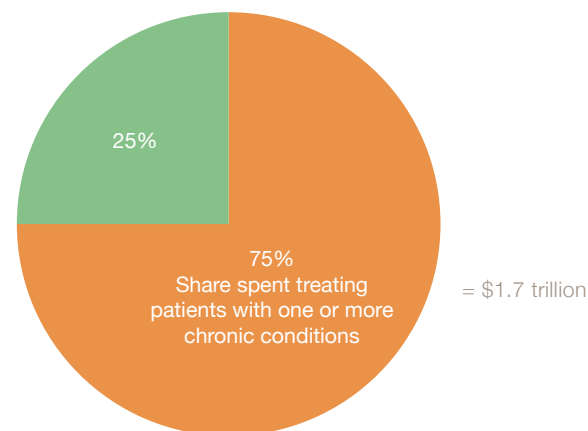
Chart 2.1 Level of Health Spending Among the Noninstitutionalized U.S. Population, 1987–2007



Source: Health Affairs. Updated by author using MEPS 2007.

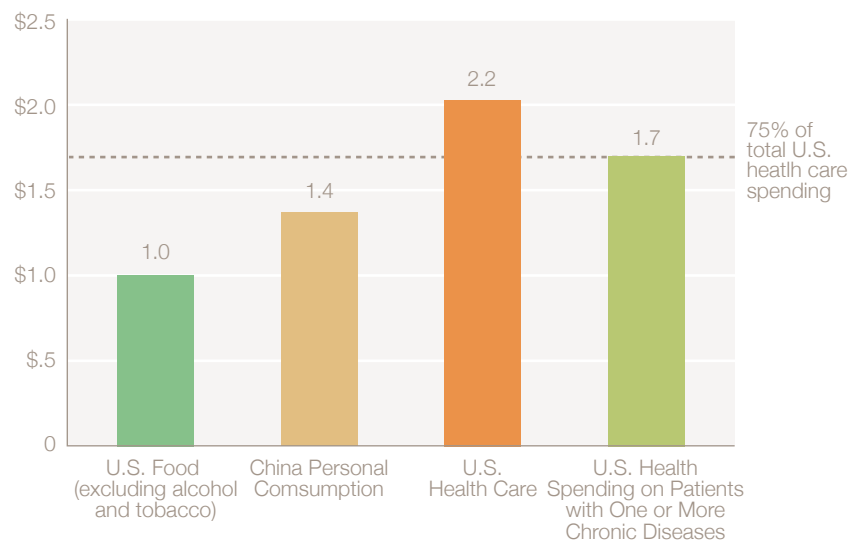
Chart 2.2 Total U.S. Health Spending in 2007

Total spending = \$2.2 trillion



Source: CMS

Chart 2.3 Amount Spent in 2007 (in Trillions)



Source: McKinsey & Company, CDC, CMS

The United States cannot effectively address escalating health care costs without addressing the problem of chronic diseases.

– U.S. Centers for Disease Control and Prevention (CDC)

When put into perspective against other levels of spending inside and outside the United States, our country's spending on health care and chronic disease is substantial. (Chart 2.3)

- Health care spending in the U.S. is twice its spending on food.
- U.S. spending on patients with one or more chronic diseases is larger than all of China's personal consumption.

Promoting healthy lifestyles and preventing chronic disease will not be accomplished quickly or simply. Achieving these goals will require a comprehensive approach that, rather than focusing on sickness, encourages healthy lifestyles and integrates healthy choices into individual's daily lives.

Sen. Tom Harkin, D-Iowa, June 18, 2008



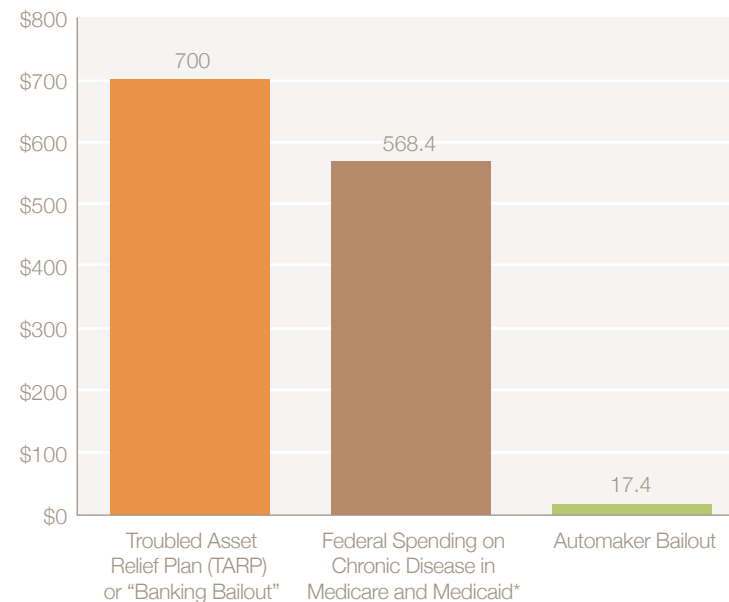
Federal spending on patients with chronic conditions is quite high when compared to other federal expenditures. (Chart 2.4)

- Federal spending in 2008 in Medicare and Medicaid on patients with one or more chronic conditions is:
 - 32 times the amount of money given to automakers in the 2008 Congressional bailout
 - Eight-tenths of the amount of money given to U.S. banks by Congress in 2008

As in many things in health care and health spending, American “exceptionalism” is the rule: The United States is doing an especially rotten job of delivering chronic care, at spectacular cost.

Susan Dentzer, *Health Affairs* Editor-in-Chief. Taken from *Health Affairs*, “Reform Chronic Illness Care? Yes, We Can”

Chart 2.4 Federal Spending (in Billions) in 2008

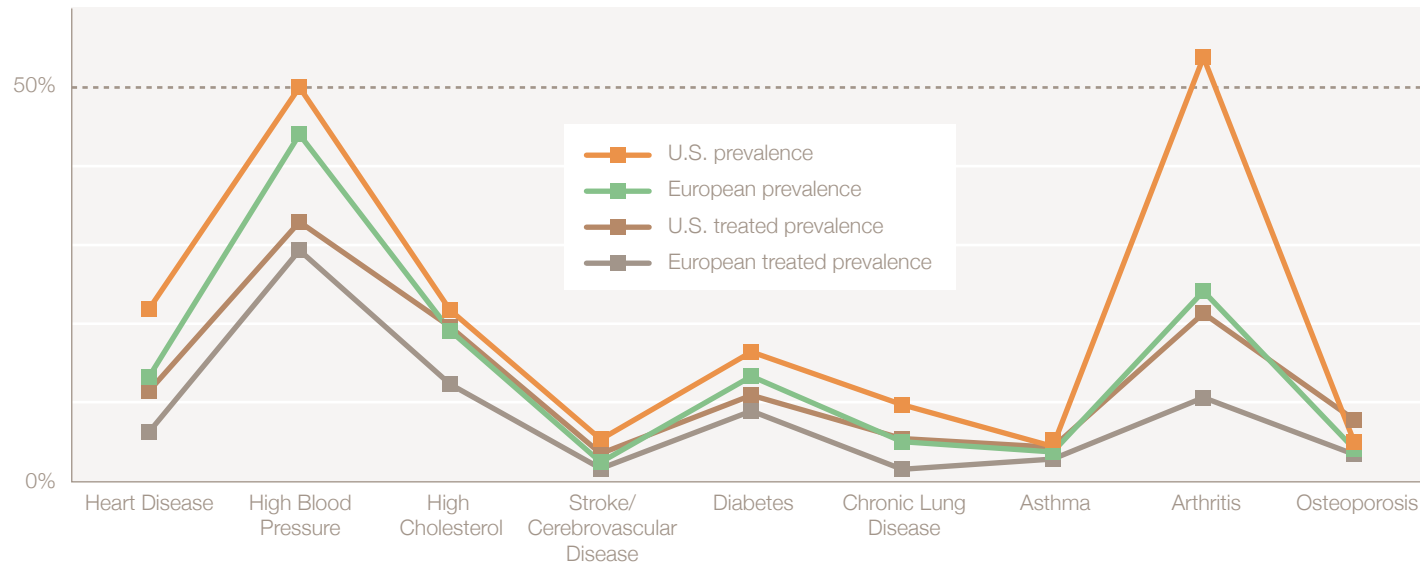


*Calculated with projected figures for 2008 Medicare and Medicaid spending based on the assumption that 99 percent of Medicare spending and 83 percent of Medicaid spending went towards the treatment of patients with one or more chronic conditions.

*Because the data used for these calculations only refers to the non-institutionalized population, it is likely that actual spending on chronically ill beneficiaries is higher since the rate of chronic illness is higher among the institutionalized population.

Source: CMS; Politico, Associated Press

Chart 2.5 Prevalence and Treated Prevalence in the U.S. and Ten European Countries, 2004



Source: Health Affairs

Older Americans (those age 50 and above) are diagnosed with and treated for certain chronic illnesses more often than their European counterparts are. (Chart 2.5)

- Disease and treatment rates are higher in the United States than elsewhere, according to a study published in *Health Affairs*, and may add as much as \$100 to \$150 billion in treatment costs to U.S. health spending.
- The high U.S. prevalence of obesity and related conditions, such as heart disease, cancer and diabetes, suggests that measures designed to prevent these conditions could yield lower spending in the United States.

There are several reasons why disease treatment rates might be higher in the United States. First, higher rates of obesity and, up until the 1970s, smoking place Americans at higher risk for a number of chronic conditions. Second, the U.S. medical system might have a greater propensity to screen for disease more aggressively and treat less severe cases of disease.

Excerpt from "Differences In Disease Prevalence As A Source Of The U.S.-European Health Care Spending Gap," *Health Affairs*

The U.S. spends more per capita annually on health care for obese Americans than normal weight Americans. (Chart 2.6)

- On average, health care spending for an obese individual is \$1,069 higher per year than spending for someone of normal weight.

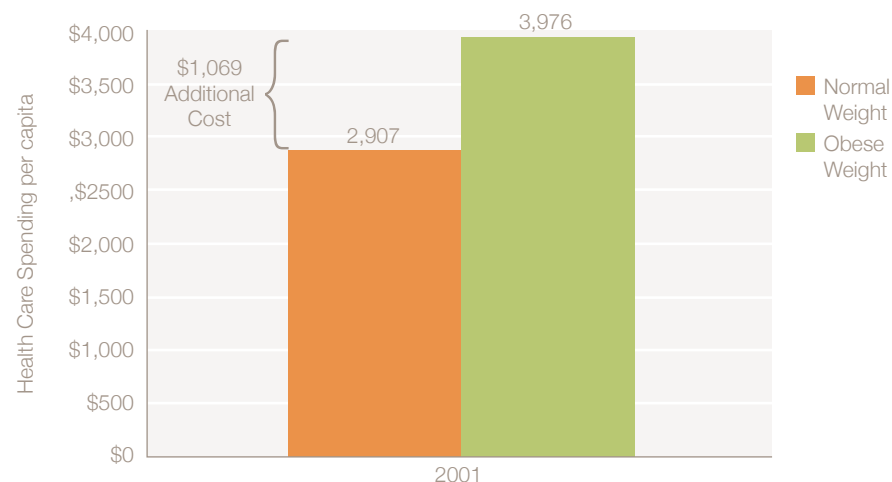
Over their lifetime, obese Americans spend more than normal weight Americans, even though they will live about as long. (Chart 2.7)

- An obese seventy-year-old will live about as long as a peer at normal weight, but will spend on average \$39,000 more on health care.

High rates of obesity and overweight in the U.S. are not just a public health issue – they are an issue of national security. If our society is not physically fit, we will not be able to defend ourselves and our country's common interests.

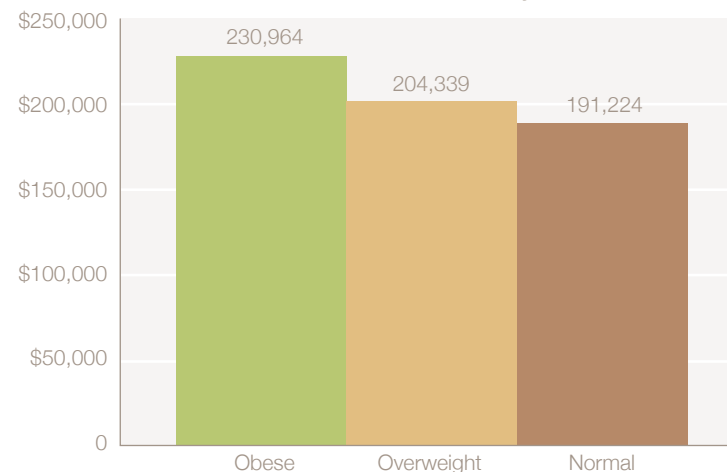
John Robitscher, Executive Director, National Association of Chronic Disease Directors

Chart 2.6 Per Capita Spending on Normal Weight vs. Obese Americans in 2001



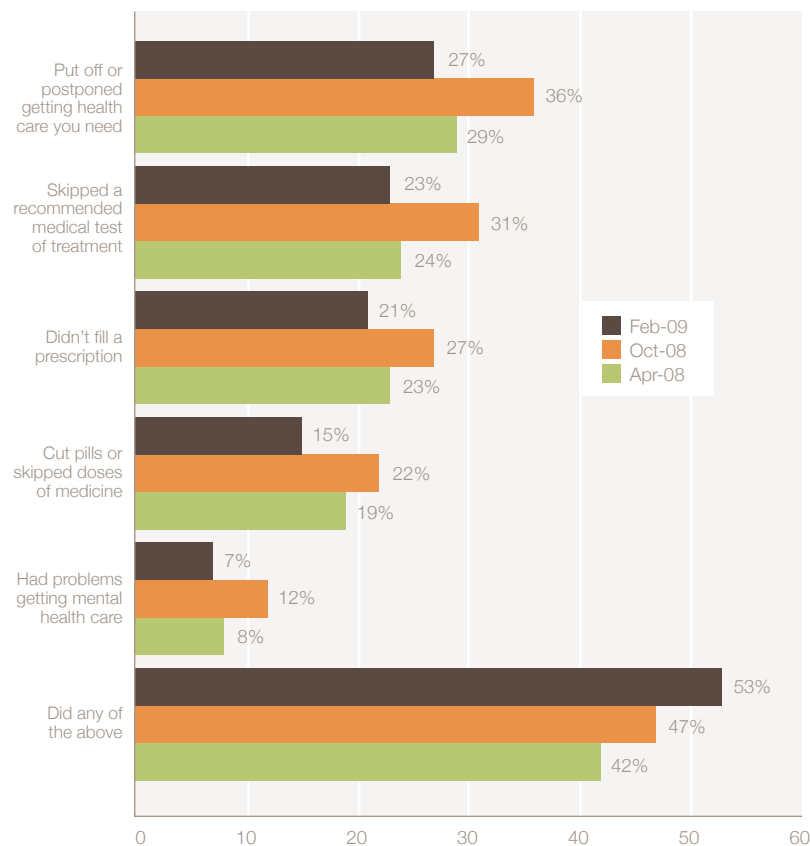
Source: Health Affairs

Chart 2.7 Projected Lifetime Health Care Expenditures for a Cohort of Seventy-Year-Olds, 2004 Dollars



Source: Health Affairs

Chart 2.8 Percent of Total Who Say They or a Family Member Have Done Each of the Following in the Past Year Because of Cost...



Source: Kaiser Health Tracking Poll

Due to high health care costs, over half of Americans (53%) have forgone certain types of medical care – and this can harm their ability to effectively treat their chronic health problems. (Chart 2.8)

- Almost one in four Americans skipped a recommended medical test or treatment because of cost.
- One in four Americans have put off or postponed getting health care they needed because of cost.

