

Will California's Health Care Reform Make Californians Healthier?

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Improving health to control growth of health care costs

- ▶ **Growing recognition that growth in health care costs cannot be slowed by increasing employee cost sharing or other forms of cutting benefits**
 - ▶ Recognized by growing number of large employers and some Medicaid programs
- ▶ **Intended to slow or reverse upward curve in:**
 - ▶ Chronic illnesses such as:
 - ▶ Cancer
 - ▶ Diabetes
 - ▶ Asthma
 - ▶ Heart disease
 - ▶ Conditions that increase of these illnesses such as:
 - ▶ Smoking
 - ▶ Obesity
 - ▶ Lack of physical activity

Contribution of chronic conditions to rising healthcare costs

- ▶ **Approximately 20% of population accounts for about 80% of health costs**
 - ▶ Mainly people with chronic conditions
 - ▶ Pulmonary disease (e.g., asthma), heart disease, hypertension, cancer and diabetes are among top ten contributors *
- ▶ **For many of these conditions, an increase in prevalence is a major contributor to rising costs (e.g., pulmonary conditions, diabetes, hyperlipidemia) ****
- ▶ **Rising rates of obesity and stress underlie increases in prevalence of many of these conditions, and consequently contribute to increased spending ****
- ▶ **Prevention and health promotion are important to slowing rise in health care costs *****

* Thorpe KE, Florence CS, Joski P. Which medical conditions account for the rise in health care spending? *Health Affairs*, 2004;Suppl Web Exclusives:W4-437-445.

** Thorpe KE, Florence CS, Howard DH, Joski P. The rising prevalence of treated disease: effects on private health insurance spending. *Health Affairs*, 2005;Suppl Web Exclusives:W5-317-W315-325.

*** Thorpe KE. The rise in health care spending and what to do about it. *Health Affairs*, 2005;24(6):1436-1445.

Overview of Governor's Healthy Action Incentives/Rewards Program

- ▶ **Promotes “personal responsibility for increasing healthy practices and behaviors”**
- ▶ **Proposes that public health coverage programs and private health plans provide incentives and rewards for enrollees who engage in health-promoting activities**
 - ▶ Rewards tailored to each population
- ▶ **Rewards upon completion of Health Risk Appraisal and follow-up doctor visit plus health-promoting classes and services**
 - ▶ Cancer screening tests
 - ▶ Immunizations — influenza and pneumococcal vaccines, childhood immunizations
 - ▶ Smoking cessation

Overview of Governor's Healthy Action Incentives/Rewards Program

- ▶ **Medicaid and SCHIP beneficiaries would earn rewards**
 - ▶ Transportation vouchers, gym memberships, weight management programs, etc.
- ▶ **Private health care plans will be required to offer incentives and rewards in their benefit designs**
 - ▶ Premium reductions, gym memberships, weight management programs, etc.
- ▶ **Senate President pro Tem Don Perata health care reform proposal (SB 48) also would encourage employers to offer incentives for health promotion actions**

Proposal is good for health but limited solution to improving population health

- ▶ **Governor's and Perata health care reform proposals are important**
 - ▶ Put health status of state's population on policy agenda
 - ▶ Recognize that worsening health status of population is major contributor to rising health care costs
- ▶ **Governor also proposes increased efforts to reduce obesity through community and workplace interventions**
 - ▶ Media campaign to “encourage physical activity and promote healthy choice”
 - ▶ Community programs
 - ▶ Encourage workplace health promotion programs
 - ▶ Might lead to decreased obesity and resulting chronic conditions, with long-term reduction in growth rate of health care expenditures

Proposal is good for health but limited solution to improving population health

- ▶ **Governor also proposes increased spending for diabetes control**
 - ▶ Screening for diabetes and pre-diabetes
 - ▶ Disease management programs and standards for those diagnosed
 - ▶ Likely to result in improved health outcomes for people diagnosed, but not likely to reduce growth rate of health expenditures
- ▶ **Governor proposes increased spending on smoking cessation programs**
 - ▶ Need more creative efforts to combat tobacco industry marketing to children, teenagers and young adults
- ▶ **Governor and legislative leaders propose new efforts to reduce medical errors and improve patient safety**
 - ▶ E-prescribing, facility infection control, reduce surgical errors

Proposal is good for health but limited solution to improving population health

- ▶ **But proposals take limited strategy to improve health**
 - ▶ Proposals do not address environmental contributors to chronic disease
 - ▶ People with less education and lower incomes much more vulnerable
 - ▶ Higher rates of chronic illnesses
 - ▶ Higher rates of obesity, diets include fewer fruits/vegetables and more fats, and get less physical activity
 - ▶ Live in communities that have, on average, less healthful environments
- ▶ **Likely to be more effective in promoting healthy eating and active living with:**
 - ▶ Education and rewards focused on individuals, AND
 - ▶ Policies and investments to alter environment
 - ▶ Make healthy eating and active living easy choices
 - ▶ Discourage health-damaging behaviors

Environment is important contributor to health behaviors

- ▶ **Behavior is influenced by our environment**
 - ▶ Environment shapes access to specific foods and food preferences (e.g., cost and geographic availability of fresh fruits and vegetables, sodas, fast foods, etc.) *
 - ▶ Environment encourages or discourages physical activity (e.g., unsafe neighborhoods discourage walking) **

* Bargh JA, Ferguson MJ. Beyond behaviorism: on the automaticity of higher mental processes. *Psychol Bull.* Nov 2000;126(6):925-945; Hastert TA, Babey SH, Diamant AL, Brown ER. More California teens consume soda and fast food each day than five servings of fruits and vegetables, Los Angeles, CA: UCLA Center for Health Policy Research, Sep 2005;

** Babey SH, Brown ER, Hastert TA, Access to safe parks helps increase physical activity among teenagers, Los Angeles, CA: UCLA Center for Health Policy Research, Dec 2005; and Babey SH, Hastert TA, Brown ER, Teens living in disadvantaged neighborhoods lack access to parks and get less physical activity, Los Angeles, CA: UCLA Center for Health Policy Research, Mar 2007; Brown ER, Babey SH, Hastert TA, Diamant AL, Half of California adults walk less than one hour each week , Los Angeles, CA: UCLA Center for Health Policy Research, Dec 2005.

