



FOR IMMEDIATE RELEASE: July 1, 2009

Press Contact: Donald Sico 609-351-3591

## **NEW JERSEY LEADERS DETAIL SAVINGS FOR HEALTH REFORM**

### **FORMER GOVERNOR JIM FLORIO AND NJ QUALITY INSTITUTE PRESIDENT DAVID KNOWLTON ARE JOINED BY KEY BUSINESS LEADERS**

**Trenton** – Saying that the savings from chronic disease prevention and treatment “can fill the funding gap for health care reform,” the New Jersey Partnership to Fight Chronic Disease (PFCD) was joined by key state business leaders in urging federal lawmakers to “take the savings and run” with a health care reform bill that works for all Americans.

“The savings are there,” said former New Jersey Governor James Florio, Co-Chair of the PFCD effort in New Jersey. “They are real and they should be counted when calculating the cost of any reform bill which includes strong incentives for chronic disease prevention and treatment.”

A former member of Congress, Florio said “The Leadership in the House and the Senate must insist that the Congressional Budget Office (CBO) provides Members with all the information they need to make informed fiscal decisions on health reform. That should include an honest analysis of the savings chronic disease prevention can realize, not just in the next few years, but in the next few decades as well.”

Governor Florio made it clear on behalf of the Partnership that they were not endorsing any particular reform measure and that the PFCD has not taken a position on many of its components, including whether there should be a public plan or the taxing of health benefits.

“There is enough disagreement to go around when it comes to health reform,” Florio said. “But when it comes to a commitment to fight chronic disease, we all agree.”

“If Congress and the President do the right thing and create a real health care system to replace the ‘sick care’ system we now have in place, the savings will come,” said David L. Knowlton, PFCD Co-Chair and President of the New Jersey Health Care Quality Institute. “The good news is that by changing our focus we can rein in out-of-control costs. A system that is based on chronic disease prevention, management and care coordination will yield both better health care results and billions in savings.”

The group outlined the costs and savings potential from chronic disease prevention and management:

- ✓ Seventy-five cents of every dollar spent on health care is for patients with chronic illnesses like diabetes, heart disease, cancer and asthma -- many cases that could have been prevented entirely, detected earlier, or better managed. In Medicaid and Medicare, the numbers are worse -- 83 and 96 cents respectively.
- ✓ \$1.7 trillion of health care spending annually is associated with chronic illnesses, which also cost the United States \$1 trillion in lost productivity every year.
- ✓ Medical bills contribute to more than 60 percent of U.S. personal bankruptcies. Three-quarters of these bankrupt families had health insurance, but were still overwhelmed by medical debt.
- ✓ 30% of the increase in health spending since 1987 is due to doubling of the rate of obesity during that time.

**- MORE -**

## PFCD Savings Press Release

July 1, 2009

Page 2

- ✓ Two-thirds of spending over the past 25 years is attributable to the rise in rates of treated chronic disease.
- ✓ In New Jersey, roughly \$7.5 billion is spent every year on the seven most common chronic diseases alone.

The Partnership to Fight Chronic Disease has been urging national leaders to realign incentives in the health care system to encourage chronic-disease prevention and management, provide incentives for health care quality improvements, eliminate health disparities, promote community health intervention and translate "best practices" research into action.

New Jersey State Chamber President Joan Verplanck explained, "Through its Platform for Progress, the State Chamber has advocated that policy focus should be given to healthy behavior and preventive care activities that improve quality of life and lower health insurance costs. We encourage employers to implement wellness programs. Getting national health care reform to recognize those efforts would be an important step in the right direction."

"In these tough economic times, the business community knows full well the value of keeping its employees healthy and on the job," said Philip Kirschner, President of the New Jersey Business and Industry Association (NJBIA). "We all know the costs of chronic diseases are high – accounting for as much as three out of every four dollars spent on health care in this country. It only makes sense that we would focus our cost-saving initiatives on the area where the most money is spent. In the business world, we call that going after the greatest 'Return on Investment.'"

Some of those programs were outlined by William Lacy, President and Treasurer of the Association for Corporate Wellness. "Corporate Wellness programs work," he said. "They get people healthier. Wellness and prevention are effective solutions for reducing health care costs, avoiding future unexpected risk related expenses, and to a greater extent boosting productivity. This translates into an ROI even the most conservative CFO can get excited about."

Mr. Knowlton explained, "Right now the incentive schemes and reimbursement mechanisms for health insurance are backwards for patients and providers alike. Patients are often fully reimbursed for treatment of acute manifestation of illness but they are forced to pay out of pocket for counseling on lifestyle modifications and medications that can prevent such problems. Doctors are reimbursed for providing a treatment, but not for simple counseling about how to prevent a condition from developing or worsening. Reform should transform that backwards system and Congress should take the credit for the savings."

A list of many of the "Promising Practices" programs in place in New Jersey has been compiled by the Partnership to Fight Chronic Disease and can be found at:

[http://promisingpractices.fightchronicdisease.org/programs/state/new\\_jersey](http://promisingpractices.fightchronicdisease.org/programs/state/new_jersey)

The **Partnership to Fight Chronic Disease** (PFCD) is a national bipartisan coalition of patients, providers, community organizations, business and labor groups, and health policy experts committed to raising awareness of the number one cause of death, disability, and rising health care costs in the U.S.: chronic disease whose mission is to:

- **Challenge** policymakers to make the issue of chronic disease a top priority and articulate how they will address the issue through their health care proposals
- **Educate** the public about chronic disease and potential solutions for individuals, communities, and the nation
- **Mobilize** Americans to call for change in how policymakers, governments, employers, health institutions, and other entities approach chronic disease

#####