Almost half of Americans (46%) who said their household had “put off or postponed getting health care [they] needed” had delayed preventive care or put off care for a more serious problem, either a doctor’s visit related to a chronic illness such as diabetes or a major or minor surgery. (Chart 2.9)

Chart 2.9 Breakdown of Percent of Americans Who “Put Off or Delayed Health Care They Needed”

Someone in household put off or postponed getting needed health care	27%
<i>Type of care postponed (multiple responses accepted)</i>	
A visit to the doctor for a temporary illness such as a cold or stomach flu	19
Preventive care, such as a yearly physical exam	19
NET: Chronic care visit, major or minor surgery	16
A visit to the doctor to check on an ongoing health problem, such as diabetes or asthma	10
A minor surgery that could be done in the doctor's office	6
A major surgery that would require an overnight hospital stay	5

Source: Kaiser Health Tracking Poll



Having a continuous source of health insurance matters a great deal to chronically ill patients' abilities to stick with their treatments. (Chart 2.10)

- Among working age adults suffering from at least one chronic condition, those who were uninsured at some point in time were more than three times as likely as those who were insured throughout to skip a dose or not fill a prescription because of cost.

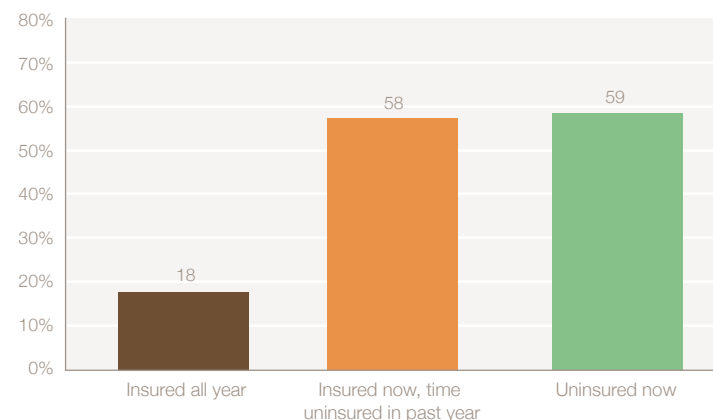
Almost 60 percent of families who declared medical bankruptcy cited chronic diseases as the primary reasons for doing so. (Chart 2.11)

- Medical debt is most common among low-income individuals and families, even those with insurance, and interferes with access to care.
- According to Health Affairs, at least 8 percent, and perhaps as many as 21 percent, of American families are contacted by collection agencies about medical bills annually.



At Canyon Ranch Institute, we are collaborating with communities and leaders in the fight against chronic disease. We focus on underserved communities where preventable chronic disease is most prevalent. A one-size-fits-all approach to wellness does not succeed, so we embrace the privilege of collaboration to ensure that programs are health literate and relevant within communities.

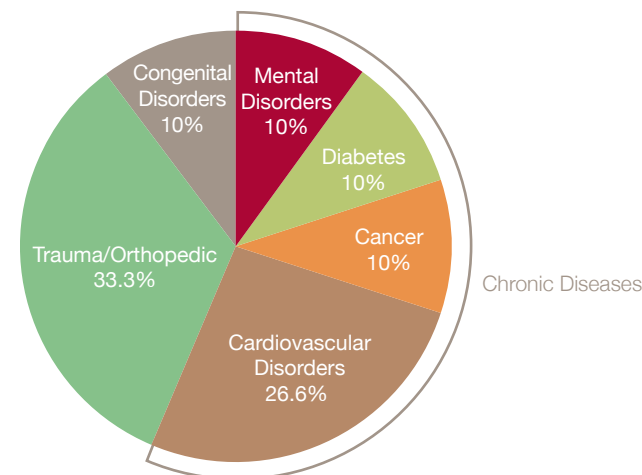
Chart 2.10 Percent of Adults Ages 19-64 With At Least One Chronic Condition* Who Skipped Doses or Did Not Fill Prescription for Chronic Condition Because of Cost



*Hypertension, high blood pressure, or stroke; heart attack or heart disease; diabetes; asthma; emphysema, or lung disease.

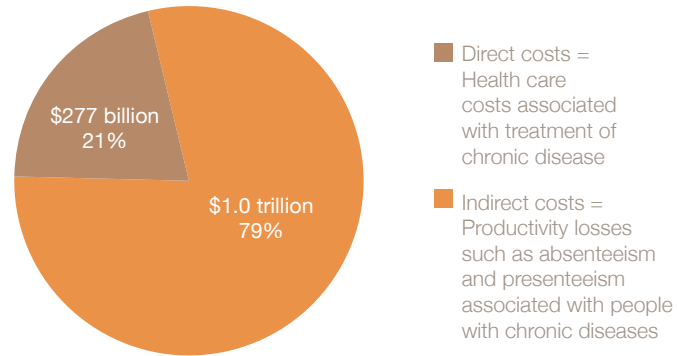
Source: Center for Health System Change

Chart 2.11 Reasons Cited by Families Filing for Medical Bankruptcy



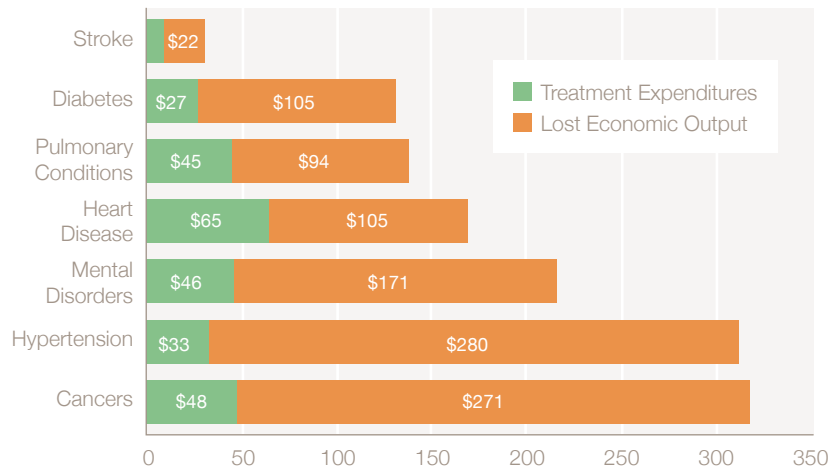
Source: Health Affairs Web Exclusive

Chart 2.12 Total Cost Burden in 2003 for Seven Common Chronic Diseases*



*This study evaluated the burden of seven of the most common chronic diseases/conditions (cancer, diabetes, heart disease, hypertension, mental disorders, pulmonary conditions, and stroke).
Source: The Milken Institute

Chart 2.13 Treatment Expenditures and Lost Economic Output (in Billions) Per Chronic Condition*



*This study evaluated the burden of seven of the most common chronic diseases/conditions (cancer, diabetes, heart disease, hypertension, mental disorders, pulmonary conditions, and stroke).
Source: The Milken Institute

Health spending related to chronic diseases is dwarfed by the indirect costs of these health problems. (Chart 2.12)

- Seven of the most common chronic conditions alone accounted for \$1 trillion in lost productivity in 2003.

Some chronic diseases are more costly than others. (Chart 2.13)

- Cancer and hypertension are among the most costly chronic conditions, accounting for over \$500 billion annually in treatment expenditures and lost economic output.

- The amount of lost productivity due to seven of the most common chronic diseases, or \$1 trillion, could have paid for:
 - 20 million jobs at a salary level of \$50,000,
 - 13.3 million jobs at a salary level of \$75,000, or
 - 8 million jobs at a salary level of \$125,000.
- As of January 2009, 11.3 million Americans were unemployed, according to the Bureau of Labor Statistics.



Without better prevention or disease management, rising rates of chronic conditions in the U.S. have the capacity to significantly impact our GDP growth.

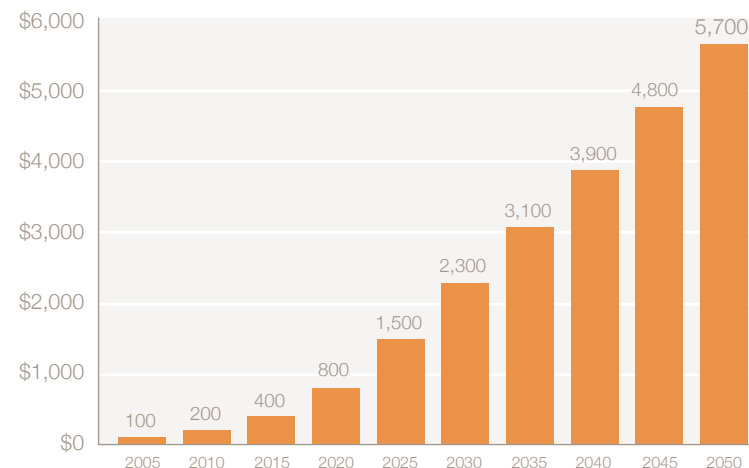
- If left unchecked, these seven chronic diseases alone could cost the U.S. almost \$6 trillion in foregone economic output by 2050. (Chart 2.14)



Our country risks losing its status as a world leader if we cannot solve our systemic health care problems soon. Absent significant investments in a new health care delivery model, the United States likely will suffer even greater adverse economic consequences as a result of the ever increasing prevalence of costly chronic conditions, requiring greater percentages of GDP to be devoted to health care expenditures.

Tracey Moorhead, President & CEO,
DMAA: The Care Continuum Alliance

Chart 2.14 Long-Term Forgone Economic Output
(in Billions)



Source: The Milken Institute

Sources

Chart 2.1 Source: Thorpe K. “The Rise In Health Care Spending And What To Do About It.” Health Affairs. 2005. Also, Thorpe K, Florence CS, Joski P. “Which Medical Conditions Account For The Rise In Health Care Spending?” Updated by Author using Medical Expenditures Panel Survey. AHRQ. 2007. Accessed at: <http://www.meps.ahrq.gov/mepsweb/index.jsp>.

Chart 2.2 Source: Chronic Disease Overview. Centers for Disease Control and Prevention. Accessed at: <http://www.cdc.gov/nccdphp/overview.htm#2>. Also, National Health Expenditure Data. Centers for Medicare and Medicaid Services. January 2009. Accessed at: http://www.cms.hhs.gov/NationalHealthExpendData/02_NationalHealthAccountsHistorical.asp.

Chart 2.3 Source: McKinsey & Company. “Accounting for the Cost of US Health Care: A New Look at Why Americans Spend More.” 2008. Also, Chronic Disease Overview. Centers for Disease Control and Prevention. Accessed at: <http://www.cdc.gov/nccdphp/overview.htm#2>. Also, National Health Expenditure Data. Centers for Medicare and Medicaid Services. January 2009. Accessed at: http://www.cms.hhs.gov/NationalHealthExpendData/02_NationalHealthAccountsHistorical.asp.

Chart 2.4 Source: National Health Expenditure Data (Projected). Centers for Medicare and Medicaid Services. Accessed at: http://www.cms.hhs.gov/NationalHealthExpendData/03_NationalHealthAccountsProjected.asp. Also, Rogers, D, Allen, M. “Bush announces \$17.4 billion auto bailout.” Politico. December 19, 2008. Accessed at: <http://www.politico.com/news/stories/1208/16740.html>. Also, “Frank: New bank bailout grants will be protected.” Associated Press. February 12, 2009. Accessed at: <http://www.google.com/hostednews/ap/article/ALeqM5hRdNEUn0EJdRzHIWuwdox6VWT7JAD96A1FE80>.

Chart 2.5 Source: Thorpe, K, Howard, D et al. “Differences In Disease Prevalence As A Source Of The U.S.-European Health Care Spending Gap” Health Affairs 26. 2007. Published online October 2, 2007. Accessed at: <http://content.healthaffairs.org/cgi/content/full/26/6/w678>.

Chart 2.6 Source: Thorpe, K, Florence, C et al. “The Impact of Obesity on Rising Medical Spending.” Health Affairs. October 20, 2004.

Chart 2.7 Source: Darius N. Lakdawalla, Dana P. Goldman, and Baoping Shang. “The Health And Cost Consequences Of Obesity Among The Future Elderly.” Health Affairs. September 2005. Accessed at: <http://content.healthaffairs.org/cgi/reprint/hlthaff.w5.r30v1>

Chart 2.8 and 2.9 Source: Kaiser Health Tracking Poll: Election 2008. Kaiser Family Foundation. Issue 11, October 2008. Accessed at: <http://www.kff.org/kaiserpolls/upload/7832.pdf>.

Chart 2.10 Source: Felland, L, Reschovsky, J. “More Non Elderly Americans Face Problems Affording Prescription Drugs.” Center for Health System Change. January 2009.

Chart 2.11 Source: Himmelstein, D Warren, E et al., “Illness and Injury as Contributors to Bankruptcy,” Health Affairs Web Exclusive. February 2, 2005. Accessed at: http://www.pnhp.org/PDF_files/MedicalBankruptcy.pdf

Charts 2.12 and 2.13 Source: DeVol, R, Bedroussian, A, et al. An Unhealthy America: The Economic Burden of Chronic Disease. The Milken Institute. Oct. 2007. Full report and methodology accessed at: www.chronicdiseaseimpact.com. Also, Employment Situation Summary (Press Release). Bureau of Labor Statistics. February 6, 2009. Accessed at: <http://www.bls.gov/news.release/empisit.nr0.htm>.

Chart 2.14 Source: DeVol, R, Bedroussian, A, et al. An Unhealthy America: The Economic Burden of Chronic Disease. The Milken Institute. Oct. 2007. Full report and methodology accessed at: www.chronicdiseaseimpact.com.





3

THE BURDEN OF CHRONIC DISEASE ON BUSINESS AND U.S. COMPETITIVENESS

An increase in chronic disease among the American workforce is threatening to harm the global competitiveness of U.S. businesses.

Businesses are the primary providers of health insurance in the U.S., yet rising health care costs are making it increasingly difficult for them to provide coverage to all their employees. Employee health benefits are the fastest growing cost component for employers and represent an increasingly large percentage of payrolls. The increasing prevalence of chronic conditions within the U.S. workforce is one of the primary reasons for these trends.

Not only does a sicker American workforce have higher health care costs, but it is also less productive. Chronic illnesses lead to absenteeism and presenteeism – or decreased effectiveness while present at work. These problems represent real losses of productivity for U.S. businesses.

In an effort to contain rising health care costs and boost productivity, many companies are taking active steps to prevent and reduce chronic diseases, including implementing workplace wellness programs.



Employers provide the majority of health insurance for non-elderly adults in the United States. (Chart 3.1)

- In 2007, 162.5 million Americans received employer-based coverage.

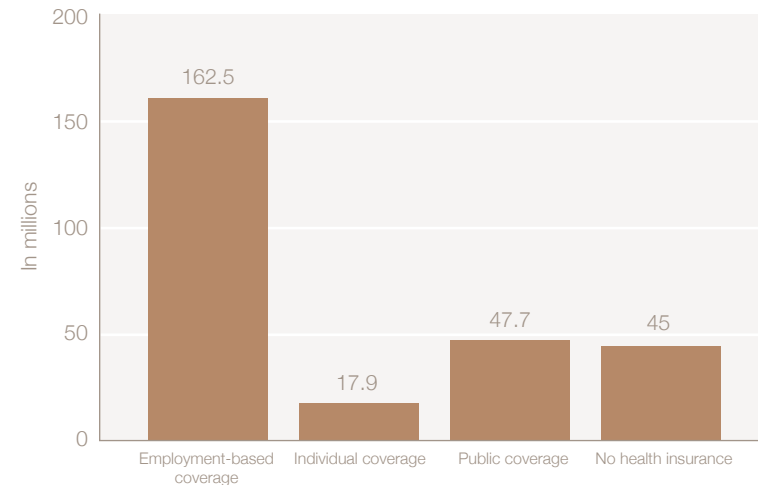
Over the past decade, employer and employee contributions for health insurance have increased significantly. (Chart 3.2)

- The total cost of coverage doubled between 1999 and 2008, with employer contributions increasing from \$154 to \$332 and employee contributions increasing from \$35 to \$60.

