

FIGHTING CHRONIC DISEASE:

The Case for Enhancing the Congressional Budget Analysis Process



PARTNERSHIP TO FIGHT
CHRONIC DISEASE

Today, **nearly half of all Americans live with one or more chronic disease.** The impact of these illnesses on our nation's health and prosperity is startling, and Congress is currently considering proposals to better prevent and manage disease in order to save both lives and money.

What's Driving Health Care Costs?

\$1.65 Trillion

Amount spent each year treating patients with one or more chronic disease.

Chronic illnesses account for **75%** of the \$2.2 trillion we spend on health care each year in the U.S.

Source: Centers for Medicare & Medicaid Services (CMS)

How Do Chronic Diseases Impact the Economy?

The annual economic impact on the U.S. of the seven most common chronic diseases is estimated to be

\$1.3 trillion, which could balloon to nearly **\$6 trillion** by 2050.

Source: Milken Institute

What's the Solution?

Investing in prevention and disease management will save lives and money now and well into the future.

Programs that encourage healthy lifestyles – like healthy eating, fitness and not smoking – are effective and inexpensive ways to reduce our nation's chronic disease burden. We can also improve health and manage costs by catching chronic diseases early and treating them appropriately to avoid costly complications. Preventing and better managing disease would eliminate, not just shift, costs from our health care system.

How CBO Scoring Fits In:

The Congressional Budget Office (CBO) provides Congress with independent, non-partisan analyses of how proposed legislation – including legislation to reform health care – would impact the federal budget.

Members of Congress rely on CBO to estimate how much a piece of legislation will increase or decrease federal spending and revenue. The fiscal feasibility of legislative proposals often rests on CBO projections.

CBO is highly credible and uses some of the most robust analysis techniques. However, we know a great deal more about the impact of disease on health care costs than we did just a few years ago, and that new data could be used to enhance CBO methods. This would more fully capture the benefits of chronic disease prevention and management and provide lawmakers with even better information to guide health reform decisions.

The U.S. has developed a wealth of knowledge in the prevention and treatment of many chronic diseases. We need policy changes that help us put the full value of that knowledge to work by investing in chronic disease prevention and management. Policies that improve health in these ways will not only improve Americans' quality of life, but they will save our economy billions of dollars by eliminating – not just shifting – costs from our health care system, and by increasing U.S. productivity.



The Partnership to Fight Chronic Disease has outlined a set of recommendations to guide CBO in enhancing its evaluation criteria to more accurately capture the value of chronic disease prevention and management.

Enhance Baseline Assumptions:

Health care expenditure estimates depend on baseline assumptions, including projections of the current health status of the population and the estimated impact of health status trends. These assumptions form the benchmark against which legislative proposals are measured.*

*It is critical that CBO incorporate such health status trends – like obesity rates – into its baseline assumptions.

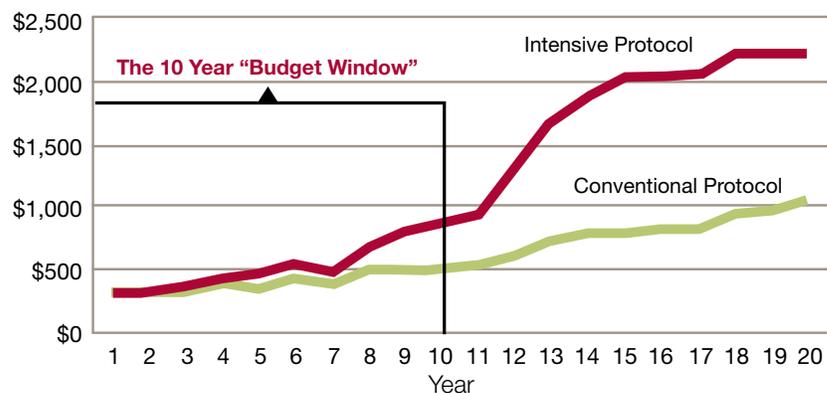
Broaden Timeframe of Analysis:

CBO scoring evaluates federal budget impacts over a 10-year window. However, many wellness and prevention programs take many more years before they generate savings for the federal budget. Therefore, CBO scoring does not capture the long-term value of such population health improvement. Lawmakers need to know the long-term value legislation may provide.

Chart Source: National Changing Diabetes Programs: Federal Health Care Cost Estimating: A Look at Current Practice and the Implications for Assessing Chronic Disease Prevention Proposals

The Budget Window and Disease Progression

Type 2 Diabetes and Glucose Control Efforts
Average Annual Costs
Averted from Complications - 2007 \$



Provide Broader Economic Analysis:

Wellness and disease prevention and management programs have broad economic impacts, beyond their immediate impact on the federal budget. For example, improving health can boost productivity.

While not a formal part of federal budget estimates, supplementary analysis of the broader economic impact of health policy changes would provide lawmakers with critical information to help them make more informed decisions.

Recognize and Evaluate Growing Body of Evidence:

In order to provide lawmakers with accurate and up-to-date cost estimates, CBO must recognize and evaluate new data as it becomes available. For instance, as studies are released that demonstrate positive return on investment or other metrics for disease prevention and management programs, CBO should take such findings into account.

Recognition of the opportunity to achieve the long-term benefits of investment in chronic disease prevention and management would provide a positive framework for making critical health policy decisions. As Congress and the Administration continue to work on health reform, it is important that our lawmakers have the best information available regarding the costs and benefits of health reform proposals.

For more information about the Partnership to Fight Chronic Disease, visit www.fightchronicdisease.org.