



## Prevention May Prove Costly

*Janice Simmons, for HealthLeaders Media, August 11, 2009*

The latest messages from Congressional Budget Office (CBO) Director Douglas Elmendorf are not ones that congressional Democrats pushing for healthcare reform are likely happy to hear.

In a letter and later [in his recent blog](#), Elmendorf said that expanded use of preventive health measures lead to higher healthcare spending.

"That result may seem counterintuitive," he said in his blog. For example, he noted that preventive medical care—such as use of cancer screening or cholesterol monitoring—if given early enough can reveal conditions that are treatable at a percentage of the cost of treating those same conditions that have progressed.

However, physicians usually do not know beforehand which patients will develop costly illnesses; therefore, to detect cases of acute illness, preventive care is provided to most patients—many of whom will not incur that illness anyway, he said. Plus, a great deal of preventive medicine already is being performed, and many insurance plans already "cover certain preventive services at little or no cost to enrollees."

Consequently, a "new government policy to encourage prevention could end up paying for preventive services that many individuals are—already receiving|which would add to federal costs but not reduce total future spending on healthcare," he said in his blog.

Elmendorf cited several studies, including [one from the \*New England Journal of Medicine\*](#), that found that fewer than 20% of preventive services that were examined save money, "while the rest add to costs."

In a letter to Rep. Nathan Deal (R-GA), the ranking minority member of the House Energy and Commerce Health Subcommittee, Elmendorf said that just because a preventive service adds to total spending does not mean that it is a bad investment though.

"Experts have concluded that a large fraction of preventive care adds to spending but should be deemed 'cost effective,' which means that it provides clinical benefits that justify those added costs," he said. In cases where the provision of preventive medical care saves money, "potential savings from expanded federal support might be limited," he said.

As for wellness, designing government policies that are "effective at inducing people to be healthier is challenging," he wrote. However, even successful efforts "might take many years to bear fruit" and could involve significant costs, he added.

As with preventive medicine, he said the "net budgetary effect" of government support for wellness services depends on the balance of two factors: The reduction in government health

spending for people who reduce their future use of medical care and the costs to the government of providing or subsidizing wellness services.

Although some case studies suggest that certain employer wellness programs reduce subsequent medical care, "little systematic evidence exists," he said. The findings from case studies may not be applicable to programs that would be implemented more broadly.

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