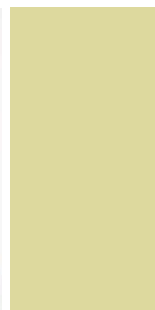




UnitedHealth Group



July 2011

PPACA – Childhood Obesity Implications and Actions



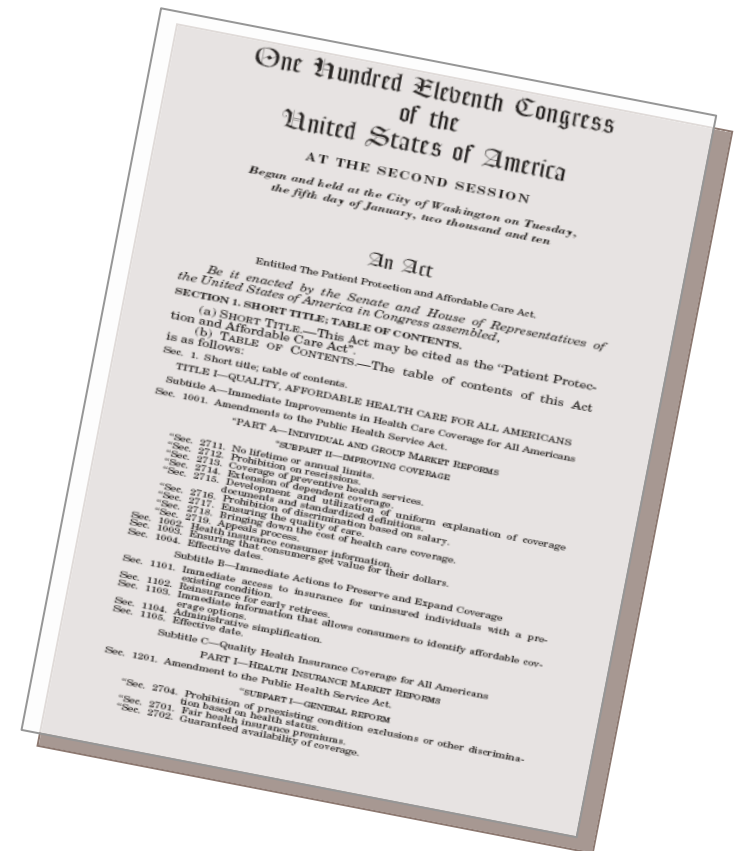
Tom Beauregard
Executive Vice President
Center for Health Reform & Modernization