Medically related benefits make up nearly one-third of all benefits costs and average approximately 10 percent of gross payroll.

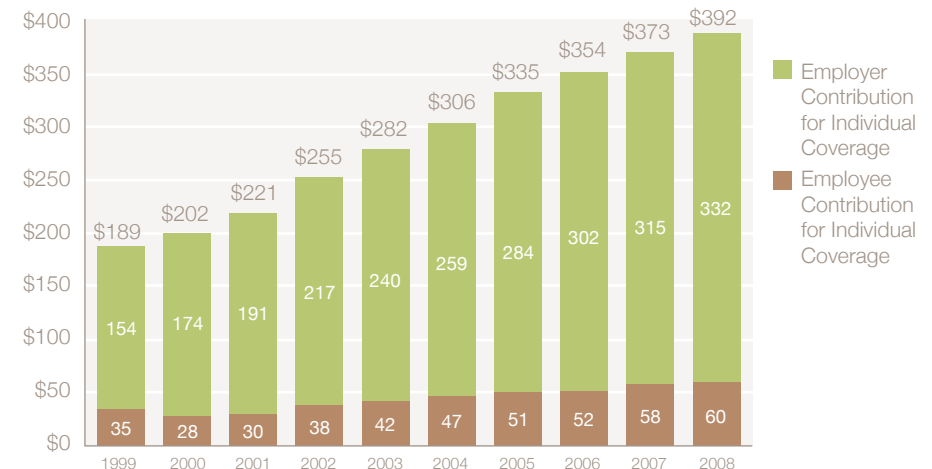
Source: U.S. Chamber of Commerce

Chart 3.1 Number of Non-Elderly U.S. Adult Covered in 2007



Source: The Employee Benefits Research Institute

Chart 3.2 Monthly Cost of Individual Insurance 1999-2008



Source: The Kaiser Family Foundation



At the same time businesses are struggling to avoid layoffs, pay cuts, and benefit reductions, employee health care costs are skyrocketing. Without an investment in health reform, employers may be forced to reduce or eliminate benefits or may be driven out of business because of their inability to compete in the global marketplace.

Anthony C. Wisniewski, Executive Director of Health Policy, U.S. Chamber of Commerce, Founder and Co-Chair, U.S. Workplace Wellness Alliance

Chart 3.3 Firms Offering Health Insurance

	1999	2008
Small Firms (less than 200 employees)	65%	62%
Large Firms (200 or more employees)	99%	99%
All firms	66%	63%

Source: The McKinsey Quarterly

In 2005, Starbucks announced it was spending more on employee health benefits than coffee. In 2009, rather than cut health benefits, Starbucks announced it would lay off 6,000 employees and close 300 stores.

Source: Associated Press

Approximately two-thirds of employers continue to offer health benefits to their employees, but the overall rate has slightly decreased as health costs have increased. (Chart 3.3)

- In a 2008 survey, 48 percent of small firms with less than 200 workers listed high premiums as the most important reason for not offering health benefits.

Source: The Kaiser Family Foundation Health Research Education Trust



The urgent challenge facing all Americans to find a healthier lifestyle demands a fundamentally new and aggressive social response. Individually, each of us must take responsibility – and help our children and families take responsibility – for healthy living. Collectively, all sectors of our communities and nation must come together to advance a common strategy to remove the barriers and increase the opportunities for healthy lifestyles for individuals and families.

Neil Nicoll, President & CEO, YMCA of the USA



The U.S. has a higher hourly cost of health benefits in the manufacturing industry than other developed countries. (Chart 3.4)

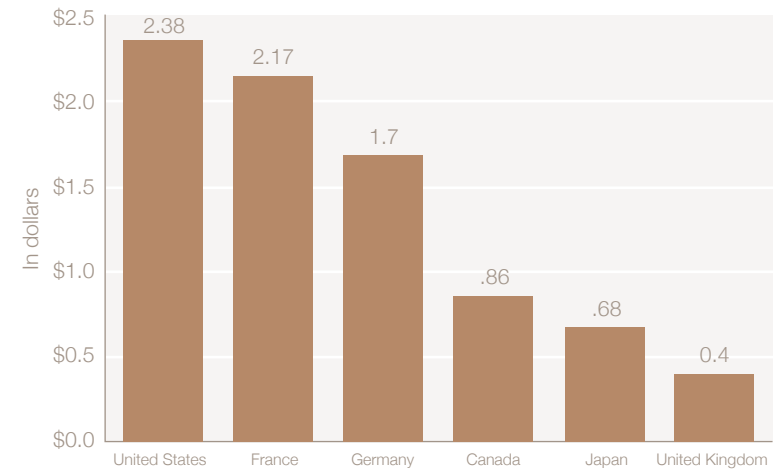
- U.S. hourly health benefits costs were \$2.38 per worker per hour in the manufacturing industry – considerably higher than the foreign trade weighted average of \$.96 per worker per hour.

Source: The Heritage Foundation

For the United States to continue to be an economic leader worldwide, supported by a healthy and productive workforce, more attention needs to be directed toward health promotion and disease prevention.

Taken from *Health Affairs*, “Do Prevention Or Treatment Services Save Money? The Wrong Debate” by Ron Goetzel, Ph.D. Professor and Director of the Institute for Health and Productivity Studies, Emory University

Chart 3.4 Hourly Cost of Health Benefits

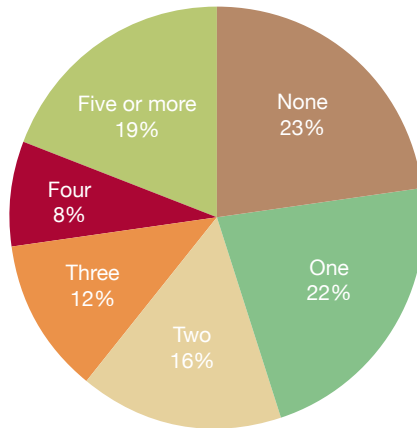


Source: USA Today

GM, Ford, and Chrysler spend more on employee health expenses than on the steel they use to make cars. The cost of providing health care added \$1,100 to \$1,500 to the cost of each of the 4.65 million vehicles GM sold in 2004, according to various calculations.

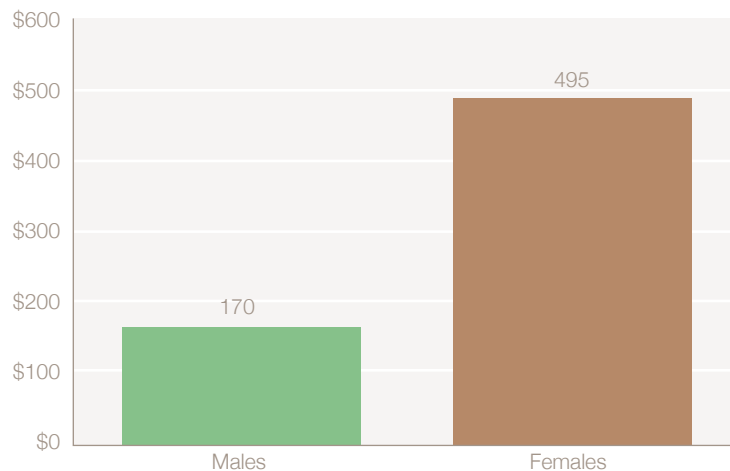
Source: USA Today

Chart 3.5 Chronic Disease Prevalence Among American Workers, 2007



Source: Newsweek Web Exclusive

Chart 3.6 Additional Health Cost of Overweight Employees



Source: Health Affairs

American workers experience high rates of chronic disease. (Chart 3.5)

- Almost 80 percent of workers have at least one chronic condition.
- 55 percent of workers have more than one chronic condition.

Overweight workers incur larger medical costs and miss more days of work than normal weight coworkers. (Chart 3.6)

- Severely obese women are absent more than twice as often as normal weight women.
- Severely obese workers have greater rates of workers compensation claims than workers who weigh in at the recommended weight.

Source: Archives of Internal Medicine



In today's economically challenging times, investment in disease prevention makes even more sense than ever before. The health outcomes alone are compelling when people are empowered and educated to make healthy choices – at home, at work, in all schools, within our health systems, and in communities.

Jennifer Cabe, M.A., Executive Director, Canyon Ranch Institute



Worker productivity losses from missed workdays (absenteeism) and reduced effectiveness at work due to illness (presenteeism) are closely linked to problems with chronic illness. (Chart 3.7)

- Presenteeism is responsible for the largest share of lost economic output associated with chronic health problems.

Many employees report going to work despite being sick and most say they are not as productive.

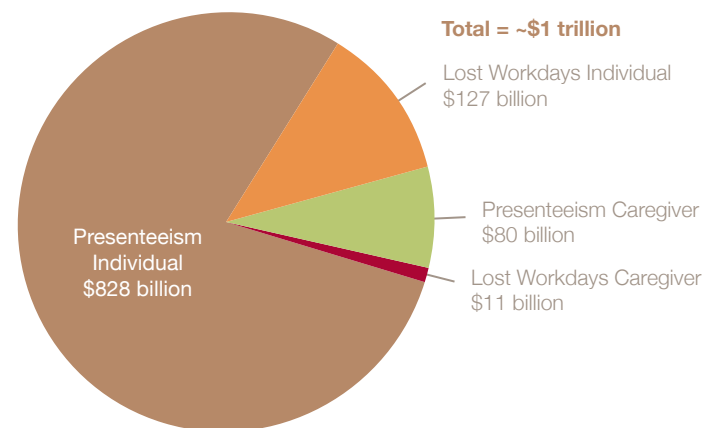
- 21 percent of workers report that they have gone to work despite being sick or dealing with a non-work issue six or more days in the last six months.
- When asked, employers list chronic conditions as the biggest reason for presenteeism.

Source: American Institute of Certified Public Accountants

Absenteeism is defined as work missed due to sick days.

Presenteeism is defined as the lost productivity that occurs when employees come to work but perform below par due to any kind of illness.

Chart 3.7 Lost Economic Output Associated with Seven Common Chronic Health Problems*



*This study evaluated the burden of seven of the most common chronic diseases/conditions (cancer, diabetes, heart disease, hypertension, mental disorders, pulmonary conditions, and stroke).
Source: The Milken Institute



We are called by our mission to help all Americans lead healthier lives. Sixty-four million U.S. households live within three miles of a YMCA, making us a powerful force to advance creative and collaborative efforts to turn the tide of America's growing health crisis.

Neil Nicoll, President & CEO, YMCA of the USA

Chart 3.8 Productivity Losses for Certain Chronic Conditions

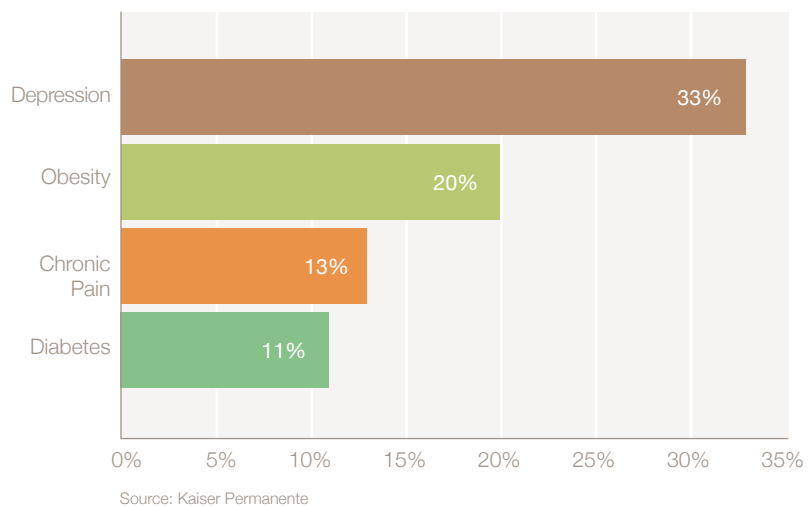
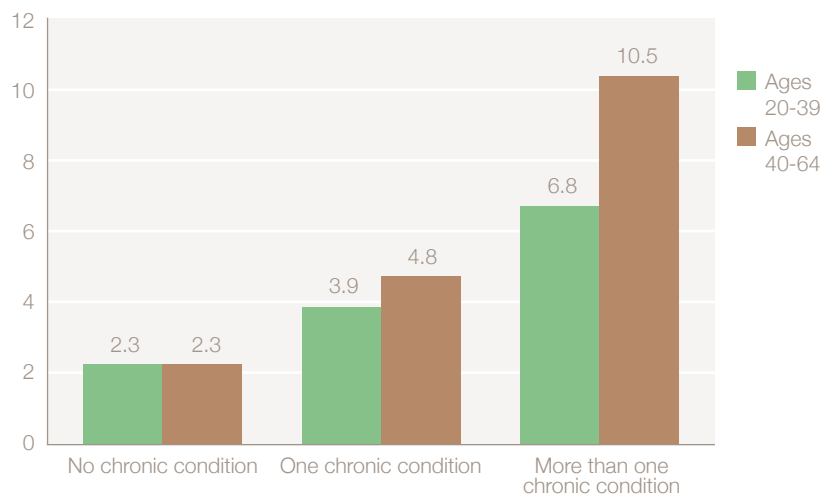


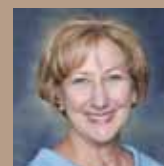
Chart 3.9 Average Annual Days Lost by Workers with Chronic Conditions



Depression is the greatest cause of productivity loss among workers. (Chart 3.8)

Workers with chronic conditions are more likely to miss work than peers without a chronic disease. (Chart 3.9)

- Older workers with more than one chronic condition on average miss 1.5 times more work days than younger workers who also have more than one chronic condition.



We have both a moral and fiscal responsibility to get chronic illnesses – and the costs associated with them – under control. Moreover, we have a body of growing evidence that demonstrates ways to provide better family-centered care and prevent chronic illnesses.

Pat Ford-Roegner, MSW, RN, FAAN
CEO, American Academy of Nursing



Certain chronic illnesses are particularly costly to business. (Chart 3.10)

- The most expensive conditions in terms of presenteeism are arthritis, hypertension and depression.

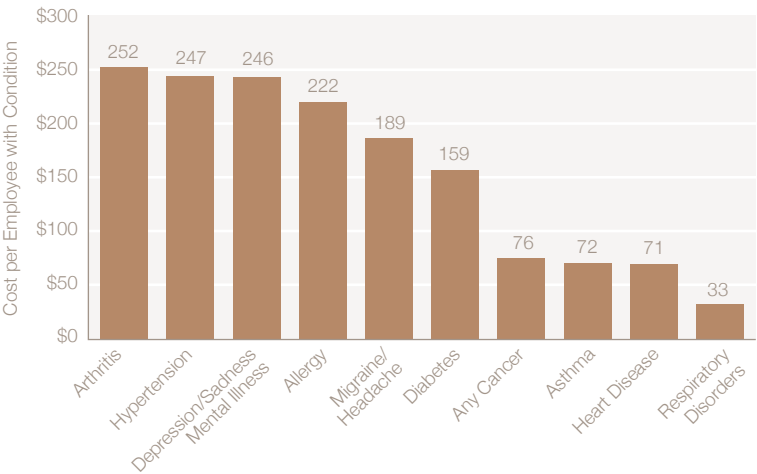
Mental illness can worsen the burden of chronic disease at the workplace (Chart 3.11)

- When a worker with a chronic illness also has a mental health disorder, they are more likely to miss work than peers who do not.

It is true that new and re-emerging health threats such as SARS, avian flu, HIV/AIDS, terrorism, bioterrorism and climate change are dramatic and emotive. However, it is preventable chronic disease states that will send health systems and economies to the wall.

