MASSACHUSETTS PREVENTION & WELLNESS TRUST FUND

Maddie Ribble
Massachusetts Public Health Association
June 24, 2013

Health Policy Institute of Ohio
Wellness and Prevention Collaborative

www.MPHAweb.org | @MAPublicHealth
www.facebook/actionforahealthymass
Timeline

- **Apr ‘06**: Chapter 58 – Extends Access to Coverage
  - Created Health Care Quality and Cost Council

- **Aug ‘08**: Chapter 305 – Reforms to Address Cost & Quality
  - Created Special Commission on the Health Care Payment System

- **Jul ‘09**: Special Commission Final Recommendations Issued – Recommendation to reform payment methodologies


- **Feb ‘11**: Governor Patrick Files Payment Reform Legislation

- **Aug ‘12**: Chapter 224 – Payment Reform Bill
  - Created Prevention and Wellness Trust Fund
Questions

- How to ensure community-based prevention into public conversation and, ultimately, legislation?
  - Create program based on successful initiatives and driven by data.

- Write standalone legislation or respond to others’ proposals?
  - Standalone legislation with goal of rolling into larger vehicle.

- Dedicate funding?
  - Yes.

- Specify funding source?
  - Yes.

- Organize support around overarching goals vs. specific program and financing?
  - Both
Prevention and Cost Control Trust – H1498

- Competitive grants awarded to communities and groups of communities
- Take proven strategies to scale (e.g., lessons from Mass in Motion, Community Transformation Grants)
- Oversight Board will document the most prevalent and costly health conditions each year and identify evidence-based interventions
- $75 million/year – at least 80% in competitive grants
Criteria for Financing

- Sustainable; unlikely to be diverted to other uses
- Sufficient to impact health care costs and population health (e.g., not mini-grants)
- Logical link between funding source and cost savings
- Administrative simplicity
- Politically viable in current climate
H1498 – Financing

Assessment on health insurers

- Builds on the model currently used to support the purchase of childhood vaccines
- Ties prevention structurally to the healthcare financing system
- Utilizes existing administrative mechanisms
- Aligns those paying with those who stand to benefit financially from the program’s success
Other Financing Options Explored

- Remove exemption on sugar-sweetened beverages
- Raise cigarette tax
- Close tax loophole on other tobacco products
- Broad-based revenue increase (e.g., sales, income tax)
- Other healthcare-related fees/assessments
- Budget appropriation
- Casino licensing fees
- Bonding
Two Streams

- Create drumbeat on the concept of prevention in payment reform
- Push a specific financing proposal
The Need for Prevention in Payment Reform:
Evidence for Reducing Costs & Improving Health Outcomes

Briefing and Press Conference

May 3, 2011
Room 437
State House
10:00am

Featuring:

- Dr. Brenda Spillman, PhD, Health Policy Center, the Urban Institute, Washington DC
- Philip Edmundson, William Gallagher Associates
- Dr. Christina Economos, PhD, Tufts University
- Mary Giannetti, Fitchburg Mass in Motion

Sponsored by
Massachusetts Public Health Association
Health Resources in Action
Health Care for All
Boston Public Health Commission

More information: Maddie Ribble, 617-695-4207, mribble@mghweb.org
Supporters

- More than 100 active legislators
- Legislative Prevention for Health Caucus
- Mayors and town managers
- Local public health officials
- Philanthropic, business, and labor leaders
- Healthcare leaders
- Statewide and local organizations
Outside - Built external pressure

- Several events: press conferences, rallies, lobby days
- Series of “mini-lobby days” to educate/engage Reps and Senators
- Open letter to legislators from civic leaders – over 300 signatures
- Earned media, including event coverage, LTEs, and Op-Eds (including from mayors)
- Organized support in key districts
- Broad set of allies: faith groups, mayors, business
Our Health Spending Mismatch

- The New England Health Care Institute cites research showing that 88% of our health is determined by our environment and our behavior – not by the health care we receive.

- 7 out of every 10 deaths among Americans each year are caused by chronic diseases such as heart disease, cancer, stroke and diabetes.

- 75% of health care dollars in Massachusetts go toward treating preventable chronic diseases.
SUCCESSFUL PAYMENT REFORM DEPENDS ON PREVENTION

PROBLEM

1. Each year, we lose billions due to preventable disease.\(^1\) \(^2\) \(^3\) \(^4\)

Cost of Preventable Health Conditions in Massachusetts

- Productivity losses stemming from obesity: $17.0 billion
- Medical treatment costs for diabetes: $4.3 billion
- Productivity losses due to asthma: $3.7 billion
- Inpatient hospital care from cardiovascular disease: $3.5 billion
- Obesity-related medical costs: $1.8 billion

SOLUTION

1. A modest investment in prevention could reduce our disease burden.\(^5\)

A $10/person investment in prevention within a population could result in significant reductions. Targeted interventions would be even more cost effective.

