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IS TREATING DISEASE CHEAPER THAN PREVENTING IT?

"*AN OUNCE OF PREVENTION*"/ STILL WORTH A POUND OF CURE!

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> ***Newest research with employers reveals that the largest "cost" of illness is not medical care but lost productivity. This makes prevention of disease a better investment than ever.***

"In the Balance"

An April 8th Washington Post article by David Brown – titled "*In the Balance*" – argued that, with few exceptions, the total c of preventive health services such as screenings exceeds the direct short-term costs (medications, physician office visits, hospital stays) of treating the people whose diseases we're trying to prevent. A second associated theme of the article is tl by preventing disease society will prolong lives and ultimately incur greater total direct health care costs than if these same people had just died earlier.

In addition to being objectionable on moral grounds – that letting people suffer is cheaper than trying to prevent suffering – Mr. Brown's argument is seriously flawed on economic grounds. The principal flaw is his failure to account for all the "indirect" costs of illness, which far exceed the direct health care costs that are his concern and add up to a huge "burden c illness" on employers, the economy, and our society.

Landmark studies at the Dow Chemical Company and J.P. Morgan Chase Bank One have shown quite dramatically that spending for medical care is much the smallest part of the total cost of poor health for employers who pay about half the medical bill in the United States. The lion's share of these costs – of this total burden of illness – take the form of lost productivity in the work place – of absenteeism, and especially of *presenteeism,* or reduced performance while at work resulting from health-induced limitations on the functional ability to perform various job functions. Presenteeism alone is m than double the cost of absence and direct medical care combined at both Dow and J.P. Morgan Chase Bank One.

> ***In our aging society the burden on working people of caring for chronically ill elders and children is adding substantially to the total cost of lost productivity.***

Additionally, illness in the growing non-working population is imposing a huge burden of caregiving on working-age Americans – especially the "sandwich generation" of mostly middle-aged and often single women who also must take care sick children at home. With nearly one-third of claims for Family Medical Leave now attributable to caregiver responsibilitie this has become a substantial cost of ill health for employers, which will not be found in Mr. Brown's calculus.

Another part of his intellectual failure was not counting the passage of time since publication of the article on which he large based his conclusion – written more than 20 years ago by health care economist Louise Russell of the Brookings Institutior At the time her article appeared (I remember it well, having been a health care economist myself then at the "rival" America Enterprise Institute in Washington) we had little or no evidence on all the "indirect" costs of poor health, and could make on a long-term argument for saving money by spending it on prevention. We also had a healthier population at that time – the new national epidemic of obesity and related Type-2 diabetes was just over the horizon. And since then, we have greatly improved our ability to collect and analyze data that enable us to prioritize health risks and target behavioral change interventions and preventive services on the basis of “population health management.”

Finally – envisioning increased access to health care services through changes in public policy that extend insurance coverage to more working Americans, as well as the aging population of retiring boomers gaining Medicare coverage and using more services, the importance of preventing disease and improving health will become even greater if we’re to avoid being engulfed in a tidal wave of increased medical spending.

In Summary -- **Prevention makes sense for many reasons,** because health is good for people,

good for their employers in a competitive global economy, and good for our communities and our society. .

Sean Sullivan is co-founder, President and CEO of the Institute for Health and Productivity Management. Since its founding in 1997 the Institute has served as the catalyst and champion of an expanding international movement to make health a leading human capital asset for the 21st century.

Mr. Sullivan was the original President and CEO of the National Business Coalition on Health, and a Washington-based health policy analyst – as a fellow at the American Enterprise Institute for Public Policy Research. He is the author of articles and monographs on health policy and health care marke trends, and has testified on these subjects before Congress and state legislatures.

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