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Improving Hoosier Health Would Save Billions
A new study from The Lewin Group quantifies just how much improving key public health metrics to the national average would save

INDIANAPOLIS - - Improving Indiana's health status could save Hoosiers billions in health care expenditures, according to a new study. These savings come in the form of reduced health care spending in the State of Indiana, and reduced health insurance premiums for both employers and employees. The Indiana Hospital Association (IHA) commissioned The Lewin Group to quantify the savings of improving health in Indiana.

According to America's Health Rankings, Indiana ranks 41st out of 50 when it comes to overall health. A robust effort to improve our health metrics would lead to improved quality of life, reduced costs for employers and workers, and lower statewide health care expenditures.

The Lewin Group, a highly regarded organization that provides health care policy analysis, quantified the amount that could be saved in health care expenditures if Indiana improved to the national average in the incidence of three of the most commonly occurring chronic health issues in the state: smoking, diabetes, and obesity.

According to Lewin's analysis, because Hoosiers would be healthier, total population medical savings would be \$1.4 billion, reflecting the improvement in the overall health of the population. Indiana employers would also see benefits including less missed work, greater productivity, and reduced employee mortality due to these illnesses. These total savings are estimated at more than \$1.5 billion. Taken together, this adds up to an estimated \$3 billion in savings.

"At a time when the public is rightly concerned about the high cost of health care, and policy makers are actively seeking solutions, we cannot ignore the role public health plays in the health care cost equation," said Brian Tabor, IHA president. "When people are healthier, they use fewer health care services, they are more productive, and they cost employers less money in terms of health benefits and missed work," he added.

Hoosier employers and employees are paying the price for poor health. Obesity costs employers an additional \$390 for each employee, with employees paying an additional \$128. Diabetes costs the average employer \$675 in excess premiums for each

employee, with employees paying an additional \$222. Smoking adds \$571 to the employer premium and costs \$187 more for employees.

Improvement in these three critical areas spells good news for Hoosier businesses and workers in insurance premium costs. The study looked at projected premium savings if Indiana ranked as average with respect to rates of smoking, obesity, and diabetes — employers would pay an estimated \$647 million less in annual health premiums and employees would see \$213 million in reductions for their share. In total, these achievable health goals would save almost more than \$850 million each year in insurance costs alone.

“These savings are significant,” said Tabor, adding that he hopes policy makers will include on their agenda measures to address improving Indiana’s public health. He added that hospitals also are actively working on new direct care arrangements with employers that focus on prevention and chronic disease management. “Hospitals are committed to working in partnership with policymakers and employers to change the current financial model of health care from one that focuses on treating people when they are sick to one that rewards providers for keeping people healthy,” he said.

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ABOUT INDIANA HOSPITAL ASSOCIATION

The Indiana Hospital Association serves as the professional trade association for more than 170 acute care, critical access, behavioral health, and other specialized hospitals in Indiana. IHA advocates on behalf of its members in Indiana’s General Assembly, U.S. Congress, and with multiple regulatory agencies at the state and federal levels. Dedicated to improving quality, patient safety, and Hoosiers’ health status, IHA holds numerous grants and facilitates collaboration among hospitals to improve outcomes. IHA also provides members with the data analytics that they need to ensure access to quality, cost-effective health care services across the state of Indiana. *To learn more about IHA, visit IHAconnect.org.*