



Payment Systems, Government Policies, and Market Incentives Should Refocus Efforts on Disease Prevention

Issue: The health care system emphasizes treatment of illness and specialist care rather than disease prevention, despite the fact that money spent on evidence-based prevention is money well spent. Effective measures exist today to prevent or delay much of chronic disease burden and curtail its devastating consequences. A focus on preventive medicine can dramatically reduce the long-term cost burden and health care demands of chronic conditions.

Position: The National Business Group on Health (the Business Group), representing over 270 large employers who provide coverage for 55 million Americans, believes that both the public and private sector should support and reward effective and efficient preventive medicine.

The Business Group supports the following principles for preventive medicine:

- Encourage individuals to avoid or delay disease by practicing healthy lifestyles
- Identify individuals who could benefit from treatment for a condition or complication about which they are unaware
- Prevent further disability among individuals with established disease.

Why the Business Group Believes in Preventive Medicine

It Will Drastically Improve Health Outcomes and Curtail Chronic Diseases

- Chronic diseases result in a significant amount of preventable morbidity and mortality in the United States. In 2000, 46.7% of all deaths in the United States were caused by modifiable health behaviors.
- The U.S. Department of Health and Human Services estimates that approximately 33% of all deaths in the United States are attributable to just three modifiable health behaviors: smoking, physical inactivity, and poor eating habits.

It Will Significantly Reduce Cost

- The majority of direct healthcare costs are attributed to chronic diseases. Researchers at the Center for Medicare and Medicaid Services (CMS) and the Institute of Medicine estimate that 75% of all healthcare costs directly stem from preventable chronic health conditions, yet only 1% of the \$1.9 trillion dollars spent on health care in the United States is devoted to protecting health and preventing illness and injury.
- According to the American Diabetes Association in 2002 the average annual healthcare cost for a person with diabetes was \$13,243 as opposed to \$2,560 for a person without diabetes.

- It is estimated by the American Heart Association Statistics Committee and Stroke Statistics Subcommittee that the indirect cost of cardiovascular disease will total over \$145 billion in 2006.