



Making the Economic Case for Addressing Obesity in the United States

A study to demonstrate the cost-effectiveness of anti-obesity initiatives

SUMMARY

The obesity epidemic is a substantial and growing health problem in the United States. It is also an economic problem, adding an estimated \$147 billion dollars to the nation's health care costs in 2008 alone.¹

From May 2011 through April 2012, researchers at the [Campaign to End Obesity](#), a nonprofit policy and educational organization based in Washington, conducted a study to demonstrate that effective anti-obesity initiatives can significantly lower the epidemic's burden on the health care system over the long term.

The study authors examined studies of the clinical effectiveness and cost implications of a variety of current anti-obesity programs and measures that appeared in peer-reviewed scientific literature—mostly from medicine and economics. (See the [Appendix](#) for types of interventions reviewed.) The authors also reviewed procedures used by key policy-making bodies of the federal government—particularly the Congressional Budget Office—to assess the likely costs and benefits of proposed health care initiatives.

Given the current fiscal climate in Washington, the project organizers believed it was important that individuals with credibility among center-right policy-makers conduct the study. They recruited two researchers, Michael J. O'Grady, PhD, and James C. Capretta, MA, who held health policy positions in the administration of President George W. Bush.²

¹ Finkelstein EA, Trogon JG, Cohen JW and Dietz W. "Annual Medical Spending Attributable to Obesity: Payer and Service Specific Estimates." *Health Affairs*, 28(5): w822-w831, 2009. Abstract available [online](#).

² O'Grady was assistant secretary for planning and evaluation at the Department of Health and Human Services and is, as of September 2012, a senior fellow at the National Opinion Research Center at the University of Chicago. Capretta was associate director at the White House Office of Management and Budget and is, as of September 2012, a fellow at the Ethics and Public Policy Center and a principal at Civic Enterprises, LLC.

Stephanie E. Silverman, MBA, co-founder of the Campaign to End Obesity, directed the project.

Key Findings

O’Grady and Capretta reported key study findings in *Assessing the Economics of Obesity and Obesity Interventions*.³

- The budget “window” of 10 years used by the Congressional Budget Office to assess the likely costs and benefits of health care initiatives, although appropriate for many federal programs, is too short to provide reliable projections for health-related situations in which disease trajectories evolve over many years.
 - It often takes decades for the full impact of obesity on a person's health to become apparent. It also can take decades to determine the full effectiveness of efforts to treat obesity.
 - Modeling procedures used by both the legislative and executive branches of government tend to emphasize expenditures over benefits. Intervention costs are fully counted, while only part of the offsetting savings afforded by the avoidance of long-term complications (from, for example, diabetes and heart disease) are included when estimating the cost-effectiveness of the intervention.
- The projected increases in obesity-related health care costs are large enough to make the difference between all American health care programs being financially viable or financially vulnerable in the long term.
- A number of anti-obesity programs and methods were found to be both clinically successful and cost-effective. Interventions listed in the [Appendix](#) showed varying levels of cost-effectiveness.
- The data provided by anti-obesity programs to document the effectiveness of their methods are often viewed by federal policy-makers as unconvincing because:
 - They fail to show that local programs can work on a national scale.
 - They fail to demonstrate that a program can be effective over the long term.

Key Communication Results

Because the goal of the project was to inform policy-makers of the long-term economic advantages of anti-obesity initiatives, the project staff made concerted efforts to communicate the study's findings to opinion leaders. They:

³ O’Grady MJ and Capretta JC. *Assessing the Economics of Obesity and Obesity Interventions*. Washington: Campaign to End Obesity, 2012. Available [online](#).

- Solicited a well-known political figure with center-right credentials to write a foreword for the study⁴
- Held a telephone press conference on the morning of March 21, 2012, during which the study authors and representatives of the Campaign to End Obesity and the Robert Wood Johnson Foundation (RWJF) discussed the project with representatives of the media
- Hosted a briefing in the afternoon of March 21, 2012, for congressional staff attended by more than 80 people
- Distributed a press release that was used by more than 170 websites⁵
- Asked members of Congress to co-author, with board members of the Campaign to End Obesity and other health care experts, opinion articles on the study's findings⁶

Recommendations

O'Grady and Capretta made the following recommendations in the study report:

- When evaluating anti-obesity programs and methods, the Congressional Budget Office should produce, where appropriate, cost estimates for legislation covering a 25-year period instead of just 10 years.⁷
- Policy-makers need to take into account the scientifically documented progression of obesity and other chronic diseases. They will then be able to more accurately assess the effectiveness, both economic and clinical, of intervention programs and methods.

