

The (Fiscal) Case for Death

As the Affordable Care Act advertises, preventive medicine saves lives. Just don't pretend it saves money. By Margot Sanger-Katz

What if, for the sake of saving more lives, the government pledged an antismoking blitz that included higher per-pack taxes, incentives that nudge people toward healthier habits, and tough enforcement? The benefits—millions fewer deaths from cancer and emphysema, and less money spent on treatment—are obvious. But, according to a Congressional Budget Office report this month, the preventive program could still end up costing the federal government money.

Wait, what? This flies in the face of preventive philosophy. Many components of the 2010 health care law, such as the funding for community programs promoting better health and the requirement that insurers cover preventive services without co-payments, have been justified in part on the basis of frugality. “We fought for this because it saves lives and it saves money—for families, for businesses, for government, for everybody. It’s a lot cheaper to prevent an illness than to treat one,” President Obama said in February while defending the law’s requirement that most insurance cover contraception. And the logic that prevention equals savings is bipartisan dogma. Touting his Patients’ Choice Act on his website, Sen. Tom Coburn, R-Okla., no reckless spender, says that the measure “invests in prevention and wellness for all Americans. Currently, five preventable chronic diseases cause two-thirds of American deaths and consume 75 percent of our total health expenditures each year.... My plan’s investment in public health and disease prevention will help reduce health care costs.”

But it turns out that few prophylactic policies actually save money in the end. The unfortunate fact is that letting people die young is bad for them but good for their lifetime health care costs—and the federal deficit. “Everyone wants to tell a good-news story, where we can be healthier and save money,” says Joshua T. Cohen, deputy director at the Center for the Evaluation of Value and Risk in Health at Tufts Medical Center. “That’s probably just not realistic, but it makes great politics.”

Study after study has shown that while many preventive health measures do boost the quality and length of lives, they don’t tend to lower lifetime spending. The main reason is that, when people live longer, they consume more health care services. As they get older, age-related chronic conditions—heart disease, arthritis, cancer, dementia—pile up. And even healthy

old people tend to rack up bills through sheer longevity alone; low yearly medical spending can still add up when a person lives for decades.

That’s the equation at the heart of the CBO study: When smoking rates decline, the government initially earns more in income taxes and pays less in Medicaid claims as people stay healthier in their younger years. But over time, increased payouts through Medicare and Social Security erode those savings. “Old age has a tendency to increase costs without producing a commensurate increase in productivity,” says Kenneth Warner, a professor of public health at the University of Michigan. Warner jokes that a good way to save money would be to avoid treating people for diseases that kill them near the age of retirement.

The other reason prevention can be expensive is because medical science is still not very good at predicting who will get sick and die from certain diseases. To guard against heart disease, doctors use blood tests to screen for high cholesterol—and prescribe a lifetime of treatment for many people who have it. (The cholesterol-lowering Lipitor is the best-selling prescription drug of all time.) Not everyone who is screened has high cholesterol, and not everyone with high cholesterol will go on to have a heart attack, but doctors widely dispense screenings and treatments all the same. A 2009 Robert Wood Johnson Foundation summary of cost-effectiveness research found that cholesterol screening, with all of its consequences, costs between \$46,000 and \$210,000 for every healthy year it adds to a person’s life.

There are exceptions. Childhood vaccines, which cost little to administer and prevent deadly illnesses in the young, are a good investment, because a dead child can’t have a productive adulthood. Ditto advising those with

certain cardiac risk factors to take low-dose aspirin, which is cheap and effective in preventing certain expensive outcomes. Contraception pays off because women who don’t get it are more likely to have expensive, unplanned pregnancies. But those examples are outliers. According to research from Louise Russell, a professor of economics at Rutgers University who has studied prevention, about 80 percent of preventive interventions end up costing more than they save.

Of course, saving money is not the only reason to provide health services. Many preventive services, including depression screening (estimated \$200,000 to \$540,000 for every quality year added) and mammograms (\$31,000 to \$101,000 for each year) provide benefits in the way of longer, happier, healthier lives. And we don’t typically refuse to administer treatments just because they’re expensive. Indeed, the U.N.’s 1948 Universal Declaration of Human Rights lists medical care as a right. “Something can fail to save money and still be a bargain when it comes to improving health,” Cohen says. “We purchase improved health like we purchase lots of things—trips to Disney World. We don’t decide that going to Disney World is a bad idea because it fails to save money.”

But the cost-effectiveness research clearly shows that broad access to preventive health care is unlikely to lower medical spending in the long run. Another study published recently, this one from the Centers for Disease Control and Prevention, concluded that about half of U.S. adults did not get a key preventive health service between 2007 and 2010, when the health care law was passed. If the Affordable Care Act helps them all get those services—and prevents millions of premature deaths from colon cancer and stroke—just think of the cost! ■

