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GRETA GERWIG

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A Long View on Health Care: Think Like an Investor

By GINA KOLATA

Could health care costs be reined in by improving access to preventive care? It's an idea that appeals to policy makers and many public health experts, but the evidence for it is surprisingly hard to pin down.

Of course, preventing diseases is better than waiting for them to occur and then treating them. But there are questions about which diseases can actually be prevented, how effective preventive measures might be, and what they would cost.

We put some of these questions to Dana Goldman, director of the Schaeffer Center for Health Policy and Economics at the University of Southern California and founding editor of the Forum for Health Economics and Policy. What follows is an edited version of our conversation.

How much are we spending on treating diseases that might be prevented?

The most consistent estimates, and most widely cited, seem to come out of the Centers for Disease Control and Prevention, lobbying groups like the Tobacco-Free Kids initiative, and the president's prevention initiative. Instead of blanket measures, they focus more on diseases relating to "lifestyle" decisions like obesity and smoking, and their estimates include costs for lost productivity in addition to medical expenses.

Some of the better estimates are $93 billion for obesity-related spending and $96 billion for smoking-related spending. The C.D.C. estimates that 75 percent of health care spending is for chronic diseases that could be prevented.

But how feasible is it to prevent things like smoking or obesity?

Right now, we are limited in our ability to prevent those conditions. Part of it is that the factors that determine them are seen as beyond the control of the health care system, things like genes and environment, diet and exercise.

To try to think about it, imagine the way we reimburse. I was talking to a doctor, and he said,

"Look, I am dealing with this obese person and they have a constellation of conditions — high cholesterol levels, high blood pressure, diabetes. The best thing I can do is take them for a walk. But I don't get reimbursed for that."

Well, why doesn't the doctor come over and take you for a walk? Why can't we reimburse for prevention?

Might that seem like pie in the sky? And anyway, why would you think that paying a doctor to take an obese person for a walk would prevent anything?

It is not pie in the sky. If we reimbursed on the basis of preventing disease rather than treating it, the world would be different. With obesity, for example, you could imagine a much more concerted effort not only for diet and exercise but also biomedicine. A pill to prevent obesity would be worth literally trillions of dollars.

If we reimbursed for prevention, wouldn't we have to stop reimbursing for a lot of treatments? There's only so much we can spend.

The question should not be zero sum. We should invest where we make our highest returns. We should put our money wherever there is a very high positive return, and where there isn't a high positive return, we should think hard about investing.

To go back to treatments, which ones would you get rid of because they don't produce a high positive return?

End-of-life care, particularly end-of-life care that keeps you in a low functional state, like keeping people alive after a massive stroke. Saving very premature infants.

I can imagine the response you'd get if you tried taking those treatments away.

The question isn't, "Should we be doing this?" It is, "Should we be publicly subsidizing it?" We could say that you can have a basic package of health insurance, and if you want to buy coverage for other services with unknown benefits or with benefits that are potentially negative, that's up to you.

If we actually prevent diseases or conditions, would our bills go up in the end? People would live longer and develop lots of other chronic diseases that can be expensive to control or treat. And they would draw Social Security.

In the fiscal sense, health improvement can cost us money. But that totally ignores the value to society.

For example, H.I.V. prior to antiretroviral therapy was like a death sentence. With the introduction of those drugs, we took a killer and made it more like a chronic illness. There was a lot of hand-wringing about how do we pay for the drugs. But that completely ignores the value to society.

We think of health care as an expense, but we really should be thinking of health care as an investment. We want to invest where we have the greatest return. I would put prevention in that bucket.

But the way we do it now, no one has an incentive to invest in things with a long-term return.

What are those things with a long-term return?

Obesity, smoking and diabetes prevention. With obesity, a lot of people who are overweight do pretty well, and we don't have a good intervention to prevent obesity. So I would target people with obesity and other problems, like high blood pressure or diabetes. And for sure I would target the morbidly obese, people with a body mass index above 40.

What does all this mean for health care reform?

The point of health care reform was essentially to get people insurance. You could say that we would pay for what we really care about, which is health. But health care insurance has not succeeded in giving people health.

Is the term wrong? We call it health care, but should we instead call it disease care?

Yes. Disease care. I agree completely.