The Patient Protection and Affordable Care Act



UnitedHealth Group

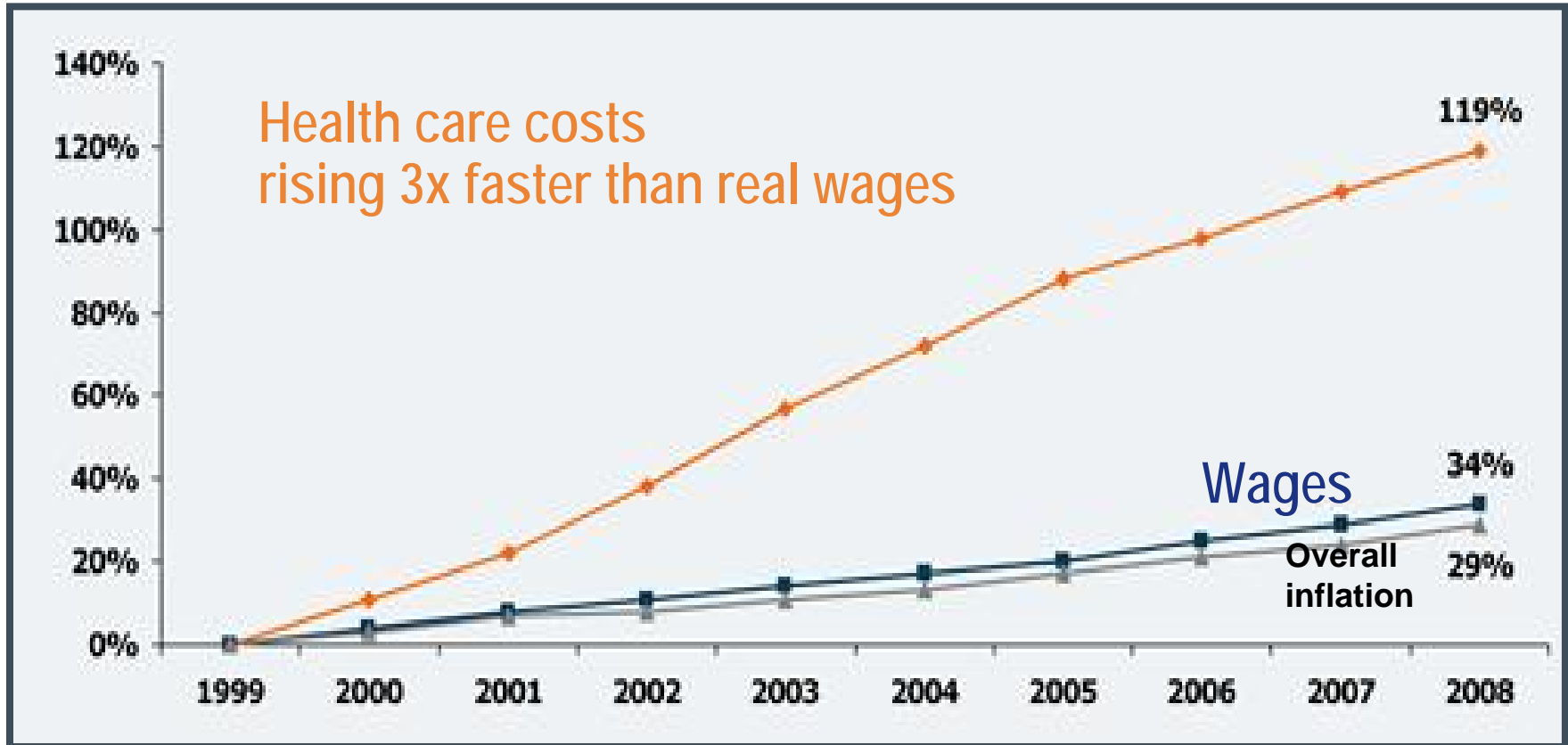
- commits \$940 billion over 10 years to expand coverage,
- is estimated to cover nearly 32 million of the 54 million uninsured Americans,
- is funded partly by \$438 billion in new taxes,
- and partly funded by more than \$500 billion in spending cuts largely in the Medicare program.



Making Reform Work---Addressing the Cost Issue



UnitedHealth Group



Source: Kaiser Family Foundation

The Bottom Line



UnitedHealth Group
UnitedHealth Group

There is no single factor responsible for rising health care costs. Our system is complex and the cost drivers are numerous.

- 95 cents of every \$1 cost increase is driven by health care providers and related services.
- Hospitals, physicians and related services cause over two-thirds of the increase in spending.
- 67% of the increase in national health spending is accounted for by rising prices charged by providers, not increased use of health care.
- But treatment volumes are increasing too – partly because of the rise of chronic conditions and obesity.

www.unitedhealthgroup.com/reform

The Patient Protection and Affordable Care Act – Childhood Obesity Provisions



UnitedHealth Group

- Disclosure – consumer data on caloric and nutritional information at chain restaurants and vending machines.
- New Coverage – obesity screening and nutritional counseling.
- Grants – childhood obesity demonstration project funding for community based intervention programs.
- Public Awareness – “Let’s Move”

Child Obesity Implications



UnitedHealth Group

The epidemic

- **Prevalence:** Childhood Obesity has tripled in the past thirty years from less than 5 percent to nearly 20 percent. Thirty-two percent of all U.S. children are overweight or obese.
- **Global epidemic:** In 1997 The World Health Organization declared obesity a global epidemic with major health implications.
- **Long-term impact:** Today, 25 percent of obese adults were overweight as children. Obese children are 28 times more likely than non-obese children to become obese adults.
- **Medical spend:** According to a report from the UnitedHealth Foundation, obesity is on a path to account for one-fifth of our nation's health care spending by the end of the decade.

