

Sacred Heart University

Interrelationship between Healthcare and Finances

The Rising Cost of Healthcare in Relation to Obesity: Is It Worth It?

Erica Vuocolo

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Dr. Lazowski, Dr. Rober

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Introduction

As time goes on, it appears that everything has become increasingly more expensive. With prices rising, it is expected that the product in question has been advanced, improved or somehow progressed. On the contrary, healthcare in the United States has not followed the same general path. Certain products and services have seen exponential increases in recent years, much greater than can be tied to general inflation. Healthcare costs in the United States have risen astronomically in recent years, yet the public health outcomes in the nation have not maintained the same upward trend. Obesity, specifically continues to see large increases, and the current treatment methods appear unable to keep up. Rates of morbidity and mortality associated with obesity have seen no decline, yet American citizens continue to pay more and more for their health care.

Compiled evidence suggests that the primary goal of American healthcare spending tends not to be the health-related outcomes for patients. Rather, medical care in the United States appears to place emphasis on profitable procedures and reimbursement. Thus far, the rising cost of healthcare in the United States has not contributed to a promotion of public health and wellness. Rising costs for obesity treatment, for example, appear to be a positive trend, but the obesity epidemic has seen little to no change.

To understand the true issue of obesity, one must first understand peripheral factors that contribute to a physician's treatment of the condition. A greater emphasis on the improvement of obesity rates by using cost-effective measures has the potential to create public health outcomes that benefit patients. Healthcare providers and policy makers should be aware of the weak aspects related to obesity treatment prior to allocating more money to the condition. By first

evaluating the modern day barriers to treating obesity, the American healthcare system will be able to make a more effective use of financial resources.

Overview of Healthcare Spending in the United States

Currently, the cost of healthcare in the United States increases drastically each year and no stagnation appears to be in the future. If current trends continue, national healthcare spending is projected to grow at a rate of 5.5% per year from 2017 to 2026.¹ In 2017, 3.5 trillion dollars were allocated to healthcare spending nationwide. By 2026, it is projected that healthcare spending will reach 5.7 trillion dollars.¹ Following these trends, the United States is frequently ranked highly for its per capita spending on healthcare.² As of 2015, 17.8% of the gross domestic product was devoted to healthcare spending.³ However, the funds that the United States dedicates to healthcare have not necessarily lent themselves to above average public health outcomes.

Although median incomes have increased over time, a large portion of the income has been offset by increasing spending for healthcare. In the ten year span of 1999 to 2009, median income increased over \$20,000. During the same timeframe, a family's monthly premium for private health insurance grew by 128%, from \$490 to more than \$1,115.⁴ While incomes have risen slightly, people are burdened by the unreasonable increase in healthcare. On average, the increased median income was put towards paying for these necessities, like healthcare, instead of being put aside for investments or saving for the future. With such increases, it would be expected that health outcomes during this 10 year period would see drastic improvements. On the contrary, life expectancy was only increased by about one year, while the other 34 countries in the Organization for Economic Cooperation and Development averaged an increase of 2.2 years.⁴ The United States dropped to the last place on a list of 19 high income countries in terms

of amenable mortality in 2003.⁴ In terms of general disease prevention and treatment, the United States spends more than most other countries and has not seen a pay-out for the increased spending. If spending more and receiving less has not proven effective, it is conceivable that spending less would be worthwhile.

Wide variations in terms of cost, quality and access to healthcare exist depending on the region of the United States. Primarily, this occurs due to differences in the volume and intensity of practice.⁵ Specifically, more densely packed areas of the country are likely to have higher healthcare spending. Medicare per capita spending has been seen to be much greater in areas like Florida than regions such as Minnesota.⁵ From a regional perspective, areas like New England and the Mid-east states trend towards spending more than the national average.⁶ Levels of spending are dependent on a variety of different variables. For example, regional spending in the United States depends on levels of personal income and the percentage of the nearby population enrolled in Medicare or Medicaid.⁶ Specifically, Massachusetts and Connecticut typically spend the most on healthcare per capita, but see smaller increases in spending annually.⁶ While some locations are spending more than others, the general theme appears to demonstrate that overall, the United States has not made mentionable health outcomes.

Outlining all of healthcare spending is an overwhelming large task. Rather than attempting to outline the entire process, analyzing one specific condition will give insight into themes and trends in healthcare spending throughout the nation. A variety of factors contribute to a lack of treatment or mistreatment in certain conditions. Often, these factors are completely unrelated to financial allocations. The condition of obesity accounts for a large portion of healthcare expenditures nationwide. Yet, this spending has not created less obesity. This is not to say that more spending causes more obesity, but it has not proven to help. As a result, it becomes

crucial to analyze the more intricate reasons and barriers to proper treatment of obesity.