Stig Pramming, Executive Director, Oxford Health Alliance at 5th Annual Oxford Health Alliance Conference

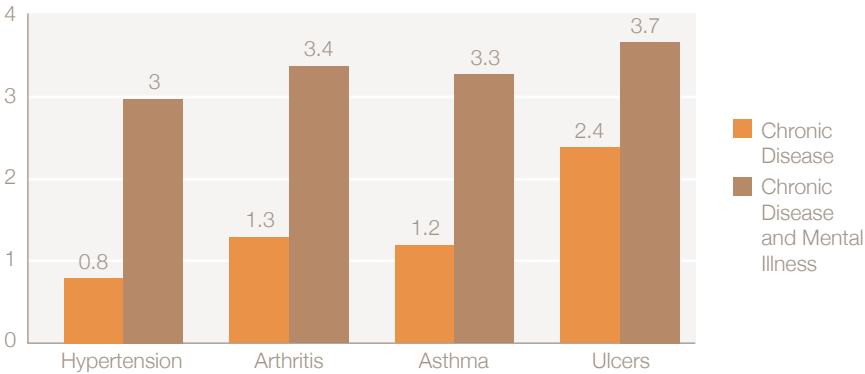
Chart 3.10 Estimated Average Annual Cost of Presenteeism Per Employee with Condition



Source: American Hospital Association

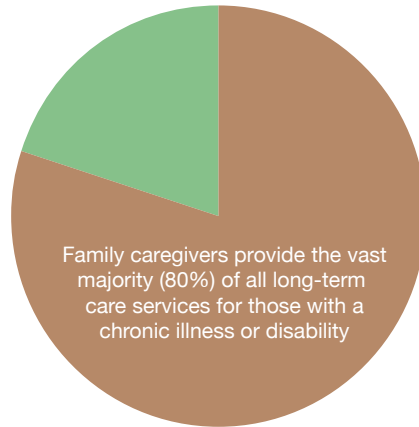
Chart 3.11 Productivity Loss When Mental Illness is Comorbid with Other Chronic Conditions

Number of 30-day role impairment days associated with pure and comorbid* chronic illnesses (Role impairment = sickness absence days plus work cut-back days)



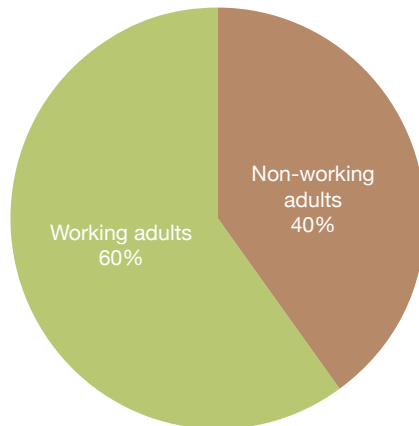
Source: Journal of Occupational & Environmental Medicine

Chart 3.12 Family Members Provide Most Care for Chronically Ill Americans



Source: Agency for Healthcare Research and Quality (AHRQ)

Chart 3.13 Adults Caring for an Adult Over 50



Source: Metlife Mature Market Institute and National Alliance for Caregiving

Family caregivers are a critical support structure for Americans with chronic illnesses, and the U.S. health care system. (Chart 3.12)

- Family caregivers provide 80 percent of all long-term care services for chronically ill patients.
- In any given year, more than 50 million Americans find themselves in a caregiving role

Source: Agency for Healthcare Research and Quality (AHRQ)

Employers are also affected when workers are the primary caregivers for family members with chronic conditions. (Chart 3.13)

- Employers can lose as much as \$33 billion each year due to employees' need to care for loved ones age 50 or older.

Source: Metlife Mature Market Institute and National Alliance of Caregiving

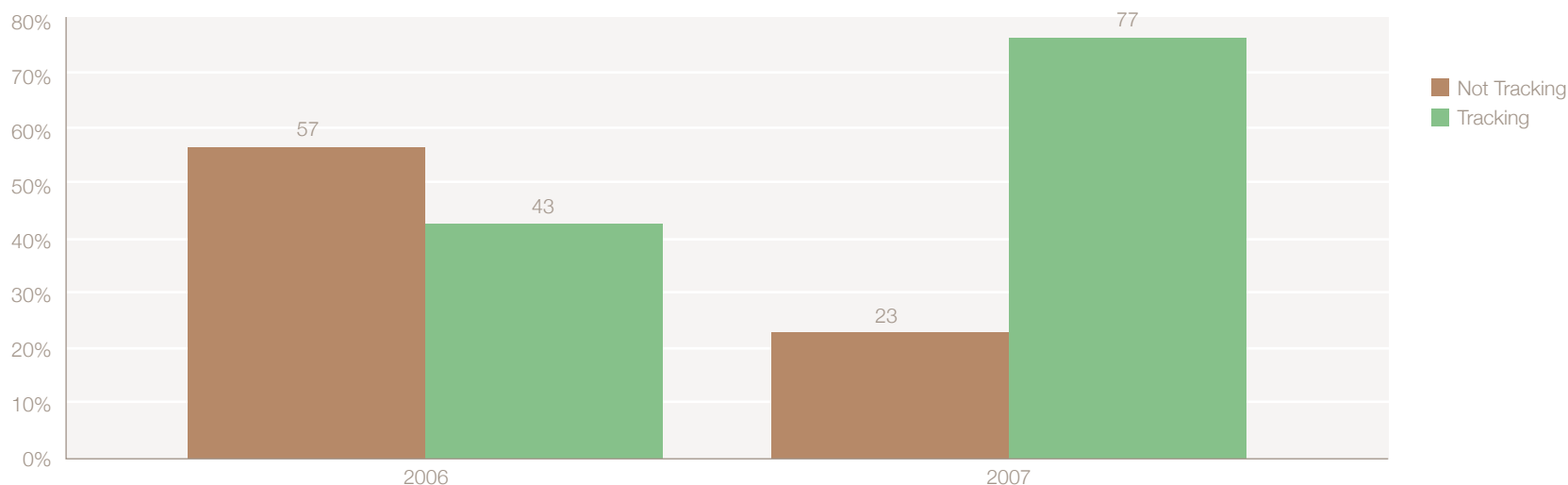


The combination of the aging U.S. workforce, chronic disease and the market crisis led to a situation where health care costs must be addressed immediately to avoid increased taxes, reduced benefits, or draining other vital programs to pay for health care.

Anthony C. Wisniewski, Executive Director of Health Policy, U.S. Chamber of Commerce, Founder and Co-Chair, U.S. Workplace Wellness Alliance



Chart 3.14 Change in Percent of Employers Tracking Chronic Conditions Among Employees, 2006 and 2007



Source: Hewitt Associates

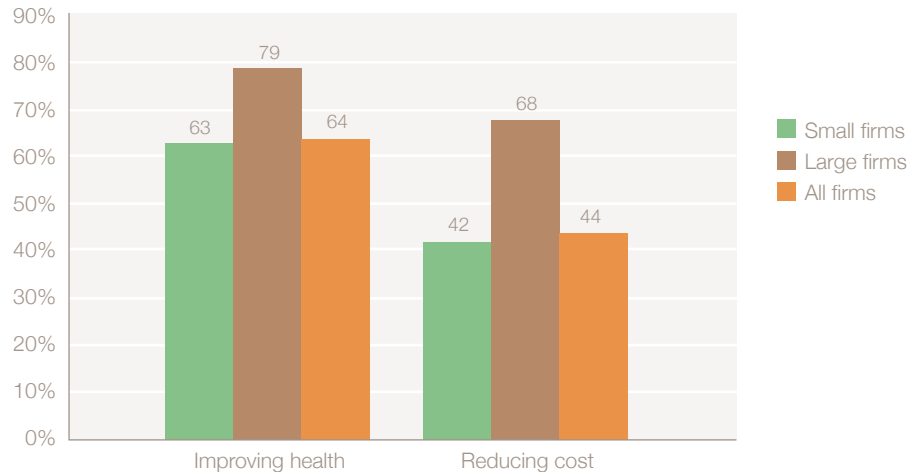
Companies are increasingly looking to address chronic disease as a means of improving the health of their employees and reducing health care costs. (Chart 3.14)

- In just one year (2006-2007), the percentage of companies tracking the chronic health conditions prevalent in their workforce increased from 43 percent to 77 percent, among a sample of employers tracked by Hewitt Associates.

Our efforts at reform must include a new focus on prevention, wellness and chronic disease. Health care should be about fostering good health, not just treating illness. We are gaining knowledge about how to prevent and manage diseases. If we expand and apply that knowledge, we can improve health outcomes and decrease the cost of health care.

Taken from hearing statement of Sen. Max Baucus, D-Mont., June 3, 2008

Chart 3.15 Percent of Employers Thinking Wellness Programs are Effective at Improving Health or Reducing Costs



Source: The Kaiser Family Foundation and Health Research Education Trust

Many employers think that using wellness programs will be effective at both improving health and reducing costs. (Chart 3.15)

- Overall, 64 percent of firms think wellness programs will be effective at improving health and 44 percent of firms think they will be effective at reducing costs.

U.S. employers are driven by different goals than global firms when it comes to primary reasons for offering wellness programs. (Chart 3.16)

- U.S. employers, when compared to employers from Canada, Europe and Asia/Africa/South America, were the only group to cite reducing costs as their primary reason for offering wellness programs.

Chart 3.16 Relative Importance of Wellness Program Objectives – By Geography*

	US	Canada	Europe	Asia-Pacific/Africa/ South America
Improving workforce morale	4	3	2	1
Improving worker productivity	2	2	4	2
Reducing employee absences due to sickness or disability	3	4	1	4
Attracting and retaining employees	5	1	1	3
Reducing health care costs	1	5	8	5
Improving workplace safety	6	7	3	8
Promoting corporate image on brand	7	6	7	6
Fulfilling social responsibility	8	8	6	7

* Ranking determined from "Important" and "Very Important" responses
Source: Buck Consultants



Chart 3.17 Percent of Firms Offering Certain Types of Wellness Programs



Source: Health Affairs

54 percent of firms that offer health benefits offer at least one type of wellness program. (Chart 3.17)

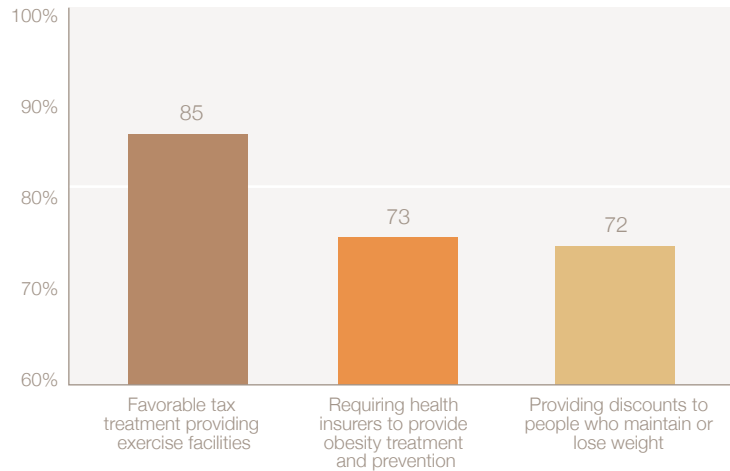
- The most common wellness programs offered are gym memberships or discounts on exercise facilities and web-based resources for healthy living.



PhRMA, and many of our member companies, support innovative workplace wellness programs across the country. In addition, we are making investments in programs for our own employees. Good companies are focused on the well-being of their employees and profitability of their company.

Billy Tauzin, President & CEO, Pharmaceutical Research and Manufacturers of America (PhRMA)

Chart 3.18 Percent of Employees Supporting Certain Types of Employer-Based Weight Management Programs



Source: The Kaiser Family Foundation and Health Research Education Trust

Certain indicators suggest that employer interest in wellness programs has increased considerably within the last year.

- **Membership in the U.S. Workplace Wellness Alliance, an organization dedicated to creating a healthier U.S. workforce to allow for competition in the global marketplace, has more than tripled since May 2008.**

The majority of employees support employer-based weight management programs, particularly the policy of favorable tax treatment for providing exercise facilities. (Chart 3.18)



The growing prevalence of chronic disease nationally is especially hard on our nation's employers, who need timely and relevant information about strategies to improve workforce health and to lower health care costs. Employee health and health benefits should be a fundamental part of every employer's strategic business model – not just an unavoidable cost to manage. Employers recognize the need for business strategies that respond to increasing health costs associated with chronically ill employees and dependents.

Tracey Moorhead, President & CEO, DMAA: The Care Continuum Alliance

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4

THE IMPACT OF CHRONIC DISEASE ON PUBLIC HEALTH INSURANCE PROGRAMS

Millions of Americans receive their health care coverage through the public health insurance programs Medicare and Medicaid. These programs represent a disproportionately large share of total health spending in the U.S. and, in the last decade, expenditures in these programs have risen dramatically.

Increasing costs appear to be linked with rising rates of chronic disease and the tremendous growth in rates of obesity and overweight. Chronic diseases now account for the vast majority of spending in both programs: 99 percent in Medicare, and 83 percent in Medicaid.

Evidence suggests this precipitous spending increase could be significantly reduced for a small, long-term per capita investment. According to *Trust for America's Health*, for an annual investment of \$10 per American in community-based disease prevention programs, in 20 years Medicare could save \$6 billion annually and Medicaid could save \$2 billion annually over the same time period.

*Because the data used for these calculations only refers to the non-institutionalized population, it is likely that actual spending on chronically ill beneficiaries is higher since the rate of chronic illness is higher among the institutionalized population.



Public health insurance programs provide coverage to millions of Americans. (Chart 4.1)

- Public programs, such as Medicaid and Medicare, covered slightly more than one quarter of the population in 2007.
- Those covered by these programs are, on average, poorer, older and sicker than Americans covered by private insurance.

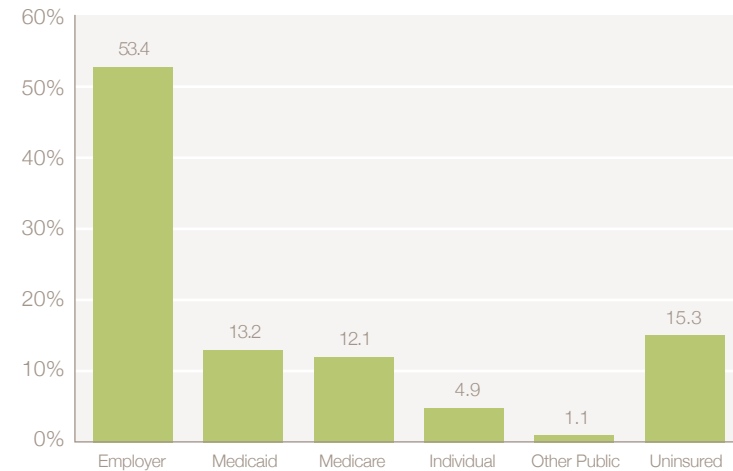
Public health insurance programs represent a disproportionately large share of total health spending. (Chart 4.2)

- While they cover a quarter of all Americans, they accounted for almost half of the \$2.2 trillion of national health spending in 2007 – \$1.035 trillion.

The first baby boomer will reach 62 and be eligible for early retirement of Social Security January 1, 2008. They'll be eligible for Medicare just three years later. And when those boomers start retiring in mass, then that will be a tsunami of spending that could swamp our ship of state if we don't get serious.

