



The Prevention and Public Health Fund: Benefits to Small Business and American Workers

Health Care Costs Are Undermining Business Profits and Successes

- Poor health is putting the nation's economic security in jeopardy. The skyrocketing costs of health care threaten to bankrupt American businesses, causing some companies to send jobs to other countries where costs are lower.
- More than one-quarter of health care costs are related to obesity, overweight, and physical inactivity due to associated health problems, including heart disease, hypertension, diabetes, and some forms of cancer.¹
- Health care costs of obese workers are up to 21 percent higher than non-obese workers.²
- Workers with one or more chronic conditions average 2-4 times as many lost work days as employees with no chronic conditions.³
- The indirect costs to employers of their employees' poor health can be 2-3 times the costs of direct medical expenses, including lower productivity, higher rates of disability, higher rates of injury, and more workers' compensation claims.⁴
- Obese and physically inactive workers also suffer from lower worker productivity, increased absenteeism, and higher workers' compensation claims.⁵
- Workplace injuries annually cost U.S. employers \$46.8 billion — nearly \$1 billion per week -- in direct costs (medical and lost wage payments). When indirect costs are taken into account, such as overtime, training, lost productivity, costs to employers can climb to as much as \$291.6 billion each year.⁶
- Many of the leading causes of disability could be significantly reduced through healthier behaviors.⁷ For example, decreasing obesity rates could reduce the impact of arthritis, back problems, stroke, heart disease, diabetes, and numerous other health conditions.

Prevention: Beneficial To All Business

¹ K. Thorpe, et al. "Trends: The Impact Of Obesity On Rising Medical Spending." *Health Affairs* 4, (October 2004): 480-486.

² E. Ostbye, et al. "Obesity and Workers' Compensation: Results from the Duke Health and Safety Surveillance System." *Archives of Internal Medicine* 167, no. 8, (2004):766-773.

³ National Health Interview Survey (NHIS) 2005. In: *The Health Status of the United States Workforce: Findings from the National Health and Nutrition Examination Survey (NHANES) 1999-2002, and the National Health Interview Survey (NHIS) 2005*. Pfizer Inc. 2006. Quoted in:

<http://www.prevent.org/data/files/initiatives/leadingbyexamplefullbook.pdf>

⁴ Chamber of Commerce, 2007.

⁵ S. Klarenbach, et al. "Population-Based Analysis of Obesity and Workforce Participation." *Obesity* 14, no. 5 (May 2006): 920-927.

⁶ The Liberty Mutual Research Institute for Safety. "2006 Liberty Mutual Workplace Safety Index." Liberty Mutual.

⁷ Centers for Disease Control and Prevention, "Prevalence and Most Common Causes of Disability Among Adults – United States, 2005," *MMWR*: May 1, 2009 / 58(16);421-426.

<http://www.cdc.gov/mmwr/preview/mmwrhtml/mm5816a2.htm#tab2>

- Small businesses disproportionately feel the impact of an unhealthy workforce. When one person is out sick, has a chronic illness, or is less productive at work (“presenteeism”), the entire work operation suffers. Larger employers may be able to weather these losses more easily than a small business.
- According to the National Federation of Independent Business, the cost of health care is the number one concern to small business owners.⁸ Yet, small, strategic investments in community level prevention (such as those supported by the Prevention Fund) have been shown to significantly reduce direct health care costs. A study by Trust for America’s Health found that an investment of \$10 per person per year in proven community-based programs to increase physical activity, improve nutrition, and prevent tobacco use could show a return on investment of \$5.60 for every \$1 spent.
- According to the U.S. Chamber of Commerce, investing in the health of Americans will improve the bottom line for businesses by lowering health care costs, reducing absenteeism, and improving productivity.⁹
- The Prevention Fund and other provisions in health reform can be used to strengthen workplace wellness programs, including special grants and technical assistance for small businesses (sec. 10408 and sec. 4303).
- For those small businesses that may be unable to develop their own worksite wellness programs, they will depend on community-level prevention to help build a healthy workforce. The Prevention Fund will support activities that are *proven* to make workers healthier, such as smoking cessation programs, immunizations, disease screening, and obesity prevention.

Investing in Public Health Jobs

- The Prevention Fund will be used to address persistent public health workforce shortages. According to a survey by the National Association of County and City Health Officials, between January 2008 and December 2009, local health departments lost 23,000 jobs to layoffs and attrition, roughly 15 percent of the entire local public health workforce.¹⁰
- The first financial allocation from the Prevention Fund takes a first crucial step to help alleviate the shortages in the public health workforce – by training and supporting the hiring of epidemiologists and laboratory personnel, training public health professionals to work in underserved areas, and strengthening the state and local public health worker pipeline. This investment must be ongoing to maintain a properly trained public health workforce.
- The Fund can help stem this workforce crisis through strategic investments in the public health system, which we all depend on to protect our food and water supply, prepare for and respond to public health emergencies, and help detect and prevent disease.

⁸ Steps to a Healthier US Workforce Symposium, October 26-28, 2004, Washington D.C. <http://www.cdc.gov/niosh/worklife/steps/pdfs/Steps%20Session%20A-5.pdf>

⁹ U.S. Chamber of Commerce and Partnership for Prevention, “Leading by Example: Leading Practices for Employee Health Management,” 2007. <http://www.prevent.org/data/files/initiatives/leadingbyexamplefullbook.pdf>

¹⁰ National Association of County and City Health Officials, “2010 Data Confirm Job Losses and Program Cuts in LHDs Continue.” <http://www.naccho.org/topics/infrastructure/lhdbudget/index.cfm>