POLICY & PRACTICE

Chronic Disease: $1 Trillion a Year

Seven chronic diseases—cancer, diabetes, hypertension, stroke, heart disease, pulmonary conditions, and mental illness—have a total impact on the economy of $1.3 trillion annually, including $1.1 trillion in lost productivity, according to a study by the Milken Institute. That figure could be nearly $6 trillion by mid-century, the report said. "By investing in good health, we can add billions of dollars in economic growth in the coming decades," said Ross C. DeVol, the institute's director of regional economics and the Center for Health Economics and principal author of the report. He noted much of this cost was avoidable. "With moderate improvements in prevention and early intervention, such as reducing the rate of obesity, the savings to the economy would be enormous." West Virginia, Tennessee, Arkansas, Kentucky, and Mississippi have the highest rates of chronic disease. Utah, Alaska, Colorado, New Mexico, and Arizona have the lowest.

Spinal Muscular Atrophy Legislation

Sen. Debbie Stabenow (D-Mich.) and Rep. Johnny Isakson (R-Ga.) introduced the Spinal Muscular Atrophy Treatment Acceleration Act of 2007, which would require the National Institutes of Health to establish a clinical trial network and a data coordinating center for spinal muscular atrophy (SMA). The bill would require the NIH to "ensure that such [a] network conducts coordinated, multisite, clinical trials of pharmacological approaches to the treatment of SMA, and rapidly and efficiently disseminates scientific findings to the field." The law calls for a national registry and a coordinating committee.

Insurance Premium Increase Slows

Employer-sponsored health insurance premiums rose on average 6.1% in 2007, reflecting a continuing slowdown in premium increases. The 2007 premium increase is the smallest since 1999, according to an employer survey by the Kaiser Family Foundation and the Health Research & Educational Trust. But experts said the slowdown is temporary and isn't providing relief to individuals or employers. The 6.1% increase is higher than the average increase in wages (3.7%) and in the overall inflation rate (2.6%). In 2007, the average premium for family coverage is $12,106; workers pay about $3,281 for their share. The market continues to be dominated by preferred provider organizations, which insure about 57% of covered workers; consumer-driven plans account for only about 5%. For details, visit www.kff.org/insurance/7672.

New Numbers on Uninsured

According to a report by Families USA, almost 35% of Americans had no health care coverage for at least part of 2006-2007, up from about 30% in 1999-2000. Of these, 19% were uninsured for the entire period and 19% were uninsured for longer than 1 year; more than half were uninsured for longer than 6 months. Of the 89.6 million individuals who lacked coverage, 71% were employed full time and another 9% were working part time; only 17% were unemployed. The numbers are substantially larger than those published by the U.S. Census Bureau (which cites 47 million uninsured in 2006, or 16%), because Census Bureau statistics include only those uninsured for a full year. The report is at www.familiesusa.org.

N.J. Task Force Examines MD Gifts

The New Jersey Attorney General's Advisory Task Force on Physician Compensation is examining payments and gifts to physicians from the drug and device industry. The task force also will consider public disclosure of gifts, direct disclosure to patients, and limits on payments to physicians. Vermont, Maine, Minnesota, West Virginia, and the District of Columbia have laws requiring some form of reporting of payments made to physicians by pharmaceutical and medical device companies. In response, Pharmaceutical Research and Manufacturers of America issued a statement citing its 2002 Code on Interactions with Healthcare Professionals as an important safeguard. The code declares all forms of entertainment inappropriate and says any gifts should support medical practice and be less than $100.

Taxing Health Benefits

Proposals to cap tax deductions employers and employees can take regarding health insurance could spell the end of employer-based health benefits, according to a report from the Employee Benefit Research Institute. Currently, employers may deduct the cost of the health insurance coverage they provide to their workers with no limits and workers are not taxed on the value of the health coverage they receive. Capping these tax exclusions could cause young, healthy workers to seek insurance outside of their employers' offering, leaving the employer-based pool with an older, sicker group of patients, the EBRI report said. The full report is available online at www.ebri.org.

—Joyce Frieden