- 1-2 yrs: 5% reduction in diabetes & hypertension
- 5 yrs: 5% reduction in heart disease, stroke & kidney disease
- 10-20 yrs: 2-5% reduction in arthritis, COPD & certain cancers

2. Reducing our disease burden modestly could save us billions every year.\(^6\)

Massachusetts Savings within 5 years from a 5% reduction in diabetes and hypertension

- Private Insurer and Other Payer Savings: $147.7 million
- Medicare Savings: $192.6 million
- Medicaid Savings: $110.0 million
- Total Savings: $450.4 million

OPPORTUNITY

1. Payment Reform

Prevention can help accomplish our goal of aligning spending with quality health outcomes. If we miss this chance, it won’t come again anytime soon.

2. Return on Investment (ROI)

Trust for America’s Health & The Urban Institute estimate that a $10/person investment in proven prevention strategies in MA would yield an ROI of 1.5x in the first 1-2 years, 7.4x within 5 years, and 8.2x in 10-20 years.\(^1\)

3. Public support

- More than 300 civic leaders have called for a strong focus on prevention in payment reform, including mayors and town managers; healthcare leaders; philanthropic, labor, and business leaders; local public health officials; and numerous statewide and local organizations.

- The Progressive Business Leaders Network writes, “Without a strong focus on prevention, we won’t reduce medical costs significantly regardless of how we pay for them. Health and economic development are inextricably linked... [Healthcare costs] are very real barriers to job growth.”\(^7\)

For more information, contact Maddie Ribble, Massachusetts Public Health Association: 857-250-7072 x111, mriﬄe@mplaweb.org

\(^7\) Trust for America’s Health. "Testimony of Andrew Furer, Joint Committee on Public Health, September 13, 2012."
“Without a strong focus on prevention, we won’t reduce medical costs significantly regardless of how we pay for them. Health and economic development are inextricably linked... [Healthcare costs] are very real barriers to job growth.”
Call for new wave of health care reform
Focus on wellness & sickness prevention

Thursday, 12 Apr 2012
Christine Lee, 22News State House Correspondent

BOSTON, Mass. (WWLP) - On the sixth anniversary of former Governor Mitt Romney’s landmark health care reform bill, health advocates are calling on Massachusetts to reign in the next wave of health care reform that focuses on healthy living and sickness prevention efforts.

“Individuals who are able to stay healthy and avoid having chronic diseases will pay much less in health care premiums and also in doctor’s visits, hospital visits, they’ll be able to stay well and healthy and vital longer,” said Health Care For All Executive Director Amy Whitcomb Slemmer.

Health advocates are lobbying lawmakers to create a new source of funding – a Prevention and Cost Control Trust – to be included in health care payment reform legislation. The Trust will support proven strategies that reduce illnesses like heart disease and asthma.

A recent study by the American Journal of Public Health found that a 5 percent reduction in the costs of treating diabetes and hypertension could save the state half a billion dollars. Advocates say a widespread effort could save Massachusetts billions more, which has piqued the interest of many in the Legislature.

“We don’t often have the conversation with anyone in [the State House], including the legislative leadership, about why this needs to happen,” said Maddie Rible of the Massachusetts Public Health Association. “We have the conversation with them about how best to make it work.”

Health advocates say new fund needed to improve public health in Massachusetts Money to come from insurer tax

By Evey Leazer | GLOBE STAFF | APRIL 12, 2012

Massachusetts Gov. Deval Patrick, right, sits on a panel with chairman of Partners HealthCare Jack Connors, center, and health care client Mona Rudolph, left, at Faneuil Hall in Boston. Gov. Patrick and the other participants were celebrating the sixth anniversary of Massachusetts’ landmark health care law that was signed by former Gov. Mitt Romney at Faneuil Hall in 2006.

A coalition of Massachusetts health advocates and civic leaders is lobbying for a new pool of money, possibly funded by a tax on insurers, that would pay for programs to stem preventable illnesses such as diabetes, asthma, and heart disease that are fueling medical costs.

Under the plan, insurers would be assessed a tax on what they now pay each year to cover the hospital bills of their subscribers. The fee is similar to one already levied on insurers by the state to pay for childhood vaccines and care for the uninsured.

The group, scheduled to detail its campaign Thursday at the State House, said the initiative should be a key part of lawmakers’ ongoing debate about controlling health care costs.

“The state has its priorities backward,” said Brian Rosman, research director for Health Care For All, a consumer group. “We invest so much in treating people who are sick, and we invest so little in preventing people from getting sick in the first place.”

Rosman said a yearly charge of 0.5 percent on the total each insurer pays for hospital care would raise about $70 million to pay for community-based programs that bolster health, such as improving sidewalks and bicycle lanes and offering healthier foods in child care centers.
Health care vs. sick care: Why prevention is essential to payment reform

By Thomas M. Menino and Paula Johnson

The president and Congress recently cut funding for local public health initiatives, which will have a huge impact on our ability to promote preventive care and address the root causes of many illnesses. The federal government’s current health care system is the treatment of illness and disease rather than the promotion of good health. If we created the conditions to make it possible for people to take better care of themselves, countless medical conditions such as heart disease, cancer, and obesity could be prevented. And the treatment of these diseases is what leads to skyrocketing health care costs. Local public health interventions — such as reducing air pollution, making healthy food more available, improving sidewalks and bike paths to promote physical activity, and preventing young people from getting hooked on tobacco — can play a significant role in avoiding costly medical care.

