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CBO Scoring Misses Billions of Dollars in Potential Long-Term Savings from Effective Obesity Prevention Policies, According to New Study *Longer-Term Scoring Would More Accurately Reflect Costs and Savings*

WASHINGTON, D.C.—Current methods for estimating the costs and savings of federal health legislation miss billions of dollars in potential long-term returns from effective obesity prevention policies, according to a new study released today by the Campaign to End Obesity. Changing the way cost estimates are created would give policymakers a clearer picture of costs and savings, the report concludes.

In “The Long-Term Returns of Obesity-Prevention Policies,” author Alex Brill, research fellow at the American Enterprise Institute, former policy director and chief economist for the House Committee on Ways & Means Committee and Republican tax advisor to the Simpson-Bowles Deficit Reduction Commission, asserts the 10-year scoring model used by the Congressional Budget Office (CBO) fails to capture the potential long-term budget impacts of preventive health strategies, including policies and programs aimed at preventing or ameliorating obesity and the costly chronic diseases with which it is associated.

“The 10-year window effectively distorts policymakers’ perspective on preventive health policies by focusing on the initial cost of the interventions and failing to capture the full scope of the policies’ impact in the long-term,” said Brill. Longer-term models “would allow policymakers to more easily identify and distinguish between effective and ineffective policies and spending.”

To demonstrate how such long-term modeling could fully capture programmatic savings, Brill uses a lifetime scoring window (75 years) and identifies billions of dollars in potential savings that may be attributable to four specific obesity-prevention policies. The study analyzed budget effects of policies – since CBO is charged with providing the budget impacts for policies – for both males and females, but found the highest potential savings among women:

- **Obesity screening by physicians**, which is recommended by the U.S. Preventive Services Task Force and now required by the Affordable Care Act could yield as much as \$44 billion in long-term federal savings.

- The **S-CHIP childhood obesity demonstration project**, which combines changes in preventive care at doctor visits with community and school efforts to prevent and reduce childhood obesity in low-income communities , could produce as much as \$41 billion in long-term federal savings.
- The **Diabetes Prevention Program (DPP)**, which sets weight-loss goals for participants through physical activity and healthy eating habits, has already demonstrated effective weight-loss among many enrollees. Long-term federal savings from the DPP may amount to as much as \$18.4 billion.
- **Weight-loss drugs under Medicare Part D** could yield long-term federal savings of as much as \$11.4 billion.

The long-term economic gains Brill highlights stem from reduced federal health care expenses for program participants who avoid or reverse obesity, and additional tax revenues associated with greater wages, because people at a healthy weight tend to earn more than those with obesity. Moreover, these savings fully account for “longevity costs” to the government when individuals live longer and use more federal benefits like Social Security and Medicare.

“Intuitively we know that preventing and reversing obesity saves money, but efforts to enact impactful obesity-prevention and -reduction policies can be hampered by the CBO’s existing scoring rubric ,” said Stephanie Silverman, a member of the Campaign to End Obesity’s Board. “Brill reminds us not only of the savings we could be capturing if we modeled these programs over the long-term, but also of the fact that lifetime scoring models do exist for these purposes.”

The study notes that the Congressional Budget Office has conducted longer-term analyses in the past, including for Social Security solvency and the effects of tobacco taxes. Brill notes that a 75-year lifetime model like the one utilized in those instances is the best approach to determine long-term net economic impacts. Even so, Brill notes, resource limitations may hinder CBO’s efforts to produce 75- year models today.

“With federal budget concerns front-of-mind in Washington, D.C., and across the country, this analysis is a timely effort to clarify the long-term savings that obesity-prevention strategies can provide for taxpayers,” said James S. Marks, MD, senior vice president and director of the Health Group at the Robert Wood Johnson Foundation, which funded the report. “And as we start to see small declines in obesity rates in certain parts of the country, we know we need to commit even more fully to reversing this epidemic. A longer scoring window will enable policy-makers to make more informed decisions about how to do this.”

Support for “**THE LONG-TERM RETURNS OF OBESITY-PREVENTION POLICIES**,” authored by Alex Brill, was provided by a grant from the Robert Wood Johnson Foundation. For a copy of the study, click [here](#).