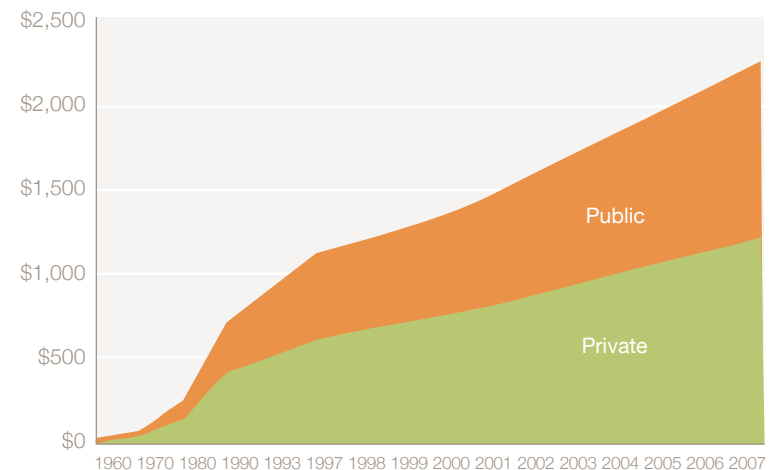
David Walker, Former U.S. Comptroller General, July 8, 2007 Interview with "60 Minutes"

Chart 4.1 Health Insurance Coverage of Total U.S. Population*, 2007



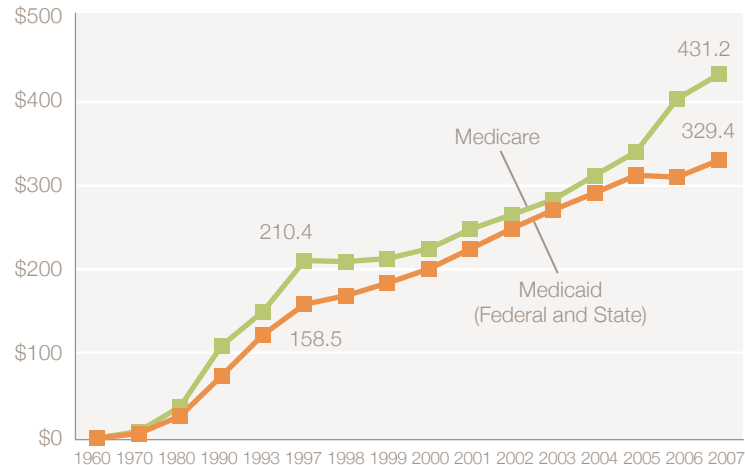
* SCHIP and individuals eligible for both Medicare and Medicaid are included in Medicaid.
Source: Kaiser State Health Facts

Chart 4.2 National Health Expenditures (in Billions) by Source, 1960-2007



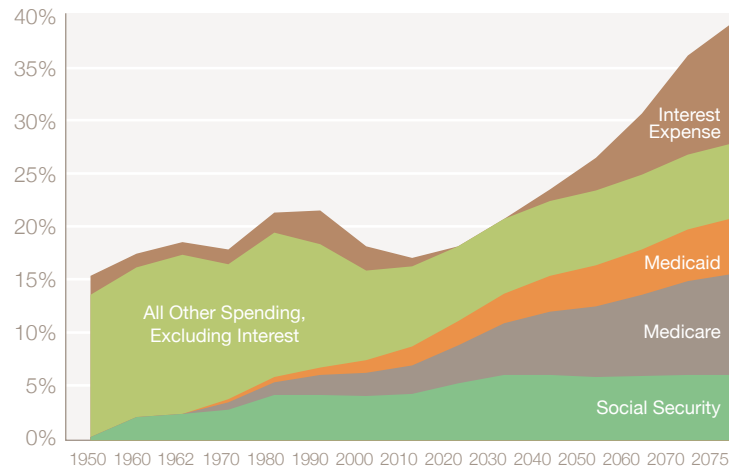
Source: CMS

Chart 4.3 Medicare and Medicaid Expenditures (in Billions), 1960-2007



Source: CMS

Chart 4.4 Project Federal Spending, 2000 to 2075 (as percentage of GDP)



Source: Congressional Budget Office

Medicare and Medicaid expenditures have risen dramatically in the last decade. (Chart 4.3)

- Both Medicare and Medicaid expenditures have more than doubled over the last decade.

Federal spending on Medicare and Medicaid is projected to surpass other areas of spending in the next two decades. (Chart 4.4)

- By 2075, spending for Medicare and Medicaid is projected to amount to 15 percent of non-interest expenditures. Today, the core costs of the entire federal government – ignoring net interest on the debt – are approximately 18 percent of GDP.

One of the reasons prevention doesn't happen in this country is because we don't pay for it. In fact, in Medicare and Medicaid we refuse to pay for it. We refuse to pay for prevention. The only way we're going to bring that number down is through prevention, preventing chronic disease instead of just retreating it.

Sen. Tom Coburn, R-Okla., Senate Health, Education, Labor and Pensions (HELP) Committee Hearing, January 8, 2009



Medicaid accounts for a significant portion of state spending. (Chart 4.5)

- Medicaid is the second largest line item in state budgets. On average, 17 percent of state funds are allocated to Medicaid.

Patients with one or more chronic conditions account for the vast majority of Medicare and Medicaid spending in public health insurance programs: (Chart 4.6)

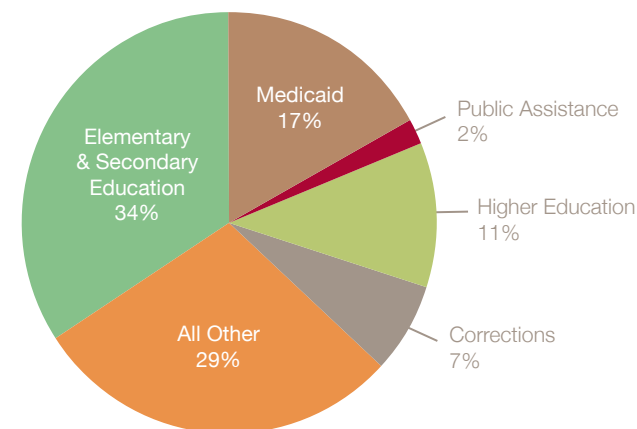
- 99% of spending in Medicare
- 83% of spending in Medicaid

*Because the data used for these calculations only refers to the non-institutionalized population, it is likely that actual spending on chronically ill beneficiaries is higher since the rate of chronic illness is higher among the institutionalized population.

In an economic downturn, state and local health departments act as a safety net for individuals and families who have lost their health coverage and are searching for access to basic health services. Funding for prevention and wellness can strengthen our public health infrastructure and our workforce while building stronger, healthier communities.

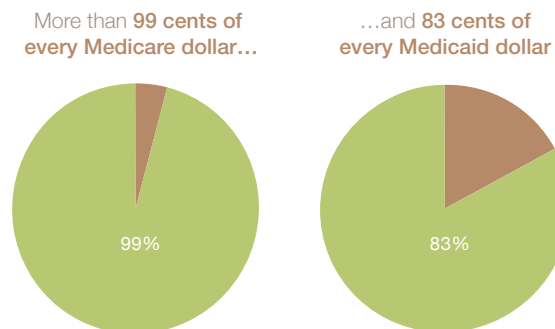
John Robitscher, Executive Director, National Association of Chronic Disease Directors

Chart 4.5 State General Fund Spending, 2007



Source: Kaiser Family Foundation

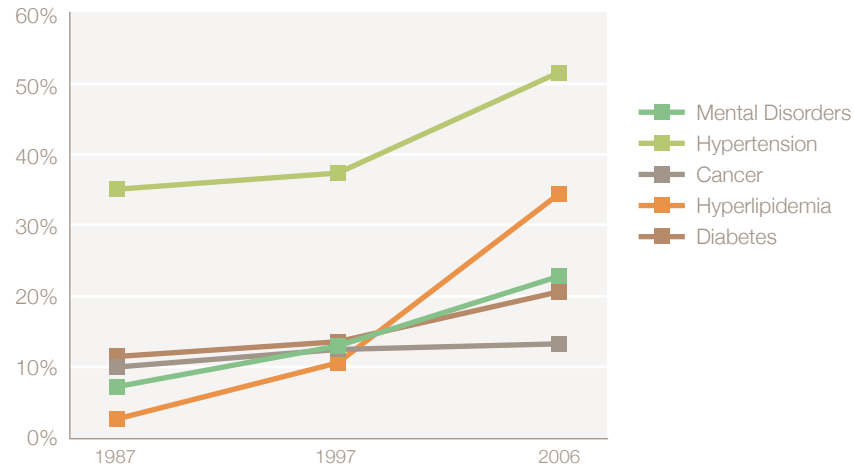
Chart 4.6 Share Spent on Patients with One or More Chronic Diseases



*Because the data used for these calculations only refers to the non-institutionalized population, it is likely that actual spending on chronically ill beneficiaries is higher since the rate of chronic illness is higher among the institutionalized population.

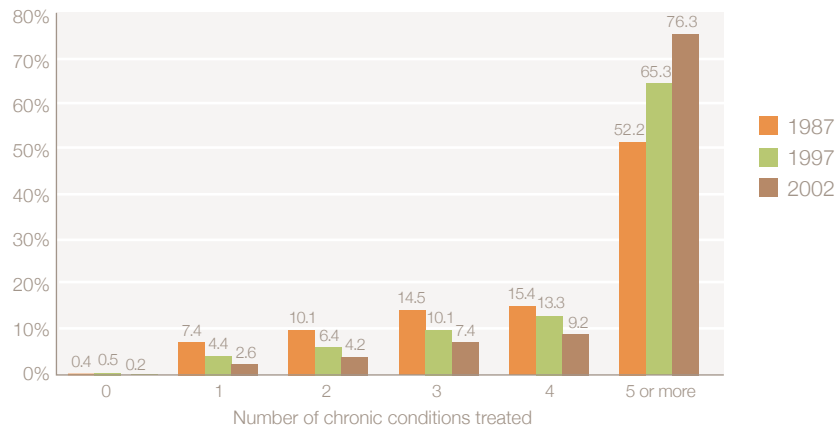
Source: Partnership for Solutions

Chart 4.7 Prevalence of Treated Chronic Disease in Medicare, 1987-2006



Source: Unpublished calculations based on 1997 and 2006 MEPS and 1987 NMES. Also, Health Affairs.

Chart 4.8 Percentage of Medicare Spending on Patients with Chronic Conditions, by Number of Treated Chronic Conditions



Source: Health Affairs

Within Medicare, growth in spending is linked to growing rates of treated chronic disease. (Chart 4.7)

- Since 1987, the prevalence of treated chronic disease has risen steadily for five common conditions.

Patients with multiple chronic conditions account for the vast majority of spending within Medicare. (Chart 4.8)

- In 1987, Medicare beneficiaries with 5 or more chronic conditions accounted for approximately 50 percent of spending.
- By 2002, three-quarters of spending (76%) was attributable to this group of beneficiaries.

Were obesity still at 1987 levels, Medicare spending would be \$40 billion per year lower than it was in 2006, and total U.S. spending would be \$210 billion less per year.

Source: Health Affairs



In the past, most efforts to slow Medicare spending growth focused on cutting payments to hospitals, physicians and other health care providers. These research findings suggest policymakers should direct their attention toward programs that encourage healthier lifestyles among seniors and those nearing retirement.

Kenneth E. Thorpe, Ph.D., Executive Director, Partnership to Fight Chronic Disease

Across the U.S., obesity and overweight represent nearly 10 percent of spending in health care. In public insurance programs, the percentage of spending is slightly higher than in private programs. (Chart 4.9)

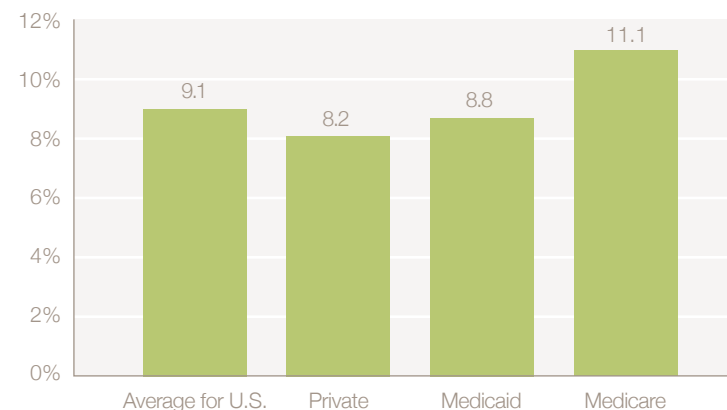
- Obesity accounts for 9.1 percent of total annual U.S. medical expenditures in 1998 and may be as high as \$78.5 billion (\$92.6 billion in 2002 dollars).
- Medicare and Medicaid finance approximately half of these costs.

Source: Health Affairs

Obesity is a major – and growing – driver of spending in Medicare. (Chart 4.10)

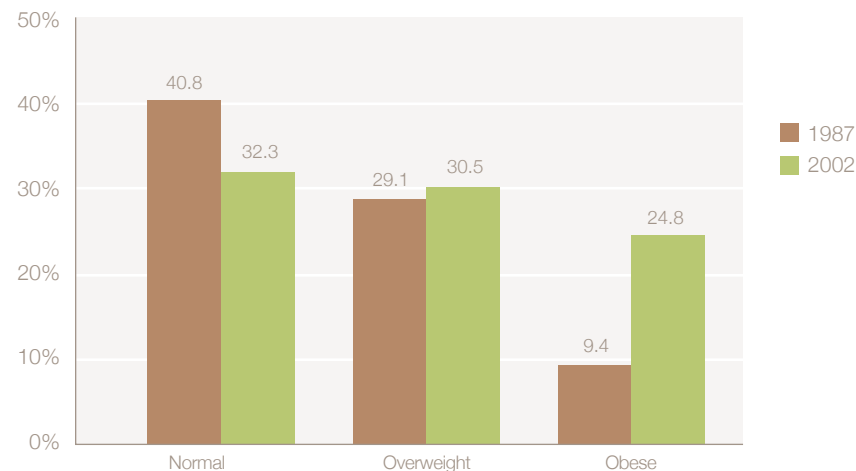
- Between 1987 and 2002, the percentage of Medicare beneficiaries who were obese doubled – rising from 12 percent to 23 percent.
- Over that same time, Medicare spending on obese beneficiaries nearly tripled – rising from 9 percent to 25 percent of total spending.

Chart 4.9 Percent of Spending Attributable to Obesity and Overweight by Source of Insurance Coverage, 1998



Source: Health Affairs

Chart 4.10 Distribution of Spending Among Medicare Beneficiaries, by Weight Category, 1987 and 2002



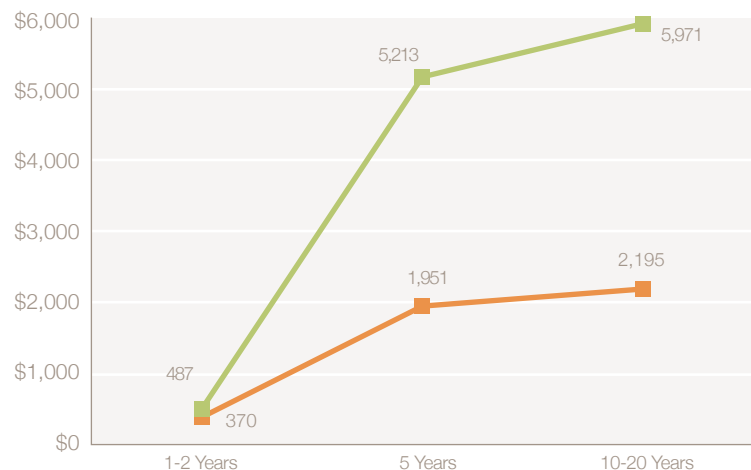
Source: Health Affairs



Carolinas Healthcare acts as a care navigator, ensuring that Medicaid patients with chronic diseases do not fall through the health system's cracks when they move from a primary care physician, to a specialist, to a hospital. Over the past nine years, the North Carolina model of enhanced primary care—saving the state nearly half a billion dollars.