Hopefully, a proper understanding of these barriers will give healthcare providers and policy makers the opportunity to re-allocate spending towards these issues.

Prior to outlining the finances related to obesity, one must identify the characteristics associated with obesity. While many consider themselves well-versed in terms of obesity, there are much more complicated dynamics present than many acknowledge. To start, obesity has a genetic and biological component. In other words, not all that are obese are “choosing” to do so. While there is a large component related to lifestyle factors and choices, one’s genetics must also be considered. Additionally, obesity often requires lifelong treatment as there is currently no one solution to the condition. Obesity is chronic and progressive; it is much more than simply being overweight or carrying additional weight. Instead, it has the potential to develop into more serious and chronic issues if not addressed early and properly.⁷ Finally, obesity is highly correlated with one’s mental health. Mental characteristics such as self-esteem, self-efficacy and self-worth are often negatively impacted by being characterized as obese.⁷ So, while many associate obesity with one’s choices, laziness and an overall lack of self-control, there are more powerful factors at work.

Understanding Healthcare Expenditures in terms of Obesity

Understandably, the country’s total healthcare spending is devoted to treating various different diseases and illnesses, and obesity accounts for a large portion of the cost. Estimates for the cost of obesity in the United States range from \$147 billion to almost \$210 billion per year, or about 10% of U.S. healthcare spending.⁸ At face value, these percentages may appear low, however that equates to about 1/10 of overall healthcare spending. With so many different diseases, illnesses and conditions, it is alarming that 10% of the nation’s healthcare spending is

allocated for obesity. Again, although obesity contributes to a decent amount of healthcare spending, obesity rates nationwide have not experienced significant declines. More and more examples have demonstrated that, although the U.S. spends a significant amount of money on healthcare, their citizens are not reaping the benefits. As a result, one must consider other rationales for why increased public health spending has not caused positive health outcomes in the United States.

The trillions of dollars spent on healthcare in the United States have not lead to health advances above those of citizens in other countries. For example, the United States was recently ranked first worldwide in their per capita spending on healthcare.² Along with this ranking, however, infant mortality was ranked 39th, adult female mortality 43rd, adult male mortality 42nd and life expectancy fell to the 36th position worldwide.² Furthermore, a sizeable portion of the population still lacks health insurance protection, preventing them from receiving crucial treatments.⁵ With the national funds allocated to healthcare, this fact should come as an outrage. Many other countries allocate their spending differently; they spend less, and provide more (if not all) of the population with health insurance and basic healthcare. Given the astronomical amount of money spent annually on healthcare, one would likely expect a wider range of coverage and more positive health outcomes in American citizens.

Contrary to the large amount of money spent, obesity continues to be a growing issue among American citizens. Currently, the CDC reports that 39.8% of people in the United States are currently classified as obese, which equates to 93.3 million U.S. adults.⁹ Obesity is an issue more than just for the simple fact of one being overweight. Carrying extra weight leads to various comorbidities and medical consequences. Essentially, those that are overweight or obese are more likely to have other illnesses, conditions and diseases. As a result, the medical cost for

obese individuals is, on average, \$1,429 higher than those of normal weight and body mass index (BMI).¹⁰ Therefore, having more obese individuals in the nation will result in higher healthcare expenditures for obesity and in general. It is important to note that these statistics do not account for those overweight individuals that are not medically classified as obese or those that are unable to report. Thus, a reduction in the number of obese individuals may decrease healthcare expenditures and lead to more positive health outcomes.

A major contributing factor to the additional money spent on obese patients is the various comorbidities that are associated with obesity. These comorbidities lead to an increased spending and overall lower quality of life. Also, there is currently no acceptable “cure” for obesity.¹⁰ Obese individuals typically find it increasingly difficult to reach a healthy weight in the long term. Various issues are correlated with obesity such as one’s mental health, sleep patterns, pain tolerance, development of cardiovascular disease, respiratory disease, digestive and endocrine diseases.¹⁰ Along with the potential development of these conditions comes additional costs for the patient. Therefore, the ability to prevent and control for obesity with proper treatment and guidance is undeniably important. Policy makers must acknowledge these comorbidities as rationale for confronting barriers that exist in regards to obesity treatment.

