

Common Cents: The Investment in Preventive Health

Securing adequate funding for preventive health services presents a significant challenge to the nation's budget. To evaluate this investment, today's policymakers need a long-term analysis of healthcare costs in order to make accurate decisions that reflect the true impact of prevention programs. Among all chronic diseases, diabetes offers the best data, modeling and studies to help government budget analysts better understand the value of the costs/savings associated with preventive health programs.

Skyrocketing healthcare costs are crippling the nation's budget and with the rise in chronic diseases among Americans, there is simply no end in sight to these costs. Chronic diseases like cancer, heart disease and diabetes are the leading causes of death and disability in the U.S. (Source: CDC) and account for 75 percent of current health costs. Total direct and indirect costs for diabetes and pre-diabetes were estimated at \$218 billion in 2007—making it one of the most costly diseases in America. While chronic diseases are among the most common and costly today, it is important to note that they are the most preventable.

Securing adequate funding for preventive health services in today's healthcare reform environment presents a considerable challenge. Preventive care must first be recognized and evaluated as the investment that it is. Thus, legislators need to analyze the impact of preventive healthcare based on a long-term analysis of costs. This process is known as "scoring." Through scoring, legislators estimate the federal government spending of all proposed bills—in short, each bill is "priced." At the direction of Congress, The Congressional Budget Office (CBO) manages this scoring process and decides whether or not the proposed legislation would affect the federal budget.

Currently, the CBO uses a 10-year scoring window to make these determinations, but with chronic diseases—particularly diabetes—this time span presents policymakers with an incomplete view of preventive health measures as an investment. Since chronic diseases develop over a longer period of time, the highest costs associated with their treatment and care come later in the life of the disease; therefore, the savings are far more apparent at 25 years than at 10 years. As a result, many organizations—including Novo Nordisk—are asking Congress to re-evaluate this scoring window to enable better-informed decisions when it comes to preventive care and funding for chronic diseases. To do this, policymakers need a long-term analysis of costs to make accurate decisions that reflect the true impact of prevention programs.

A recent study did just this. As one of the nation's greatest public health challenges, diabetes is an excellent spending projection model when it comes to making more informed budget decisions. Among all chronic diseases, diabetes offers the best data, modeling and studies to help policymakers better understand the value of the costs/savings associated with preventive health programs. In 2009, Novo Nordisk funded a study from a team of researchers at the University of Chicago to illustrate this. The study was published in the peer-reviewed journal *Health Affairs* and endorsed by key diabetes and medical associations. The study uses diabetes as a model to improve the budgetary and health outcome information available to Congress by projecting the future burden of diabetes and predicting the growth in diabetes costs over 25 years. Critical findings from landmark clinical trials were also incorporated into the research to demonstrate that an investment in early, aggressive prevention and treatment of diabetes yields payoffs that increase over time. According to this forecast, the number of

Americans living with diabetes will rise from 23.7 million in 2009 to 44.1 million in 2034—unless we see a significant investment in prevention now.

In 2009, legislation was introduced to lead to a more accurate assessment of the costs and benefits of preventive health, including preventing complications of chronic diseases such as diabetes. The bipartisan Preventive Health Savings Act of 2009 (HR 3148), which is supported by Novo Nordisk, calls on the CBO to weigh clinical or observational studies—like this diabetes study—when modeling projected costs and savings related to preventive health, and in certain circumstances, to look beyond the traditional 10-year budget window.

For a more in-depth look at the study, visit: www.ncdp.com.