ECONOMIC IMPACT OF HEALTH INEQUITY

Data & Resources on Health, Health Inequities & Economic Impact

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Prevalence of Chronic Conditions in the U.S. Adult Population (Higher average prevalence rates for African American and Hispanic populations)

<table>
<thead>
<tr>
<th>Condition</th>
<th>Prevalence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Obesity</td>
<td>3 in 10</td>
</tr>
<tr>
<td>Hypertension</td>
<td>3 in 10</td>
</tr>
<tr>
<td>Depression</td>
<td>2 in 10</td>
</tr>
<tr>
<td>Diabetes</td>
<td>1 in 10</td>
</tr>
</tbody>
</table>


High chronic condition prevalence leads to higher costs from utilization, medical expenditure and lost productivity

- CDC 2022 data shows *more than doubling of number of states* (compared to 2018) with more than 35% of residents with adult obesity; 36 states with 35% or more black residents with adult obesity vs. 10 for whites.
- Hypertension/diabetes prevalence for African Americans exceeds local pop. averages in many US cities.**


Key Takeaways from Analysis of Chronic Condition Prevalence at Local Level:

- Prevalence of chronic conditions at local level provide key metrics for assessing total economic costs and impact of poor health on a community. Modeling of drivers of poor health including prevalence, costs, returns from intervention, and evaluation of assets, social determinants of health, and other factors across MSAs and time provide insights on total cost and impact.

- Substantial differences in prevalence rates of hypertension and diabetes across MSAs; higher prevalence rates for African American population relative to total population in most MSAs and higher than the national average in most.

- Data show challenges of poorer health, health disparities and potentially higher total economic costs at community level.

*FTI’s Center uses extensive public and proprietary databases with MSA and local-level data on chronic conditions, medical service utilization, assets, and resources (e.g., physicians), insurance coverage, demographics, social determinants of health, and other data with proprietary modeling and analytics to quantify economic impact, inter-relationships, and returns from interventions.


Source: Not for use or citation without author’s permission. FTI’s Center for Healthcare Economics and Policy analyses use CDC SMART BRFSS City, County data and FTI Center proprietary metro area (MSA) datasets (https://www.cdc.gov/brfss/smart/Smart_data.htm)
Chronic conditions prevalence imposes substantial economic and personal costs on a community, its businesses & residents.*

Costs are higher for individuals with multiple health conditions, those with limited access to healthcare services, and residents facing other community-risk factors (e.g., safety).

In total, these factors result in higher rates of hospitalization, medical service use, poor outcomes and higher medical costs; and substantial lost productivity, taxing growth and vitality.

Our statistical methods quantify both incremental medical and productivity costs of poor health by disease condition and population group for a community; methods can also be used to quantify additional costs of disparities on communities of interest.

Quantification by FTI’s Center – e.g., for Buffalo/Western New York provide insights into magnitude of medical and productivity costs for a community from chronic conditions – and potential benefits from action. Annual total costs of over 4% of local GDP.

* National costs from lost productivity, healthcare spending for chronic conditions are high; see, e.g., CDC. “Health and Economic Costs of Chronic Diseases.” NCCDPHP. https://www.cdc.gov/chronicdisease/about/costs/index.htm.
Economic prosperity and health are linked in communities: improved health enhances economic conditions and resiliency, and improved business and community activity supports health and quality of life.

Chronic conditions (e.g., hypertension) are directly linked to significant medical, productivity and economic costs. Economic modeling and statistical analyses reveal drivers and relationships at local level; can include complex factors and inter-relationships.

High total costs of poor health tax resiliency, vitality and competitiveness of communities and well-being of residents and businesses.

The pandemic increased health and economic costs - underlying health conditions are associated with more severe illness and higher mortality risks from COVID.

The pandemic compounded health equity issues already confronting many cities - African American and Hispanic populations face higher chronic disease prevalence and risk factors and higher mortality and poorer outcomes from COVID-19.

“Addressing disparities in health and health care is important not only from a social justice and equity standpoint, but also for improving the nation’s overall health and economic prosperity.” KFF Issue Brief 2021 *

Early data trends revealed COVID-19 fatality rates of greater than 33% among African Americans in the Buffalo metro area and Erie County, NY. A partnership led by Pastor George Nicholas, Erie County government and local partners mobilized resources to respond to the disproportionate impact of the pandemic on the African American community. They collected and shared extensive data on health conditions, risks, outcomes, and social determinants.

- Used innovative strategies including phone banking, canvassing door-to-door, food delivery, and housing assistance.

- Results of collaboration and rapid response included a reported dramatic impact of reduced mortality rates and enhanced engagement across partners around broader health and equity issues for community benefit.

- Trusted partners - built relationships across, within community; broke down silos
- Developed actions around primary care, wellness, housing, food, childcare grants; vaccine collaborative
- Broader collaborative for health equity and health

For Presentation to the National Forum’s 20th Annual Meeting, October 27, 2022.
Our research on successful initiatives to address poor health and health disparities show these foster trusted relationships, break down silos to bring leaders together in effective collaboratives – to collect and share data, assess impact, set priorities, evaluate best practices, and assess economic and well-being benefits of action.

Selected Additional Resources on Health, Costs, Initiatives, and Benefits

- CEO Leadership Redefined-Part 1 Survey: [https://www.fticonsulting.com/insights/articles/ceo-leadership-redefined-part-1](https://www.fticonsulting.com/insights/articles/ceo-leadership-redefined-part-1)
- For additional resources and experience at FTI on health equity, social determinants of health, collaboratives, ROI or economic impact of health; please see [www.ftichep.com](https://www.ftichep.com) or contact the author, Meg Guerin-Calvert at Meg.Guerin-Calvert@FTIConsulting.com
Benefits from Action

- Poor health poses high costs and challenges economic vitality of business and cities.
- Higher COVID-19 health risks are associated with poor health, with significant disparities - many communities already faced poor health and disparities.
- The pandemic heightens both urgency and opportunity for community level and collaborative efforts on health, health equity and economic benefit. It also brings new awareness and may have built trusted relationships.
- Investments in public health, actionable data and collaborative activity can yield substantial economic benefits for communities and their residents.

Insights | Community and business leaders must look at healthcare not just as a cost or a public health issue, but as an investment in their people and the future of their communities. Improving workforce and community health - and addressing health inequity - is in the best interests of all.
About the FTI Center for Healthcare Economics and Policy

The Center applies cutting-edge economics and quantitative methods to assist clients to develop and implement solutions across a wide spectrum of healthcare and life science industry activity.

We customize our advanced modeling and economic analytical capabilities using extensive proprietary and public data, regulatory and policy expertise and our diverse team of PhD Economists, Econometricians, Healthcare Leaders, Forecasting and Demand Modelers, and Data & Health Analysts serving economic advisory services.

For more on the Center for Healthcare Economics and Policy, see https://www.ftichep.com/.

For questions about this presentation, please contact:

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