When referring specifically to obesity, one must understand potential barriers to a physician properly treating obesity. Although more and more funds are being allocated to the overall spending, financially unrelated barriers may be preventing the proper treatment of conditions like obesity. Potentially, there are other considerations for improving health in regards to obesity. In assessing obesity prevention and treatment of obesity, researchers have discovered that self-efficacy has become a setback to healthcare providers properly treating obesity in patients.¹¹ Of the sampled population, only 12% of pediatricians reported a high self-efficacy in

obesity management.¹¹ Another 39% of sampled physicians claimed to feel potentially effective in treating obesity in their patients.¹¹ Healthcare spending, specifically on obesity, has proven to increase annually. However, if the pediatricians seeing the cases are unable to address the issue due to a lack of self-efficacy, more spending will likely not reduce obesity rates. Low self-efficacy would need to be addressed in order to make progress on obesity, and likely other topics. Rather than simply spending more in general, it may be advantageous to understand weaknesses, such as a lack of self-efficacy in pediatricians.

In addition to lacking self-efficacy, pediatricians have acknowledged that they infrequently receive the ideal amount of time with a patient.¹² A lack of time shared between a patient and a physician, especially in younger populations, is an obvious disadvantage for proper treatment of a condition like obesity. Seeing as though children visit their pediatrician more frequently at a young age, pediatricians have the opportunity to begin obesity prevention and education early. Ideally, physicians should screen early for unhealthy weight trajectories in order to confront obesity early. However, the necessary screenings are time consuming. Likely, the underlying issue a patient is having could be more widely understood if more time was allocated to each patient. Often, maximizing one's time is a central goal of healthcare. But, simply because more money is being spent and more patients are seen per hour does not mean that the obesity rates are on the decline. If physicians do not have the proper amount of time to thoroughly discuss obesity with their patients, the situation runs the risk of continuing with the current trend.

With time as a barrier, there are limitations on how physicians can handle a patient's condition. In spite of this, growing evidence has suggested that pediatricians should incorporate counseling on healthy weight management into their regular practice.¹² At a minimum, physicians should be recommending healthy weight behavior changes such as limiting television,

limiting sweet drinks and increasing overall levels of physical activity.¹² With time as a barrier, adding even the minimum prevention efforts is a challenge for physicians. Yet, one cannot expect public health outcomes to improve when pediatricians can barely allocate enough time to communicate the most basic information to parents. Undoubtedly, screening for the lifestyle factors leading to obesity early on is crucial. Possibly, funds should be shifted towards developing a more complete training protocol for pediatricians so that they can address obesity with high self-efficacy and with small time frames.

In conjunction with perceived barriers from physicians, social services and public health spending have the ability to combat obesity. By analyzing the ratio of social spending to health spending, research has shown that a higher ratio of this results in better health outcomes. By allocating state level spending to social services and public health, not just total spending, health outcomes have trended positively.¹³ Evidence has also demonstrated the relationship between social determinants and health outcomes. In order to reduce extreme obesity, more spending in general may not be the solution. Rather, reductions in extreme obesity have been associated with factors such as the availability of supermarkets.¹⁴ By incentivizing healthier food choices by creating more convenient locations for supermarkets, public health may see positive, upward trends in terms of obesity. Healthcare policy makers should understand such evidence and trends, and attempt to allocate resources towards outlets where public health will reap the most benefits.

Similarly, socioeconomic status of individuals is highly correlated with obesity rates. The prevalence of healthy options in low-income neighborhoods is scarce, forcing those with lower socioeconomic statuses to revert to unhealthy food options.¹⁰ In general, there is a higher cost associated with a healthy diet, one that some simply cannot afford. Many are simply unaware of healthy options in their neighborhood, further adding to the dilemma. It is advisable that

physicians in lower income and urban areas provide strategies for healthy options. Safety concerns may prevent walking or outdoor activities, especially in low-socioeconomic, urban locations. Physicians located in urban areas may consider supplying adequate resources with information on both safe and healthy options for their patients. Regarding obesity, a misinformed or underinformed patient is unable to make the proper choices for themselves or their children. Therefore, physicians should examine their role as an educator, specifically in cases of low socioeconomic status.

While more and more money is allocated for healthcare and obesity specifically, insurance companies impede the management of obesity. As previously mentioned, physician self-efficacy in treating obesity in children is at a low. The odds of high self-efficacy were even lower than average for physician respondents who reported a lack of non-MD staff reimbursement.¹¹ Specifically, reimbursement refers to the dollar amount that doctor's offices receive from the insurance company for the services. The reimbursement process has been seen to be an especially long process for Medicare patients, further exacerbating the issue.¹⁵ From a financial perspective, if a physician knows that insurance companies will not reimburse for their services, they may be less likely to address the real issue at hand. With obesity, this becomes especially dangerous, making it easier for physicians to avoid investing the maximum effort in treating obesity. When asked in a survey, 84% of respondents reported that better reimbursement for obesity counseling would be "definitely or somewhat" helpful.¹¹ Given the provided research on the obesity epidemic, specifically in children, more money in healthcare should be allocated towards reimbursing physicians for their work in preventing and treating obesity and related factors.