Health, emotional and social complications

- **Pre-diabetes:** 67 million adults – NOW over 2 Million children/adolescents.
- **Depression:** Studies show that children who are obese have higher rates of depression than children who are actively receiving chemotherapy.
- **Hypertension:** Prescriptions for cholesterol-lowering drugs rose by 155 percent for adolescent girls and by 13 percent for adolescent boys between 2001 and 2009 (MEDCO).

New guidelines

- **Screening:** The USPSTF now recommends child obesity screening for all children ages 6 years and older and if a child is found to be obese, a referral to intervention. In 2010 these practices became a class B recommendation and is becoming a standard practice of care for pediatricians.
- **Intervention:** The USPSTF recommended referral to comprehensive, intensive behavioral interventions to promote improvement in weight status.
- **Professional agreement:** The American Academy of Family Physicians (AAFP) has adopted the recommendations.

Currently available interventions are limited and costly

- **Cost:** It costs approximately \$10,000 for a child to be treated for obesity at a hospital based clinic. *Example:* At a reputable program, a session with a doctor, behavioral specialist or nutritionist ranges from \$450 to \$1500 per visit.

Obesity now contributes to the death of more than 360,000 Americans a year.



The Toll of Diabetes

Why focus on the Clinical Chain?



UnitedHealth Group

The Onset of Type 2 Diabetes

- Follows natural progression with individuals first developing prediabetes (obesity and age)
- Type 1 is caused by acute health problems (B-cell destruction leading to insulin deficiency); Type 2 is a silent problem and may remain undetected for many years
- In our current system the average diabetic goes 4 to 7 years without diagnosis, and over 90% of prediabetics and 27% of diabetics have no diagnosis
- Undiagnosed individuals are at high risk for heart disease, stroke, kidney damage, blindness and other complications

Why the Current System Isn't Optimized

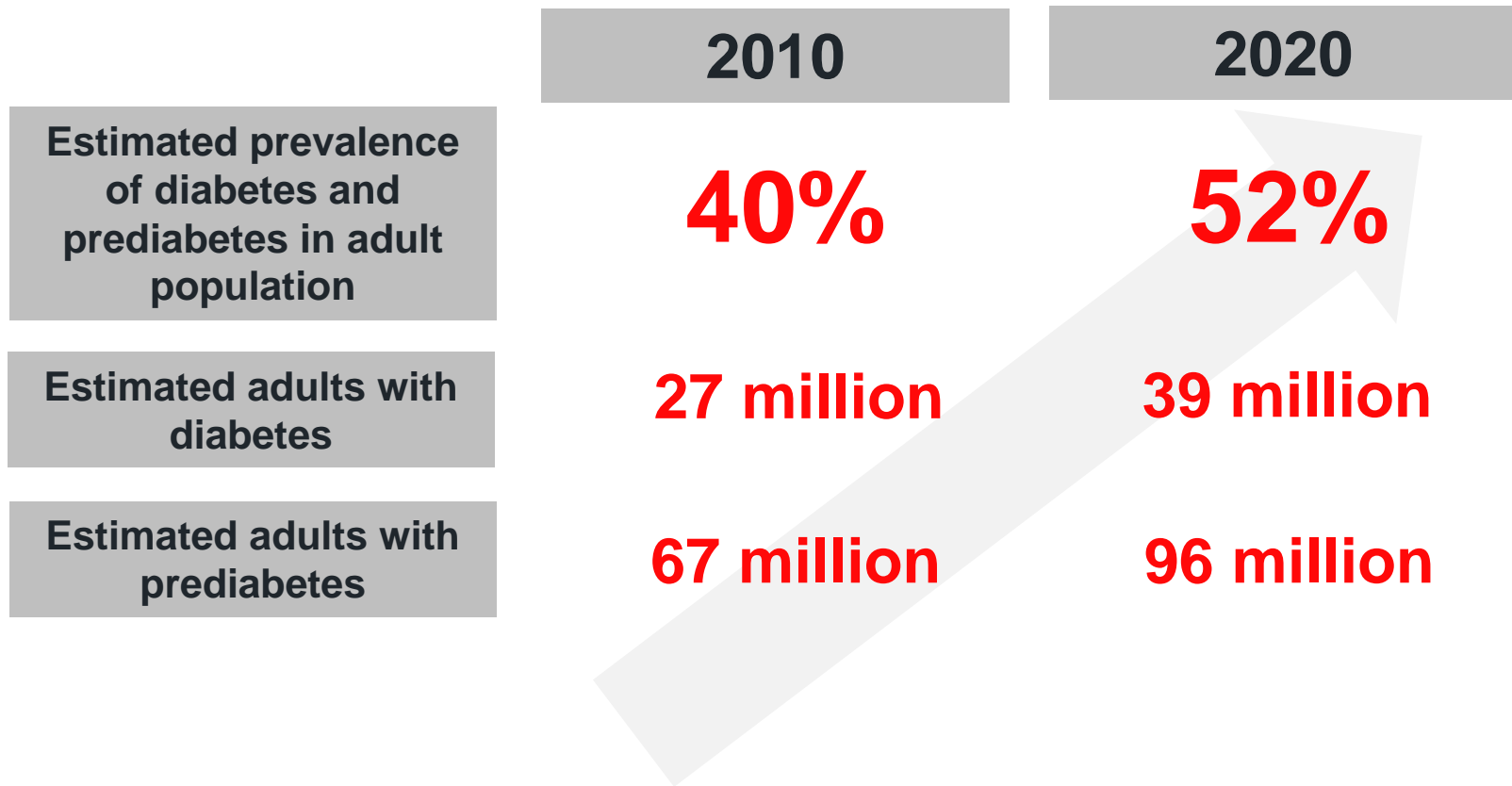
- The primary focus of the current medical system is medical management of the complications of diabetes.
- Because this disease has a distinct clinical progression, the late stage focus misses significant opportunities to both prevent the disease and its complications through well established guidelines.
- Effective early intervention in the disease life-cycle can have a material effect on costs and outcomes.