Allen Dobson, M.D., Vice President, Carolinas Healthcare System

Chart 4.11 Net Savings in Millions By Medicare, Medicaid For An Investment of \$10 Per Person*



*In 2004 dollars, net savings
Source: Trust for America's Health

Chart 4.12 Distribution of Chronic Disease Prevention and Management Programs

Programs	Capacity Building States	Basic Implementation State	States With No Funding
Heart Disease and Stroke	22	8	21
Diabetes	35	16	0
Comprehensive Cancer Control	27	0	24
Nutrition and Physical Activity	12	0	39

Source: ASTHO

On the national level, spending in Medicare and Medicaid could be significantly reduced for a small per capita investment. (Chart 4.11)

- For an investment of \$10 per American in community-based disease prevention programs, Medicare could save between \$487 million to \$6 billion annually in one to 20 years. Medicaid could save \$370 million to \$2 billion annually over the same time period.

Some states have created disease management or prevention initiatives in order to reduce cost and improve health. (Chart 4.12)

There is still room for improvement: Less than five percent of state health department budgets is directed at preventing and controlling chronic diseases.

Source: ASTHO

In the past decade, more than twenty state Medicaid agencies have instituted chronic disease management programs.

In 2005, 38 states covered some tobacco-dependence counseling or medication for all Medicaid recipients. Four more states offered coverage only for pregnant women.

Source: National Council of State Legislators





The hospital-to-home model, in which advanced practice nurses work with patients, families, and their health care teams to ensure a smooth transition, has repeatedly shown reductions in hospitalization rates, improvements in functional outcomes and enhancement in satisfaction among participants, their families and their physicians. Most strikingly, this care model saves approximately \$5,000 per Medicare patient as compared to a patient receiving standard care.

– Pat Ford-Roegner, MSW, RN, FAAN, CEO, American Academy of Nursing

The prevalence of chronic disease within our senior population has already increased national health care spending, high rates of disability, and much human suffering. The problem, then, only stands to become exponentially worse as our elderly population grows.

– The Silver Book: Chronic Disease and Medical Innovation in an Aging Nation

I am establishing a Chronic Care Management Commission that will be responsible for developing the process to effectively manage chronic disease across the state. About 78 percent of all health care costs can be traced to 20 percent of all patients – those with chronic diseases. We cannot reduce the occurrence and cost of chronic diseases without aggressively addressing prevention, detection and treatment in a comprehensive, pro-active way.

– Pennsylvania Gov. Ed Rendell, May 21, 2007

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5

BOOSTING U.S. HEALTH AND PROSPERITY BY REDUCING CHRONIC DISEASE

Chronic disease prevention and management holds great promise for reducing our nation's health care spending. But right now, far too little is being invested in improving Americans' health and effectively preventing and managing common and costly chronic health problems. In fact, American investment in this area of health care is startlingly scarce: It is estimated that less than 1 percent of the \$2.2 trillion spent on health care goes toward prevention.

Well-designed disease prevention and management programs are proven to yield economic and health benefits, especially if implemented in communities, schools and the workplace. Programs designed to change poor health behaviors – such as those to reduce smoking or improve medication adherence – have been shown to reduce costs and improve health.

It is critical that we take steps to spend more wisely and effectively when it comes to treating, managing and preventing disease. Improvements in personal health behaviors and investment by business and the health care system in population health improvement could save millions of lives, and trillions of dollars.



Studies show that, by reducing chronic disease rates, the U.S. can find significant savings for our health care system. (Chart 5.1)

- By more effectively preventing and managing just seven of the most common chronic diseases, the U.S. could avoid billions of dollars in direct, avoidable health care expenditures.
- For instance, by taking steps to better prevent and manage heart disease, the U.S. could decrease health care costs by \$76 billion by 2023.

Better prevention and management of chronic illness could also stimulate the economy by increasing productivity. (Chart 5.2)

- By 2023, the U.S. could save over \$1 trillion in direct and indirect costs on seven of the most common chronic diseases by taking action to improve prevention and disease management.

Already, we have done more to advance the cause of health care reform in the last thirty days than we have in the last decade. [...] Our recovery plan [makes] the largest investment ever in preventive care, because that is one of the best ways to keep our people healthy and our costs under control.

President Barack Obama, February 24, 2009 Address to Joint Session of Congress

Chart 5.1 Avoidable Treatment Expenditures, 2023

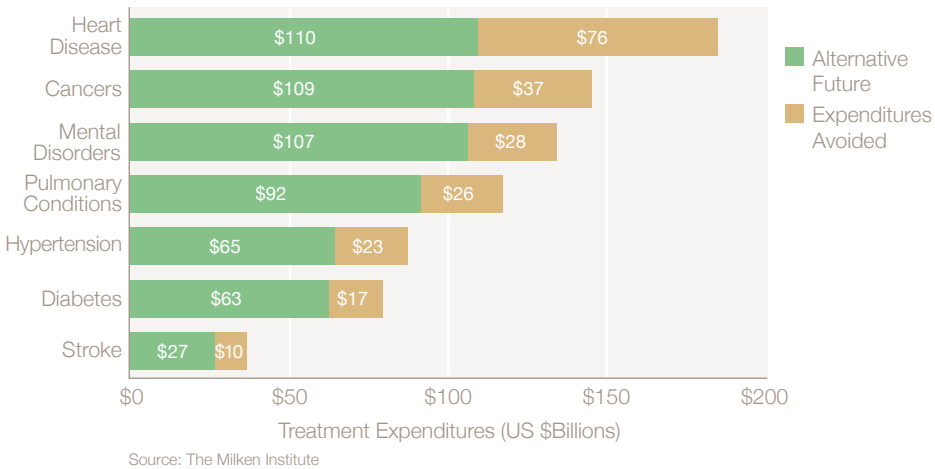
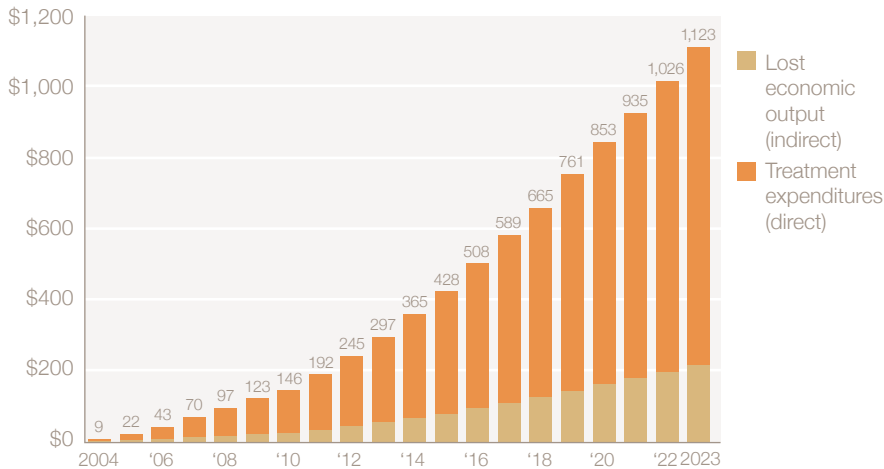
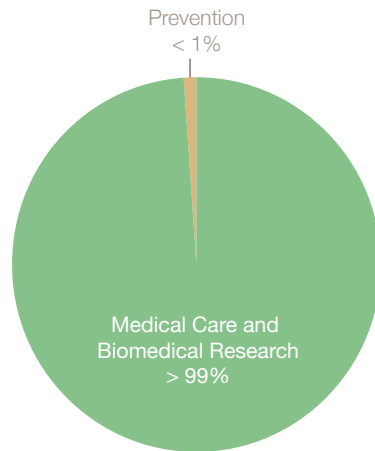


Chart 5.2 Future Cost Savings Associated with Improved Chronic Disease Prevention and Management (in Billions)



*This study evaluated the burden of seven of the most common chronic diseases/conditions (cancer, diabetes, heart disease, hypertension, mental disorders, pulmonary conditions, and stroke).
Source: The Milken Institute

Chart 5.3 U.S. Investment in Prevention



Source: Institute of Medicine, Health Affairs, JAMA

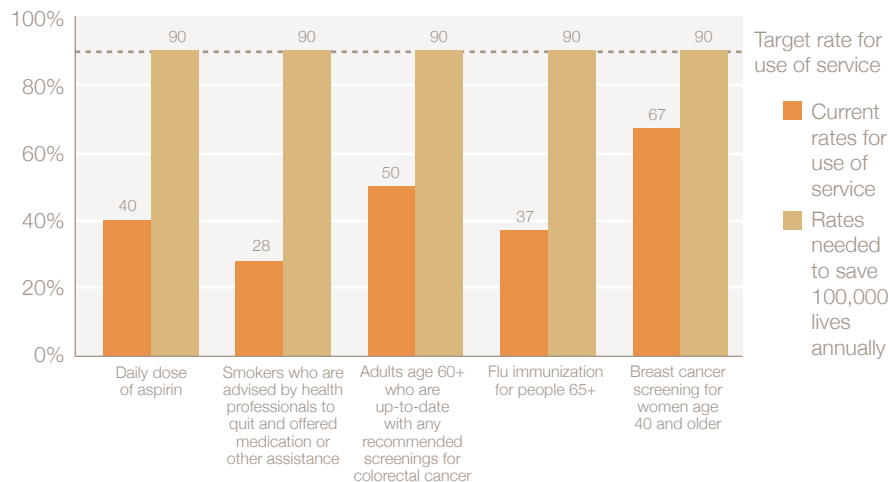
Despite the economic and health benefits of prevention, U.S. investment in prevention is dismal. (Chart 5.3)

- Less than one percent of total health care spending in the U.S. goes toward prevention.

Too few patients are treated according to guidelines – a problem that costs not only money, but also lives. (Chart. 5.4)

- Increasing the use of just five preventive services from their current rates to 90 percent would save more than 100,000 lives each year in the U.S.

Chart 5.4 Lives Saved through Increased Prevention



Source: National Commission on Prevention Priorities

Health care in America is reactive and is geared towards intervening in catastrophic situations, when what we should be doing is focusing on preventing them. The whole system is upside down. It's like we're focused on putting Humpty Dumpty back together again instead of keeping him from falling off the wall.

Former Arkansas Gov. Mike Huckabee, May 2008 Interview with Revolution Health



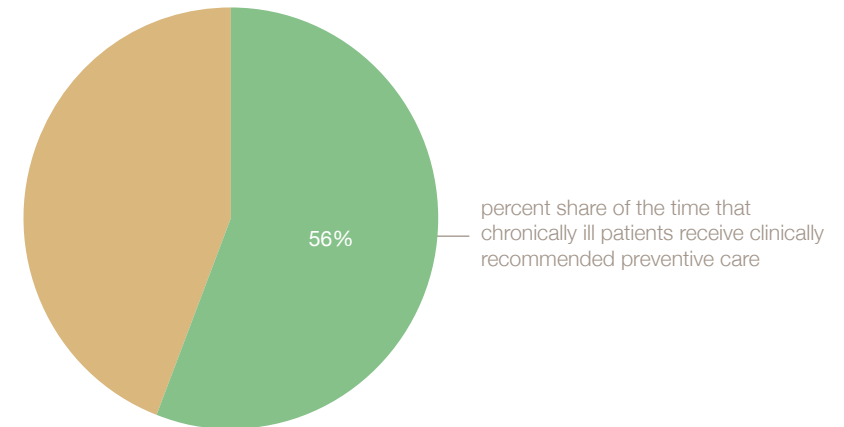
Chronically ill patients are not receiving recommended preventive care. (Chart 5.5)

- Chronically ill patients receive the clinically recommended preventive health care services only 56 percent of the time.

Lack of adherence to recommended medications to treat chronic illness is driving up healthcare costs and hurting the U.S. economy. (Chart 5.6)

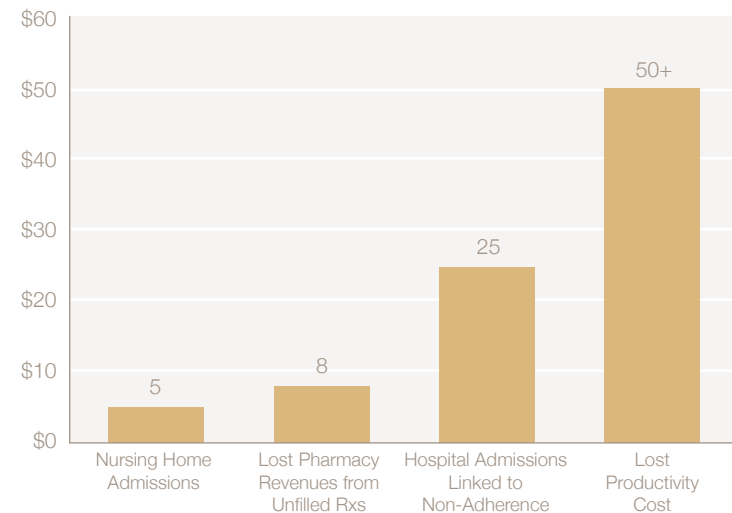
- The economic impact of non-adherence is about \$100 billion annually, including costs from nursing home admissions and avoidable hospitalizations.

Chart 5.5 Chronically Ill Patients Receive Appropriate Care Only Half of the Time



Source: New England Journal of Medicine

Chart 5.6 Cost of Medication Noncompliance, in Billions

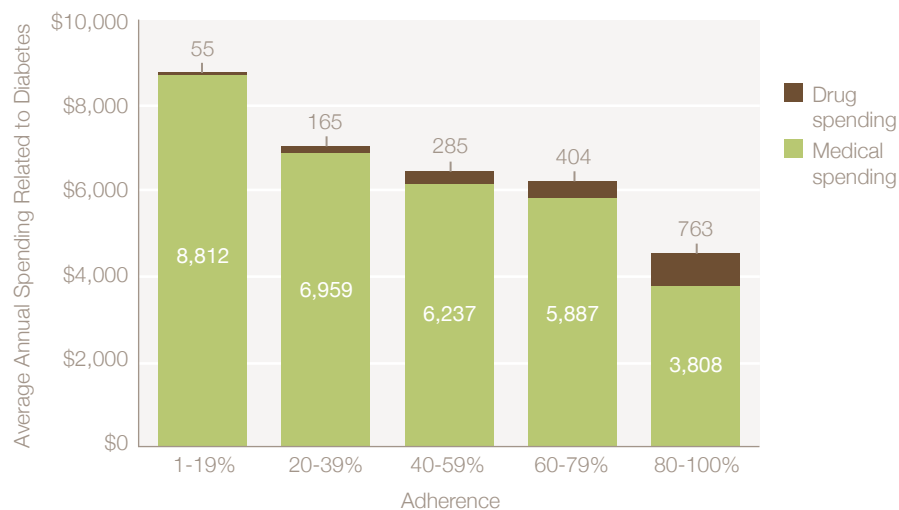


Source: Task Force For Compliance

The reality is, our most effective health care reform opportunity lies in the area of prevention, wellness and chronic disease management. [...] After all, wellness and prevention are key to reducing costs, reducing medical claims filed, and reducing the number of procedures performed, and keeping people healthy.

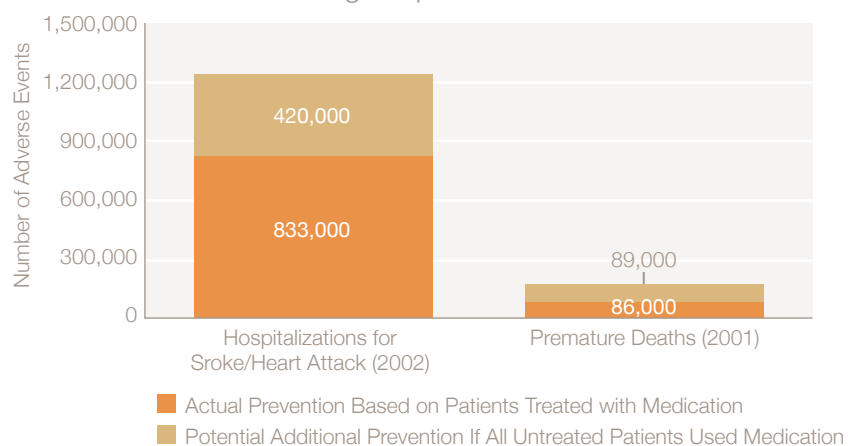
Iowa Gov. Chet Culver, Condition of the State Speech, January 2008

Chart 5.7 Money Saved Through Improved Medication Adherence



Source: Medical Care

Chart 5.8 Annual Hospitalizations and Deaths Prevented Through Improved Medication Adherence



Source: Health Affairs

Improving patient adherence can deliver significant value.