Lessons Learned

1. Consider timing when preparing to release results. Because it was important to communicate the study's findings to policy-makers, the project leaders had to time its release carefully in order to avoid having their message overwhelmed by more pressing news. (Project Director/Silverman)
2. Don't be afraid to ask for advice. The project director and staff members of the Campaign to End Obesity were inexperienced in applying for foundation grants. RWJF staff members guided them through the process. Said Project Director Silverman, "If you're willing to be candid about how little you know, there are plenty of people who are happy to answer your questions."

⁴ Tevi Troy, PhD, former deputy secretary of the U.S. Department of Health and Human Services and former head of the White House Domestic Policy Council, wrote the foreword.

⁵ Websites using the press release included those of Reuters, *Boston Globe*, Yahoo Finance, *San Francisco Chronicle*, and MarketWatch (a *Wall Street Journal* site).

⁶ Those who co-authored articles included Representatives Joe Baca (D-Calif.), Ron Kind (D-Wis.), and Erik Paulsen (R-Minn.).

⁷ The appropriateness of a 25-year assessment window would be decided by a joint, bipartisan task force appointed by Congress.

3. Take internal overhead expenses into account during budget preparation. Coordinating a study such as this may require in-house support from the grantee's staff. Those expenses should be taken into account when calculating a proposed budget. (Project Director/Silverman)

Funding

RWJF provided a grant of \$143,330 to support this project from May 15, 2011, through April 30, 2012. The Campaign to End Obesity contributed an additional \$19,484 in overhead costs and staff support.

Afterward

With additional funding from RWJF beginning October 2012,⁸ the Campaign to End Obesity is continuing its research in this area. The goal is to demonstrate with specific case studies (both obesity-related and other prevention initiatives) that projections covering 20 to 25 years rather than 10 years can yield more accurate assessments of proposed prevention policies.

Prepared by: Douglas Hill

Reviewed by: Mary B. Geisz and Molly McKaughan

Program Officer: Jasmine Hall Ratliff

Program Area: Childhood Obesity

Grant ID#: 68927

Project Director: Stephanie E. Silverman, MBA (202) 466-4724; stephanie@obesitycampaign.org

⁸ Grant ID# 70406; October 2012 to April 2012; \$163,900.

APPENDIX

Evaluated Interventions

The study authors reviewed assessments of intervention programs and methodologies that appeared in peer-reviewed scientific journals. The selected studies examined economic as well as clinical feasibility. Studies typically addressed a range of diseases and conditions, not just obesity. The interventions listed demonstrated varying levels of cost-effectiveness.

Studies were examined in five categories of intervention:

- School-Based Intervention
 - Coordinated Approach to Child Health (CATCH) (an elementary school intervention)
 - Planet Health (a middle school intervention)
- Community-Based Intervention
 - Wheeling Walks (community campaign to encourage walking)⁹
 - Stanford Five-City Project (community health education to improve physical activity)
 - Walking to meet health guidelines (walking training program)
 - Environmental change (exposure to bike paths, fitness centers, etc.)
 - Behavioral therapy, personal trainers, and incentives to increase physical activity
 - Diabetes prevention program for adults at risk of type 2 diabetes
- Pharmaceutical Intervention
 - Xenical (Orlistat) (an anti-obesity drug)
- Surgical Intervention
 - Gastric bypass (both older and newer procedures)
- Workplace Intervention
 - Workplace wellness programs (both more and less recent programs)

⁹ RWJF supported this project with grant ID# 42592. See Heroux J. *Lessons Learned: Promoting Physical Activity at the Community Level*. Princeton, NJ: Robert Wood Johnson Foundation, 2005 (Special Report). Available [online](#).

BIBLIOGRAPHY

Reports

O’Grady MJ and Capretta JC. *Assessing the Economics of Obesity and Obesity Interventions*. Washington: Campaign to End Obesity, 2012. Available [online](#).