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We can improve health care ourselves

by Cliff Slater

The terms, “health care” and “medical care,” are currently used interchangeably to describe care by physicians. However, true “health care” is that for which we are each individually responsible. To smoke or not, to overeat or not, to drink excessively or not, and to exercise or not, are all health choices that we make.

In Hawaii, unfortunately, these are choices that increase or decrease the cost of “medical care” for everyone regardless of how much effort they may make in caring for their own “health care.”

There are massive cost differences in medical care between those who choose to live healthy lives and those who do not, with estimates ranging from 40 percent or more to well over double. In short, personal choices about our health care are a major driver of the cost of medical care for everyone.

Those incurring excessive medical costs are doing so, for the most part, by the health choices they make for themselves. While it is their choices, it should not be everyone else’s costs.

We have an obligation to care for people who cannot take care of themselves. But is it fair that regular working people who do not smoke (or have quit), eat well but do not overindulge, and exercise sufficiently, should have to bear the medical costs for those who do not?

Doctors whose patients develop high cholesterol levels, usually give them the option, if their physical condition allows it, of either significantly improving their diet and exercise habits, or they can take Pill X daily. Since these pills are expensive and much of the cost is averaged across all patients, is it moral to force those who opt for diet and exercise to have to subsidize the pills for those who do not?

Various companies on the Mainland are reducing costs by giving medical plan discounts to their employees who can show they are living healthy lives.

Aon Hewitt, the human resource consultant, says that 480 of 800 large Mainland companies plan to do this in the next few years. Towers Watson, another consulting firm, found that the number doing so is likely to double by 2014.

Safeway's mainland supermarkets have managed to keep health care costs down for some years by discounting premiums for those employees who live healthy lives.

The Hawaii Prepaid Health Care Act does not allow the use of such incentives to reduce the medical care premiums for those who live healthy lives. Instead medical plan premiums are averaged and there are no financial incentives for those who live unhealthy lives to change their habits.

If we want to people to live healthy, we might reconsider just imploring them to do so since it seem to have no major effect, and instead use financial incentives. As the old adage has it, "When all else fails, try money."

Separating health care and medical care and making people responsible for their own health care habits will help our community on many levels.

First, it will lead to a healthier and happier population. Cornell University's study, "Economic Determinants of Happiness," found to their surprise that good health has a far greater impact on happiness than a person's economic condition.

Second, it will reduce sick days. A recent Carnegie Mellon study showed that happier people are likely to be less affected by colds or flu. Excessive use of sick days is costly both to companies and employees.

Third, it will reduce statewide medical costs and mitigate the effect of the projected shortage of physicians and the financial difficulties of our hospitals.

Financial incentive for people to work at living healthy has such enormous potential that we should look to modifying the Hawaii Prepaid Health Care Act to allow incentives to do so.

Cliff Slater is a Hawaii business person. A footnoted version of this article is at cliffslater.com.

The following endnotes have been added for clarification of the contested issues mentioned in this op/ed.

Endnotes:

Paragraph 3 re costs

<http://online.wsj.com/article/SB10001424127887324600704578402784123334550.html>

"Typically, 20% of a company's workforce drives 80% of health-care costs, according to Cigna's Mr. Smith, and roughly 70% of health-care costs are related to chronic conditions brought on by lifestyle choices, such as overeating or sedentary behavior."

http://www.aon.com/attachments/human-capital-consulting/2012_Health_Care_Survey_final.pdf See page 8.

Paragraph 8 re Aon Hewitt

<http://www.aon.com/human-capital-consulting/>

<http://online.wsj.com/article/SB10001424127887324600704578402784123334550.html> WSJ
on companies penalizing workers.

“Six in 10 employers say they plan to impose penalties in the next few years on employees who don't take action to improve their health, according to a recent study of 800 mid- to large-size firms by human-resources consultancy Aon Hewitt. A separate study by the National Business Group on Health and Towers Watson found that the share of employers who plan to impose penalties is likely to double to 36% in 2014.”

Paragraph 9 re Safeway:

<http://www.npr.org/2009/10/07/113549864/cutting-health-costs-discounts-for-the-healthy>
Safeway keeps health care costs down.

<http://online.wsj.com/article/SB10001424127887324600704578402784123334550.html>

“Safeway's plan capitalizes on two key insights gained in 2005. The first is that 70% of all health-care costs are the direct result of behavior. The second insight, which is well understood by the providers of health care, is that 74% of all costs are confined to four chronic conditions (cardiovascular disease, cancer, diabetes and obesity). Furthermore, 80% of cardiovascular disease and diabetes is preventable, 60% of cancers are preventable, and more than 90% of obesity is preventable.”

<http://online.wsj.com/article/SB124476804026308603.html> Safeway cuts costs WSJ

Paragraph 13 re health and happiness:

<http://www.smartplanet.com/blog/science-scope/study-suggests-health-not-wealth-determines-happiness/11931>

<http://arxiv.org/ftp/arxiv/papers/1112/1112.5802.pdf>

Paragraph 14 re reduced sickness

<http://www.sciencedaily.com/releases/2006/11/061108103655.htm> “Happy people are healthier.”