(Chart 5.7 and 5.8)

- Greater adherence to diabetes medicines reduces health care spending. \$1 more spent on diabetes medicines = \$7.10 less spent on other services.
- Greater adherence to blood pressure medications among at-risk populations reduces hospitalizations and saves lives.



Disease management and population health improvement strategies have produced well documented clinical and financial benefits in innovative state Medicaid programs. Reform efforts, however, must allow for flexibility in program design and execution – one size definitely does not fit all with public sector populations.

Tracey Moorhead, President & CEO,
DMAA: The Care Continuum Alliance



A smart investment in community-based prevention targeting the most prevalent chronic illnesses could go a long way. (Chart 5.9)

- Spending just \$10 per person per year on chronic disease prevention programs would save the U.S. more than \$16 billion within 5 years.
- For every dollar spent on proven prevention programs, the U.S. health care system would save \$0.96 in the first two years, \$5.60 after five years, and \$6.20 after 10-20 years.

Community-based lifestyle programs can prevent or delay the onset of common and costly chronic diseases, like diabetes. (Chart 5.10)

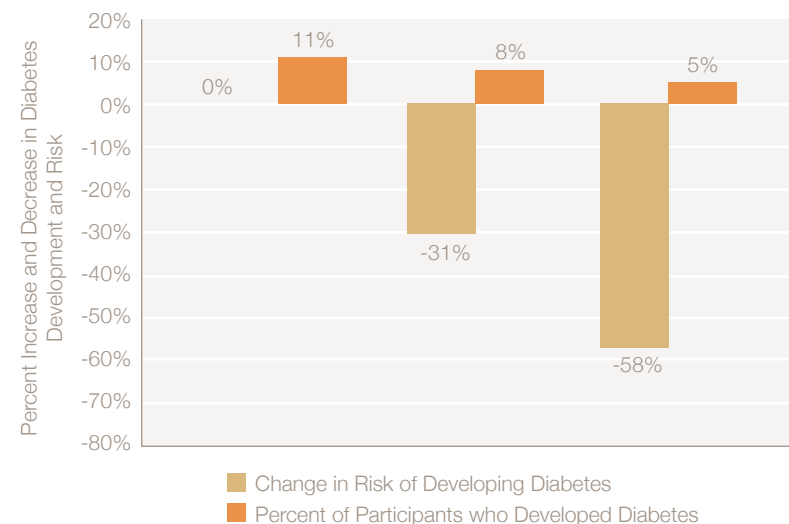
- The Diabetes Prevention Program (DPP), which is now being implemented across the country by the YMCA, found that participants who lost a modest amount of weight through lifestyle interventions, such as dietary changes and increased physical activity, sharply reduced their chances of developing type 2 diabetes.
- Results showed that community-based lifestyle interventions have an even greater impact than medication regimens.

Chart 5.9 National Return on Investment of Spending (ROI) for Investments of \$10 Per Person on Prevention (Net savings in 2004 dollars)

	1-2 Years	5 Years	10-20 Years
U.S. Total ROI	\$2.8 billion	\$16.5 billion	\$18.5 billion

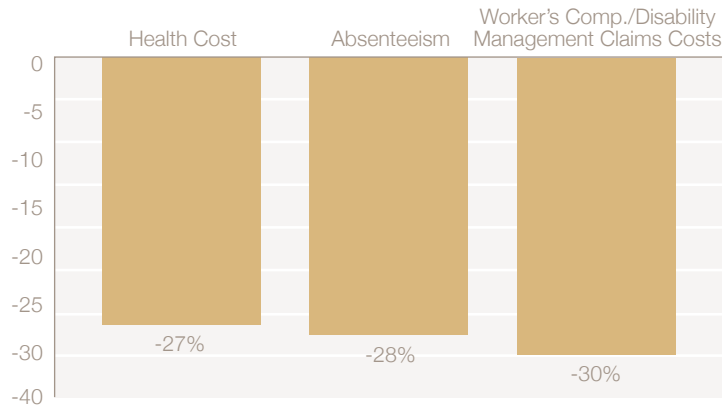
Source: Trust for America's Health

Chart 5.10 Impact of Diabetes Prevention Program (DPP)



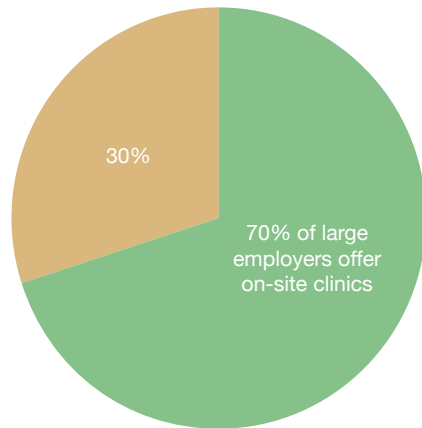
Source: National Institute of Diabetes and Digestive and Kidney Diseases

Chart 5.11 Average Percent Change in Employers' Costs Resulting from Workplace Health Promotion and Wellness Programs



Source: American Hospital Association

Chart 5.12 Percent of Large Employers Offering On-Site Clinics



Source: Wall Street Journal

Workplace health promotion programs help employers manage health care costs and improve productivity: (Chart 5.11)

- A recent study showed that workplace wellness programs decreased health care costs, absenteeism and workers compensation claims

Recently, more companies are offering on-site clinics, which offer significant savings. (Chart 5.12)

- An on-site clinic that serves 1,000 employees can save the company \$70,000 in the first year by fewer emergency room visits and self-referrals to specialists. These savings can rise to \$250,000 annually by the third year.

Source: Wall Street Journal



At the New York City Health and Hospitals Corporation, we've harnessed the power of information technology to better manage the care of more than 50,000 adult diabetics. By using an electronic disease registry, we have a real-time snapshot of the health status of every diabetic patient under our care, allowing clinicians to provide laser focused patient care and avert serious conditions which result from uncontrolled diabetes.

Alan Aviles, President and CEO, New York City Health and Hospitals Corporation

Promoting health in schools can be an effective and low-cost way to establish healthy behaviors for life. (Chart 5.13)

- One study found that investing \$14 per student per year would prevent an estimated 2 percent of the female students from becoming overweight adults. As a result, society could expect to save an estimated \$15,887 in medical care costs and \$25,104 in increased productivity per student.

Chart 5.13 Annual per Capita Future Return on Investment in “Planet Earth”, a Student Obesity Reduction Program

Percentage of the female students that the intervention prevented from becoming overweight adults	1.9%
Number of quality adjusted life years saved	4.1
Savings in future medical care costs	\$15,887
Savings in future lost productivity costs	\$25,104

Source: CDC

For just \$3-4 per student, the “Shape Up Somerville” program in Massachusetts increased physical activity options and improved dietary choices for first to third graders. Prior to the intervention, Tufts researchers found that 46 percent of Somerville’s first to third graders were obese or overweight based on the BMI for age percentile. After one year of Shape Up Somerville, on average the program reduced one pound of weight gain over 8 months for an 8-year-old child.

Partnership to Fight Chronic Disease. Keeping America Healthy: A Catalog of Successful Programs. June 2008.

Collectively, lifestyle interventions are a proven tool for improving health while reducing costs.

- According to a recent report in the *Journal of the American Medical Association* (see inset), community-based interventions can quickly stimulate the economy while reducing obesity in the long-run.



We can build consensus around common principles, set aside small differences, and together transform our culture from one that focuses only on treating illnesses after they occur to one that embraces and incentivizes prevention and management of chronic disease.

Richard H. Carmona, M.D., M.P.H., FACS
17th Surgeon General of the United States (2002-2006)
President, Canyon Ranch Institute
Chairperson, Partnership to Fight Chronic Disease

Recommended programs to stimulate the economy and reduce obesity include:

Improving Food Quality

- Provide loans/grants to revitalize family farming
- Establish local farm-to-community food distribution systems
- Build community produce gardens
- Build fully functional school kitchens, which too often are equipped only for microwaving or deep-frying food

Promoting a Physically Active Lifestyle

- Expand sidewalks, pedestrian paths, and car-free urban zones
- Build bike paths and lanes, and establish bicycle loan stations at convenient locations
- Build parks, sports facilities, swimming pools, and indoor recreational facilities
- Establish nature preserves with hiking trails
- Build integrated public transportation systems that support a healthy lifestyle by linking bike paths, recreational facilities, farmer's markets, etc.

Comprehensive Approaches

- Build/enhance community health centers to provide inexpensive, nutritious meals, recreational facilities, and counseling/education at one location
- Fund integrated, school- and community-based obesity prevention projects

Source: JAMA



Every country starts at the base of the pyramid with primary care, and they work their way up until the money runs out. We start at the top of the pyramid, and we work our way down until the money runs out. And so few people get good primary care and wellness.

And so we have to change the pyramid. We have to start at the base. And if we're going to do that, it has to be pervasive. It has to be part of the goal of the Department of Education, the Department of Defense. It has to be the goal of the Department of Commerce.

It has to be the goal, in other words, of everyone so that we can market the idea of wellness. [...] We've got to make prevention hot and wellness cool.

And I think that it's really important for us to build that perception of prevention and wellness in a way that actually is part of all aspects of our lives, our workplace, our school, our buildings, and find ways of which to make wellness easier.

– Sen. Tom Harkin, D-Iowa, Senate Health, Education, Labor and Pensions (HELP) Committee Hearing, January 8, 2009

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Chart 5.3 Source: *The Future of the Public's Health in the 21st Century*. Institute of Medicine. 2003. Citing: McGinnis JM, Williams-Russo P, Knickman JR. "The Case for More Active Policy Attention to Health Promotion." *Health Affairs*. Also, McGinnis GM, Foege WH. 1993. "Actual Causes of Death in the United States." *JAMA* 270(18): 2207-2212.

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Chart 5.5 Source: McGlynn EA, Asch SM, Adams J, et al. "The Quality of Health Care Delivered to Adults in the United States." *New England Journal of Medicine*. October 2003.

Chart 5.6 Source: *Noncompliance With Medications: An Economic Tragedy With Important Implications for Health Care Reform*. Task Force For Compliance. April 2004.

Chart 5.7 Source: Sokol, M.C. et al. "Impact of Medication Adherence on Hospitalization Risk and Healthcare Cost." *Medical Care*. June 2005.

Chart 5.8 Source: W Cutler, D et al. "The Value of Antihypertensive Drugs: A Perspective on Medical Innovation." *Health Affairs*. 2007.

Chart 5.9 Source: *Prevention for a Healthier America*. Trust for America's Health. July 2008. Accessed at <http://healthyamericans.org/reports/prevention08/>.

Chart 5.10 Source: *Diabetes Prevention Program (DPP)*. National Institute of Diabetes and Digestive and Kidney Diseases. October 2008. Accessed at: <http://diabetes.niddk.nih.gov/dm/pubs/preventionprogram/DPP.pdf>.

Chart 5.11 Source: Chapman L. *Meta-evaluation of Worksite Health Promotion Economic Return Studies*. *Art of Health Promotion Newsletter*. 2003. Taken from: American Hospital Association. *Trendwatch*. Summer 2007. Accessed at: <http://www.aha.org/aha/trendwatch/2007/twoct2007health.ppt>.

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Chart 5.13 Source: Wang L.Y., et al. *Economic Analysis of a School-based Obesity Prevention Program*. PubMed. Division of Adolescent and School Health, Centers for Disease Control and Prevention. 2003. Accessed at: <http://www.ncbi.nlm.nih.gov/pubmed/14627751?dopt=Abstract>.

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6

THE GROUNDSWELL OF PUBLIC SUPPORT FOR FIGHTING CHRONIC DISEASE

Some believe that the economic downturn has slowed momentum for health reform, but the evidence suggests just the opposite. For most Americans, health care is as much an economic issue as one of personal health. As health care costs continue to soar, the public is more eager than ever for relief.

Most Americans say that the cost of health care is their top concern. When it comes to reforming health care to reduce cost, they endorse policies that aim to fight the crisis of chronic disease and strongly support increasing the share of health care dollars devoted to prevention and wellness.

Americans want policymakers to make health care more affordable, more accessible, and improve the quality of care delivered. When it comes to achieving these goals, Americans are most supportive of policies built around fighting chronic disease, and they are calling for change now.



Americans are anxious for health reform:

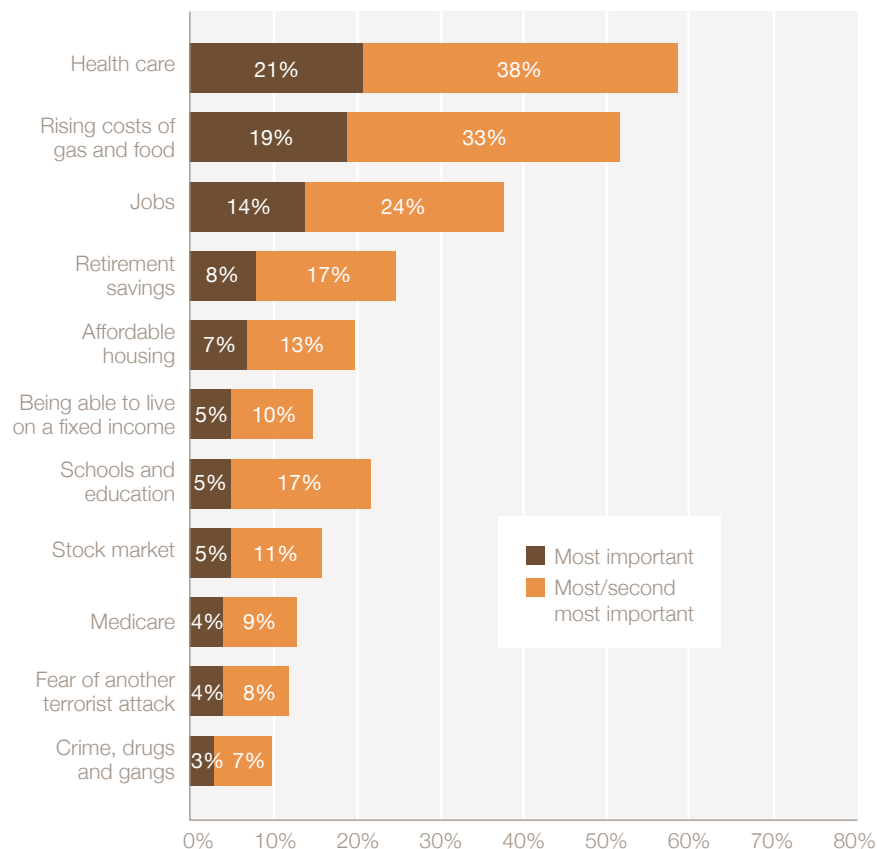
- Despite the economic downturn, health care remains a top issue, and was “the major issue” or “one of the major issues” for 58 percent of voters in November 2008, according to a Partnership to Fight Chronic Disease survey. (Chart 6.1)
- Similarly, surveys by Kaiser Family Foundation since 2004 have consistently found that more Americans are worried about their health care costs than about losing their job, paying their rent or mortgage, losing money in the stock market, or being the victim of a terrorist attack or a violent crime.

Source: Kaiser Family Foundation

A recent survey by the National Association of Chronic Disease Directors found that 67 percent of Americans are worried about being able to afford necessary health care.