Environment is important contributor to health behaviors

- ▶ **Important to shape environments to promote people easily engaging in healthy behaviors and discourage unhealthy behaviors**
 - ▶ Improving access to healthy foods and decreasing access to junk foods
 - ▶ Improving access to facilities and opportunities to be physically active
 - ▶ Limiting places where smoking is allowed
 - ▶ Enforcing policies to discourage teens from starting to smoke

Health care reform will be only part of solution to improve health

▶ Policies adopted to encourage healthful behaviors

- ▶ Change efforts led by State health agencies, local health agencies, and statewide and local advocacy groups

▶ Improvements in school food environment in California began at local level

- ▶ By September 2003, six California school districts (Los Angeles, Oakland, San Francisco, Capistrano, Eureka, and Hemet) had adopted policies banning soda sales ^{*}
- ▶ By July 2004 Los Angeles, Oakland, San Francisco, Capistrano, and Eureka also had adopted policies restricting sale of junk foods on school campuses ^{**}

* Samuels SE, Craypo L, Boyle M, Stone-Francisco S, Schwarte L. *Improving school food environments through district-level policies: Findings from six California case studies*: Samuels & Associates; July, 2006. TCE 0417-2006.

** Samuels SE, Craypo L, Boyle M, et al. Policies available at: www.nojunkfood.org. Accessed May 30, 2007.

Local efforts led to statewide policies to improve food environment

- ▶ **Local school districts' actions led to State legislation**
- ▶ **SB 12 (2005) sets comprehensive nutrition standards for food sold outside federal meal program in elementary schools**
 - ▶ Prohibits sale of certain beverages and food items at all middle, junior high and high schools
 - ▶ Sets calorie, fat and sugar restrictions on competitive foods
 - ▶ Sets beverage guidelines
 - ▶ Guidelines take effect July 1, 2007
 - ▶ Signed by Governor Schwarzenegger

Food environment policy initiatives spread from schools into larger community

- ▶ **SB 107 (2007) — Community development: healthy food choices**
 - ▶ Makes retail food markets with high-quality fresh fruits and vegetables and other healthy foods available in underserved communities
 - ▶ Encourages retail innovations in these areas
- ▶ **SB 120 (2007) — Food facilities: nutritional information**
 - ▶ Requires chain restaurants with at least 10 locations in California to:
 - ▶ Provide calorie content information on menu boards
 - ▶ Provide nutritional information including calories, saturated fat plus trans fat, carbohydrates, and sodium
 - ▶ Provide a statement on menus about recommended daily intake
- ▶ **Both are moving through legislative process this year**

California also improving school-based physical education

- ▶ **Governor's 2006-07 Budget Act appropriated additional funds for physical education, including:**
 - ▶ \$40 million in ongoing funding for hiring credentialed teachers *
 - ▶ \$500 million one-time arts, music and physical education equipment grant *
 - ▶ \$533.5 million one-time discretionary block grant, which may be used toward PE program expenses if school site councils choose *

* Budget language available at: <http://www.publichealthadvocacy.org/PDFs/PEbudgetlang.pdf>.

California also improving school-based physical education

- ▶ **New legislative bills would improve PE quality and duration**
 - ▶ SB 601 — Awards incentive funding for professional development for PE teachers *
 - ▶ SB 602 — Requires that program monitoring process to indicate extent each school meets state-required minimum minutes of physical education instruction *

- ▶ **Moving through legislative process this year**

* Budget language available at: <http://www.publichealthadvocacy.org/PDFs/PEbudgetlang.pdf>.

Health care reform requires attention to improving population's health

- ▶ **Improving health essential to control growth of health care costs**
 - ▶ Health care system unsustainable if costs not controlled
 - ▶ Increasing cost sharing ineffective in making health insurance affordable
 - ▶ Must control growth in medical expenditures by reducing increases in chronic illnesses

- ▶ **Including incentives and rewards for health plan enrollees to adopt healthful behaviors can help**
 - ▶ Can help people stop smoking
 - ▶ Can reinforce people's desires to eat more healthfully and engage in leisure-time physical activity

Health care reform requires attention to improving population's health

- ▶ **However, environmental and policy change are essential to support healthy living**
 - ▶ Healthy eating should be convenient, economical and encouraged
 - ▶ Promoting moderate-portion meals with more fruits and vegetables and less fat
 - ▶ At school, at work, and in home
 - ▶ Physical activity should safe, convenient and encouraged
 - ▶ Leisure-time
 - ▶ At school
 - ▶ At work

Health care reform requires attention to improving population's health

▶ **Policy changes should:**

- ▶ Assure good access to healthful foods and opportunities for physical activity
 - ▶ School nutrition, grocery stores, farmers markets
 - ▶ Accessible and safe parks and recreation centers, adequate school physical education, workplace activity breaks
- ▶ Reduce advertising and promotion of unhealthful eating and smoking
- ▶ Change social norms to support healthful eating and active living
 - ▶ Public education plus public policies — like anti-tobacco campaigns

▶ **Poverty and income inequality are global contributors to poor health and health disparities**

- ▶ Economic and tax policies need to reduce poverty and inequality