



701 Pennsylvania Ave. N.W., Suite 700
Washington, D.C. 20004-2694
(202) 737-5980 • (202) 478-5113 (fax)
info@carecontinuum.org
www.carecontinuum.org

December 1, 2011

The Honorable Jon Boehner
Speaker of the U.S. House of Representatives
1011 Longworth House Office Building
Washington, D.C. 20515

The Honorable Harry Reid
Majority Leader of the U.S. Senate
522 Hart Senate Office Building
Washington D.C. 20510

The Honorable Nancy Pelosi
Minority Leader of the U.S. House of Representatives
235 Cannon House Office Building
Washington, D.C. 20515

The Honorable Mitch McConnell
Minority Leader of the U.S. Senate
317 Russell Senate Office Building
Washington, D.C. 20510

Dear Sir or Madam,

During the recent deliberations of the Joint Select Committee on Deficit Reduction ("Joint Committee"), Care Continuum Alliance was disappointed to learn that President Obama proposed cutting \$3.5 billion in funding for the Prevention and Public Health Fund ("Prevention Fund"). We were further troubled that both Democrats and Republicans on the Joint Committee suggested proposals to slash spending on critical health prevention efforts even further.

The Prevention Fund, passed into law in 2010 by the Affordable Care Act, provides \$15 billion dollars for spending on prevention and public health programs across the country.¹ Traditionally, prevention and public health spending has enjoyed bipartisan support in Congress; public health spending improves population health and may produce long term savings by reducing the need for acute care services. Our nation's current fiscal problems, and a rise in the rate of chronic disease, should encourage more, not less, spending on programs to keep people healthy. Care Continuum Alliance urges Congress and the Administration to preserve full funding for the Prevention Fund.

Care Continuum Alliance represents a diverse membership of over 200 organizations and individuals. Through advocacy, research and education, Care Continuum Alliance advances population health management strategies to improve care quality, health outcomes and reduce preventable costs for those who are healthy, at risk of chronic conditions or managing such conditions. Our members include physician groups, nurses, other health care professionals, hospital systems, wellness and prevention providers, population health management organizations, pharmaceutical manufacturers, pharmacies and pharmacy benefit managers, health information technology innovators, employers, researchers, and academics.

Following the failure of the Joint Committee on Deficit Reduction to reach agreement on a plan, we would like to highlight the vital need for investments in prevention and public health. As healthcare costs surpass 18% of gross domestic product, it is important to consider what is

¹ Patient Protection and Affordable Care Act § 4002, 42 U.S.C. § 300u-11 (2010).

driving these costs. 75% of all healthcare spending goes towards treating chronic disease, and nearly 1 in 2 adults suffer from chronic conditions.²

In 2009, Federal government spending for Medicare and Medicaid services reached nearly \$750 billion dollars. In contrast, the Prevention Fund will spend just \$15 billion over 10 years, less than .2% of projected federal Medicare spending during the same period.³ This spending has the potential to produce major savings for Federal healthcare programs. One study demonstrated that every dollar spent on long term, community focused programs that increase physical activity, improve nutrition, and prevent tobacco use could yield more than \$5 in healthcare cost savings for every dollar invested.⁴

Controversy surrounding the Prevention Fund stems from the fact that savings produced by public health spending are difficult to quantify and score by the Congressional Budget Office's strict guidelines. However, the fact remains that modest population health changes and have been shown to significantly reduce chronic disease and save money.

The Obama Administration's National Prevention Strategy, released in June of 2011, highlights just how effective prevention programs can be in reducing costs:⁵

- For every HIV infection prevented, an estimated \$355,000 is saved in the cost of providing lifetime HIV treatment.
- People who increased physical activity (2½ hours a week) and had 5 to 7% weight loss reduced their risk of developing type 2 diabetes by 58% regardless of race, ethnicity, or gender.
- A 5% reduction in the prevalence of hypertension would save \$25 billion in 5 years.
- Annual health care costs are \$2,000 higher for smokers, \$1,400 higher for people who are obese, and \$6,600 higher for those who have diabetes than for nonsmokers, people who are not obese, or people do not have diabetes.
- A 1% reduction in weight, blood pressure, glucose, and cholesterol risk factors would save \$83 to \$103 annually in medical costs per person.
- Increasing use of preventive services, including tobacco cessation screening, alcohol abuse screening and aspirin use, to 90% of the recommended levels could save \$3.7 billion annually in medical costs.
- Medical costs are reduced by approximately \$3.27 for every dollar spent on workplace wellness programs.
- Reducing average population sodium intake to 2,300 milligrams per day could save \$18 billion in health care costs annually.
- Tobacco use accounts for 11% of Medicaid costs and nearly 10% of Medicare costs.
- Tobacco screening is estimated to result in lifetime savings of \$9,800 per person.

² National Center for Chronic Disease Prevention and Health Promotion, Chronic Diseases: The Power to Prevent, The Call to Control, <http://www.cdc.gov/chronicdisease/resources/publications/aag/pdf/chronic.pdf> (last visited Dec. 1, 2011).

³ CMS, National Health Expenditures Data, <https://www.cms.gov/NationalHealthExpendData> (last visited Dec. 1, 2011).

⁴ Trust for America's Health, Prevention for a Healthier America: Investments in Disease Prevention Yield Significant Savings, Stronger Communities 3 (2009).

⁵ National Prevention Council, National Prevention Strategy: America's Plan for Better Health and Wellness 51 (2011).

Cutting spending for public health and prevention will lead to increased rates of chronic disease and higher long term costs. Already, the Prevention Fund has distributed over \$500 million to fight chronic disease.⁶ This spending has focused on vital areas such as community prevention, clinical prevention, and public health infrastructure and training. In each category, spending has gone to targeted programs, such as smoking cessation and workforce development, that will improve population health.

Care Continuum Alliance believes that the Prevention Fund has not yet realized its potential as a tool for cost saving reforms. As Congress continues to press reforms and initiatives that reduce costs and reward quality in the healthcare delivery system, the Prevention Fund should be seen as a first line of attack for maintaining population health. Though value based purchasing and anti-fraud programs are important to reform our nation's acute care delivery system, the Administration and Congress should not forget that the greatest benefit will come from preventing chronic disease before it causes acute problems.

Sincerely,

A handwritten signature in black ink, appearing to read "Tracey Moorhead". The signature is fluid and cursive, with a large initial "T" and "M".

Tracey Moorhead
President and CEO

TM/vi

⁶ Press Release, HHS, Building Healthier Communities by Investing in Prevention (Feb. 9, 2011) , available at <http://www.healthcare.gov/news/factsheets/2011/02/prevention02092011b.html>.