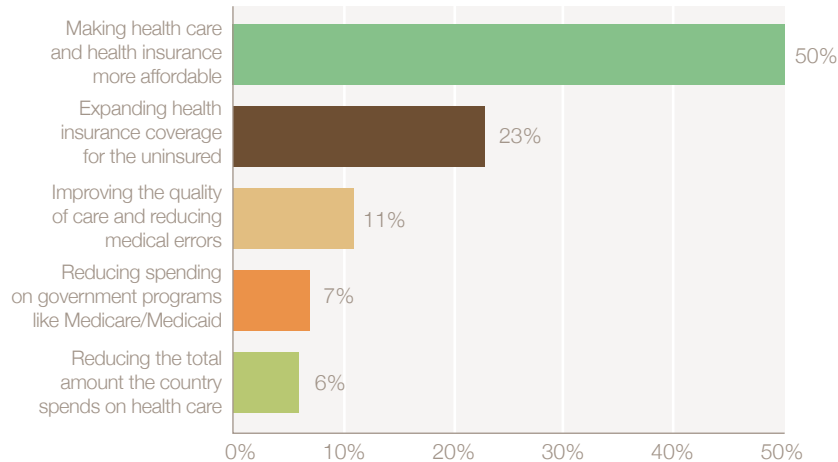
Source: National Association of Chronic Disease Directors

Chart 6.1 Health care was the top personal concern to voters in the 2008 election – even ahead of jobs and the rising costs of consumer goods



Source: Partnership to Fight Chronic Disease 2008 Voter Survey

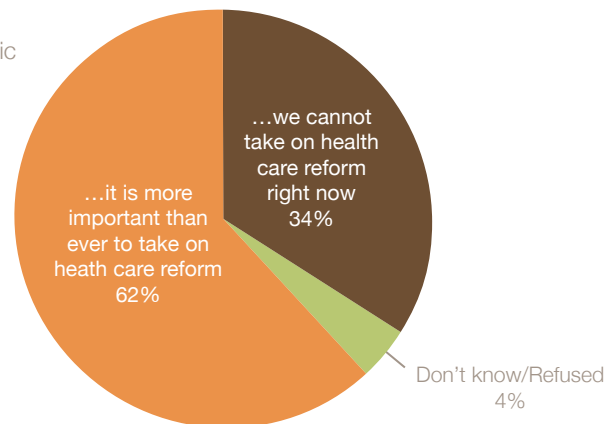
Chart 6.2 Which ONE of the following health care issues is most important in your vote for president?
(among registered voters in October 2008)



Source: Kaiser Family Foundation

Chart 6.3 Which comes close to describing your own views?
(among registered voters in October 2008)

Given the economic challenges facing the country...



Source: Kaiser Family Foundation

The public's desire for health reform is closely tied to economic concerns:

- When it comes to health care, affordability is the top priority for most Americans. (Chart 6.2)
- Nearly two-thirds of voters agree that, given the economic downturn, "it is more important than ever to take on health care reform." This is twice the percent who believe the country cannot tackle this issue in the current economic climate. (Chart 6.3)



As a former Congressman, I understand the importance of bipartisanship in policymaking. Fortunately, helping Americans get and stay healthy by actively preventing and managing chronic disease is neither a Democratic or Republican issue. It's an American issue – and one that makes sense for us to act on today.

Billy Tauzin, President & CEO, Pharmaceutical Research and Manufacturers of America (PhRMA)



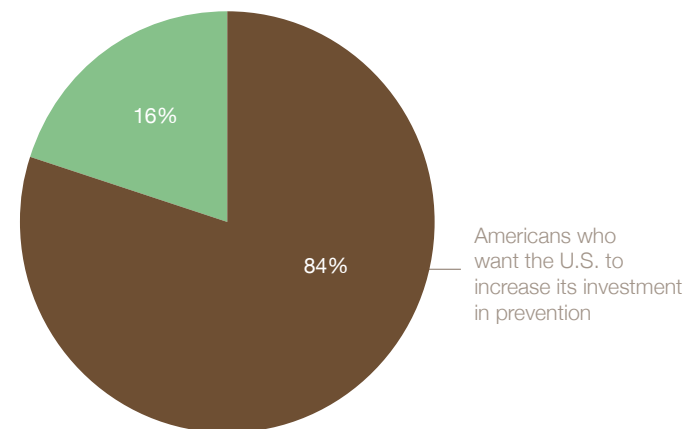
Americans want to see a greater investment in chronic disease prevention:

- More than four in five Americans favor increased investment in programs to help prevent chronic disease. (Chart 6.4)
- Two thirds say they're willing to pay higher taxes to fund them. (Chart 6.5)

The ultimate objective of the health care system is to improve health. Despite the resources that the nation devotes to treating diseases, the results in terms of health gains are mixed, and many investments that can foster better health – such as preventive medicine – are underused.

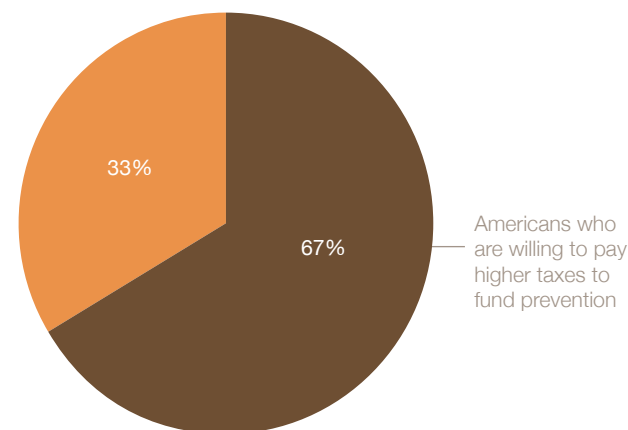
Peter Orszag, Former Director, Congressional Budget Office, Statement before the Senate Budget Committee, June 21, 2007

Chart 6.4 Percent of Public Who Say More Money Should be Spent on Chronic Disease Prevention



Source: National Association of Chronic Disease Directors

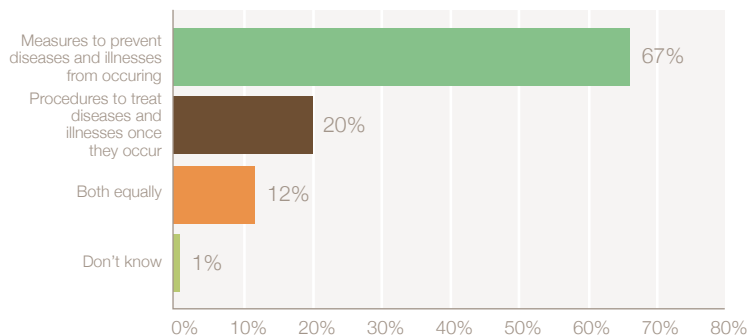
Chart 6.5 Percent of Public Willing to Pay More Taxes for Prevention



Source: National Association of Chronic Disease Directors

Chart 6.6 Americans Say Preventive Care Deserves More Emphasis

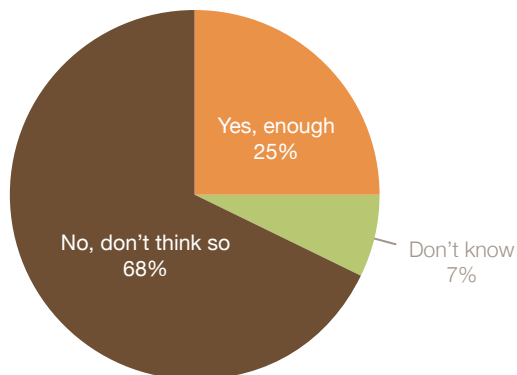
Which one of the following do you think our health care system today should be placing more emphasis on?



Source: National Association of Chronic Disease Directors

Chart 6.7 Americans Say Congress Should Do More to Make America Healthier

Do you currently think Congress is doing enough to create a more healthy America through such actions as the creation of walkable communities, healthy school lunches, and more affordable public health services?



Source: National Association of Chronic Disease Directors

Americans are calling on Congress to take action:

- More than two-thirds of Americans say our health care system should place greater emphasis on prevention. (Chart 6.6)
- Two-thirds of Americans believe Congress is not doing enough to keep Americans healthy and promote health and wellness. (Chart 6.7)

Approximately 4 in 10 Americans (43 percent) say they are more likely to vote for candidates who favor increased public health spending.

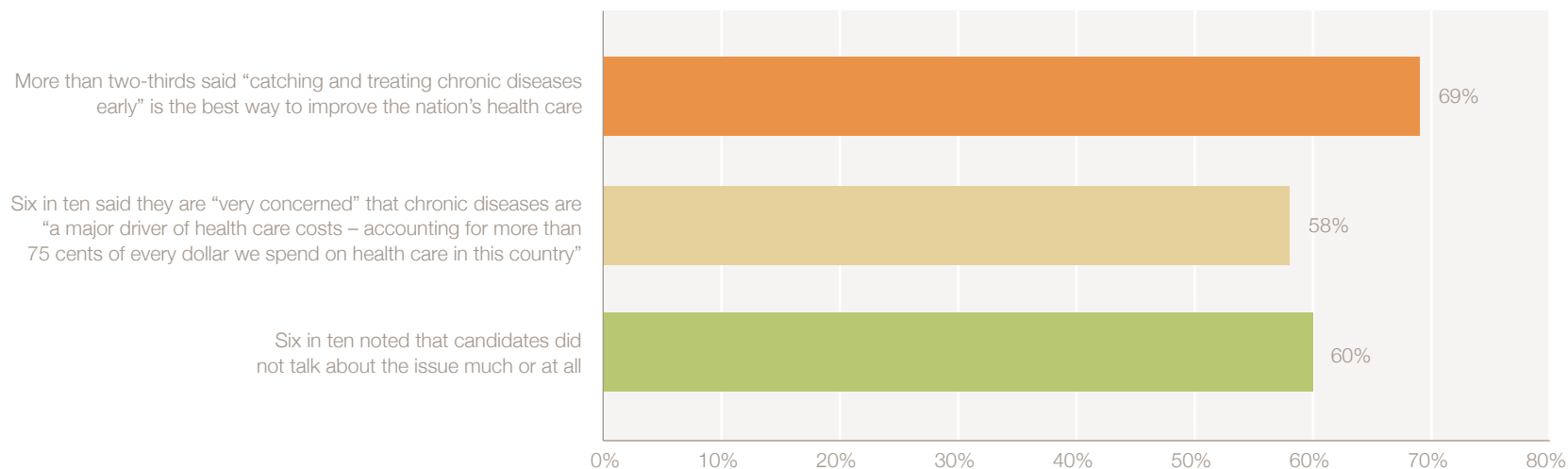
Source: National Association of Chronic Disease Directors

Promoting healthy lifestyle choices around increased physical activity and healthy nutrition are more cost effective approaches to reducing this epidemic. There are clear opportunities for successful interventions as outlined in the National Association for Chronic Disease Directors' State Success Stories www.chronicdisease.org.

John Robitscher, Executive Director, National Association of Chronic Disease Directors



Chart 6.8 Americans Believe That Chronic Disease is an Important Part of Health Care Reform



Source: Partnership to Fight Chronic Disease 2008 Voter Survey

Americans are highly supportive of health reform efforts that focus on chronic disease prevention and management, and want their nation’s leaders to pay more attention to the issue: (Chart 6.8)

- When asked about what would make the most difference to improving health care in the U.S., respondents identified fighting chronic illness as the approach that offers the most promise.



With investments in prevention and disease management, we can improve not only our nation’s health but our safety, quality of life and economic security today and for future generations. That’s why we need the President’s leadership on this issue, and ask that he work with our organization and other like-minded groups to advance comprehensive health reform to address this crisis.

Kenneth E. Thorpe, Ph.D., Executive Director, Partnership to Fight Chronic Disease

Sources

Chart 6.1 Source: Partnership to Fight Chronic Disease 2008 Voter Survey. Lake Research, Voter/Consumer Research. October 2008. Accessed at http://www.fightchronicdisease.org/pdfs/SurveyResultsPresentation_000.ppt.

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Chart 6.6 and 6.7 Source: Public Health Survey. National Association of Chronic Disease Directors. September 2008. Accessed at: http://www.chronicdisease.org/files/public/PressRelease_NACDD_PublicHealthSurvey_August2008.pdf.

Page 77 Source: Source: Public Health Survey. National Association of Chronic Disease Directors. September 2008. Accessed at: http://www.chronicdisease.org/files/public/PressRelease_NACDD_PublicHealthSurvey_August2008.pdf.

Chart 6.8 Source: Partnership to Fight Chronic Disease 2008 Voter Survey. Lake Research, Voter/Consumer Research. October 2008. Accessed at http://www.fightchronicdisease.org/pdfs/SurveyResultsPresentation_000.ppt.



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Advanced Medical Technology Association (AdvaMed)

Aetna, Inc.

Alliance for Aging Research

Alliance for Health Education and Development (AHEAD)

Alliance for Patient Access

Alzheimer's Association

Alzheimer's Foundation of America

America's Agenda: Health Care for All

American Academy of Family Physicians

American Academy of Nurse Practitioners

American Academy of Nursing

American Academy of Physician Assistants

American Association of Colleges of Nursing

American Association of Colleges of Pharmacy

American Association of Diabetes Educators

American Association of Homes and Services for the Aging

American Cancer Society Cancer Action Network

American College of Emergency Physicians

American College of Nurse Practitioners

American College of Preventive Medicine



American Dental Education Association
American Dietetic Association
American Geriatrics Society
American Hospital Association
American Lung Association
American Medical Women's Association
American Osteopathic Association
American Pharmacists Association Foundation
American Society of Addiction Medicine
American Society of Health-System Pharmacists
APAICS
Arthritis Fuunation
Association of Maternal and Child Health Programs
Association of State and Territorial Health Officials
Asthma and Allergy Foundation of America
Biotechnology Industry Organization (BIO)
Blue Cross Blue Shield Association
Campaign to End Obesity
Canyon Ranch Institute
Cleveland Clinic
Community Health Charities
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The COSHAR Foundation
Council for Affordable Health Insurance
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Johnson & Johnson
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Lance Armstrong Foundation
League of United Latin American Citizens (LULAC)
The Leapfrog Group
Lupus Foundation of America
Marshfield Clinic
Medical Fitness Association
Men's Health Network
Mental Health America
Milken Institute
Mississippi Institute for Improvement of Geographic Minority Health
NAACP
National Alliance for Caregiving

National Alliance of State Pharmacy Associations
National Alliance on Mental Illness
National Asian Pacific Center on Aging
National Association of Chronic Disease Directors
National Association of Community Health Centers
National Association of Manufacturers
National Association of Public Hospitals and Health Systems
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National Association of VA Physicians and Dentists
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STOP Obesity Alliance
UnitedHealth Group
U.S. Chamber of Commerce
Vision Council of America
Whole Health Campaign
WomenHeart
XLHealth
YMCA of the USA



ABOUT PFCD

ABOUT THE PARTNERSHIP TO FIGHT CHRONIC DISEASE

The Partnership to Fight Chronic Disease (PFCD) is a national coalition of patients, providers, community organizations, business and labor groups and health policy experts committed to raising awareness of the number one cause of death, disability, and rising health care costs in the United States: chronic disease.

The PFCD's mission is to:

- **Challenge** policymakers to make the issue of chronic disease a top priority and articulate how they will address the issue through their health care proposals
- **Educate** the public about chronic disease and potential solutions for individuals, communities, and the nation
- **Mobilize** Americans to call for change in how policymakers, governments, employers, health institutions, and other entities approach chronic disease

For more information about the PFCD and its partner organizations, please visit: WWW.FIGHTCHRONICDISEASE.ORG

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NATIONAL ASSOCIATION OF
CHRONIC DISEASE DIRECTORS
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