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 ***


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)**


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 **


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 *

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

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

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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