The Type 2 Diabetes Epidemic: The Human Toll



UnitedHealth Group

**Diabetes is one of the fastest-growing diseases in the U.S.
More than half of Americans will have diabetes and
prediabetes by the end of the decade.**



The Type 2 Diabetes Epidemic: The Financial Toll



UnitedHealth Group

Rising costs for the health care system

- Annual U.S. health care spending on diabetes and prediabetes will rise from \$194 billion in 2010 to an estimated **\$500 billion by 2020** – or about **\$3.35 trillion over the next decade.**

Rising costs for the individual



Context for the JOIN study



UnitedHealth Group

JOIN

Need: Today, there are few comprehensive treatment programs for children struggling with excess weight outside of hospital based settings.

What: Our study takes the best components of current evidence for individual treatment and places them in a comprehensive community based program. These include:

- Parental involvement
- Reduction of sugar sweetened beverages
- Reduction on Screen Time
- Self monitoring
- Lifestyle activity
- Stimulus Control

How: We will test the efficacy of the total intervention.

Why: We want to offer an effective, affordable and scalable program that is available to all families in all communities.

Outcomes



UnitedHealth Group



Primary Outcomes

Child:

Percentage of participants with BMI% >95% who lose weight (rec:1-2 pounds per month)
 Percentage of participants with BMI% >85% and <95% who maintain or decrease weight

Adult:

Percentage of overweight caregivers who have a 5% decrease in weight

Additional Outcomes

Sugar Sweetened Beverage:

Percentage of program participants who demonstrate a reduction in the number of sugar sweetened beverages consumed per day.

Screen Time:

Percentage of program participants who demonstrate a reduction in hours per day spent TV viewing.

Quality of Life Thermometer:

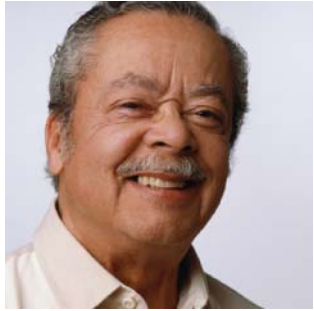
Percentage of program participants who demonstrate a statistically significant improvement in self reported quality of life measures.

Customer Service Rating:

Program satisfaction measures such as “Wi was more successful with the help of a coach.”

Process outcomes measured such as “children reported they were less hungry.”

Overall **program success** occurs when we help families reduce the risk of disease and medical complications, improve behavioral health measures, reduce family absenteeism and increase presenteeism.



UnitedHealth Group