Despite the undeniable need for weight and obesity management services, the low reimbursement rates do not support sustainability of the services. Physicians and other healthcare providers that deal with obesity are not frequently reimbursed for their contributions. As a result, the patients may need to pay out of pocket for the treatment, further discouraging proper medical care. Among the barriers to obesity management cited by physicians, over half of physicians reported lack of non-MD staff reimbursement as a practice based barrier to obesity management and 30% cited lack of MD reimbursement as a barrier.¹¹ These statistics demonstrate the lack of value that insurance companies currently place on reimbursing healthcare providers for their services in treating obesity. Even in extreme cases, third party payers will deny payment for obesity intervention services.¹⁶ Undoubtedly, the lack of reimbursement is sending the wrong message; insurance companies are conveying a disinterest and disinvolvement in dealing with the undeniable issue of obesity. Despite reports, research and recommendations from healthcare professionals, the poor reimbursement rates impede appropriate medical intervention regarding obesity.

While high spending appears to not be an indication of positive health outcomes in relation to obesity, time has shown to be beneficial in treating obesity. In the span of a five year longitudinal study, children five to thirteen years of age were tracked throughout their weight loss journey. The study originally was conducted in response to the lack of follow up of obesity treatment in early childhood. Within those five years, 48% of the 220 children were no longer obese and 72% of them were able to reduce their BMI from their starting value.¹⁷ Potentially, the crucial aspect to the treatment was not money, rather time.

From this information, it can be seen that the ability to reach significant weight loss is promising with a long term behavioral obesity treatment. Although this type of treatment likely

was costly, it also devoted serious time from healthcare providers and allowed behavioral change to occur. A long term behavioral obesity treatment has the possibility to make a valuable health impact on children with obesity.

Future Directions

While this piece did not specifically research other countries spending and health outcomes, future texts may benefit from understanding how to mimic the public health outcomes of successful countries. From gaining a greater understanding of the healthcare dynamics of other countries, the United States may develop a different method for healthcare. Potentially, mimicking the insurance policies and coverage that other countries provide their citizens may allow the United States to have more positive health outcomes and healthier citizens overall.

Additional texts may also choose to explore and weigh the benefits and drawbacks of universal healthcare coverage. While the topic can be political in nature, it may be worth investigating while specifically referring to healthcare and obesity. With many citizens lacking health insurance or with inadequate coverage, it becomes increasingly more difficult to ensure the obese population has the proper resources. Implementing the strategy of universal healthcare may be positive as it would allow everyone to have a baseline resource and general knowledge about health.

The information presented in this document was focused primarily on the spending of obesity. In the future, researchers and healthcare professionals may consider addressing specific issues unrelated to money in order to improve public health outcomes. Obesity was purposefully selected in hopes of demonstrating the overall trend of healthcare expenditures. However, the financial dynamics of other diseases and conditions may be important to understand in regards to this topic.

Conclusion

Given the presented information and barriers to treating obesity, one should identify the need for proper re-evaluation of current treatment methods. Healthcare teams and policy makers must adapt obesity management strategies on a case by case basis. The various factors presented demonstrate that there is not a concrete solution to treating all cases of obesity. Rather, properly identifying and addressing barriers is essential. Finances aside, physicians must identify obesity treatment as a justice owed to patients. Addressing the aforementioned barriers has the ability to save resources and increase the prospect of long term success in obesity treatment.

While there are compelling arguments advocating for a complete re-evaluation of healthcare in its entirety, this document does not intend to suggest the former. Rather, there is crucial evidence to suggest for a shift in obesity spending towards the visibly weak aspects outlined earlier. In such an informed, quickly advancing nation, there is no reason for obesity statistics to be so overwhelmingly negative.

Rather than allocating more money in general towards obesity, one may consider emphasizing certain issues such as time, physician reimbursement and self-efficacy and more education. By shifting spending, it is possible that more positive health outcomes would be experienced and obesity rates would decline. Regardless of if overall spending decreases, positive health related outcomes should be the primary goal. An increase in time allocation to patients will further allow for obesity to be properly discussed and addressed. Furthermore, the earlier the topic can be addressed, the more beneficial outcomes will be for the patient. In focusing on physician self-efficacy and proper patient education, the obesity epidemic will be a less daunting issue.

With both the financial and health-related research presented, it is clear that devoting more money to healthcare does not necessarily yield positive public health outcomes. In this case, obesity was the centerpiece of the healthcare discussion. However, it is important to acknowledge that the results related to obesity are representative of many other diseases and conditions. Obesity is a small part of the healthcare system that highlights the fact that health outcomes in the United States do not correlate with the ever-increasing amount of money allocated to public health.

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