Massachusetts spends more than $60 billion on health care costs each year and seems ready to pass significant health care reforms this session. But re-allocating health care payments without addressing the root cause of many illnesses is shortsighted and will not make us healthy enough to compete in the world economy. The Massachusetts Legislature is set to debate major legislation that would overhaul the Commonwealth’s health care delivery and payment system. A key provision of this legislation, the Prevention Trust, provides an important opportunity to reduce health care costs by preventing people from developing the costly health conditions that are driving up our premiums. The Trust would fund community-based prevention programs that drive down costs by keeping Bay Staters healthy. As Congress plans round after round of cuts to federal public health funding, it’s time for Massachusetts to step up and invest in our health.

The foundation of our current health care system is the treatment of illness and disease rather than the promotion of good health. Fully 97 percent of our health care dollars are spent caring for people once they’ve become sick, and only 3 percent are spent to prevent diseases from developing in the first place. If we created the conditions to make it possible for people to take better care of themselves, countless medical conditions such as Type 2 diabetes, certain cancers, heart disease, and obesity could be prevented. Chronic disease such as these — many of which are preventable — make up 75 percent of the state’s skyrocketing health care expenditures. Local public health interventions that promote healthy living can play a significant role in preventing these diseases and avoiding costly medical care.

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Guest Opinion: Health care vs. sick care: Why prevention is essential to payment reform

By Will Flanagan, Mayor of Fall River

The Massachusetts Legislature is set to debate major legislation that would overhaul the Commonwealth’s health care delivery and payment system. A key provision of this legislation, the Prevention Trust, provides an important opportunity to reduce health care costs by preventing people from developing the costly health conditions that are driving up our premiums. The Trust would fund community-based prevention programs that drive down costs by keeping Bay Staters healthy. As Congress plans round after round of cuts to federal public health funding, it’s time for Massachusetts to step up and invest in our health.

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Bending the Obesity Cost Curve in Massachusetts:

Reducing body mass index rates by five percent could lead to health care savings of more than $5 billion in 10 years and $14 billion in 20 years.

Obesity rates have grown dramatically in Massachusetts over the past 15 years, and are on track to grow significantly more in the next 20 years.

However, if we take action, using evidence-based strategies in our schools, neighborhoods, and workplaces to improve nutrition and increase physical activity by making healthy choices easier for people in Massachusetts, we could significantly reduce rates of obesity-related diseases and reduce health spending.

A new analysis by the Trust for America’s Health (TFAH) and the National Heart Forum (NHF) found that if we reduce the collective body mass index (BMI) rate in the state by only five percent, we could save thousands of people in Massachusetts from type 2 diabetes, coronary heart disease and stroke, hypertension, cancer and arthritis, while saving billions of dollars each year. Individuals are considered obese if their BMI of 30 or higher; for an adult reducing BMI by one percent is equivalent to a weight loss of around 2.2 lbs for an adult of average weight.¹

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**Massachusetts Total Obesity-Related Health Spending by Year 2010-2030:**

- Predicted (blue solid): 5% BMI reduction (red dotted)

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![Graph showing predicted health spending with and without 5% BMI reduction](image)
Legislative Letter to Conference Committee

Sincerely,

Harriette Chandler
Senator Harriette Chandler

Representative Jason Lewis

[Signatures of legislators listed]
A coalition of consumer and public health groups praised the inclusion of money in the health cost control bill adopted by lawmakers Tuesday to pay for programs to stem chronic illnesses such as diabetes, asthma, and heart disease that are fueling the growth of medical costs.

The $60 million earmarked over the next four years for the Prevention and Wellness Trust, believed to be the first such state based prevention fund in the nation, will be paid for by a tax on insurers and an assessment on some larger hospitals.

Under the expansive prevention program, communities, health care providers, regional planning agencies, and health plans will vie for grants, to be awarded by the state’s Department of Public Health, to battle preventable illnesses.

Supporters, who long lobbied for money to be dedicated to disease prevention as part of cost control legislation, called the bill groundbreaking. “This keeps Massachusetts at the forefront of health policy,” said Maddie Ribble, policy director at the Massachusetts Public Health Association.

Health Care for All, a Boston-based consumer group, said in a statement that the legislation “will begin to move us away from a sick care system and toward a true health care system that is aligned and focused on keeping us healthy.”
Chapter 224/Prevention & Wellness Trust Fund

- $60 million over 4 years
- First of its kind in any state in the nation
- Will significantly increase funding for community prevention activities in Massachusetts
- Focus on reducing health disparities
Final Financing=$225m

- Assessment on health plans (total=$60m)
- Assessment on acute hospitals with more than $1 billion in net assets and less than 50 percent of revenue generated by public payers (total=$165m)

To fund...

- Prevention Trust: $60 million over 4 years
- health information technology: $30 million
- struggling community hospitals: $135 million
Implementation Questions

- Laying the foundation for reauthorization of funding
- Timeliness
- Role and structure of technical assistance
- Managing expectations
- Tension between primary prevention and short term cost savings