



▲ ECONOMIC IMPACT OF HEALTH INEQUITY

Data & Resources on Health, Health Inequities & Economic Impact

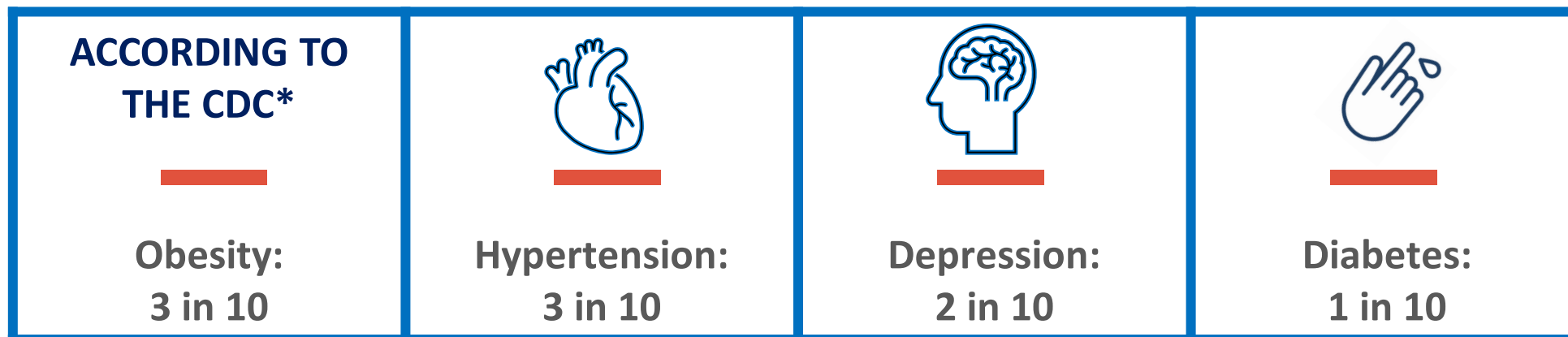
Margaret Guerin-Calvert, Senior Managing Director,

President, Center for Healthcare Economics & Policy, FTI Consulting, Inc.

The Economic Impact of Health Inequity

Disease Condition Prevalence, Disparities & Trends

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



"What Business Leaders Need to Know About the Benefits of a Healthy Workforce." FTI Journal (2022).

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

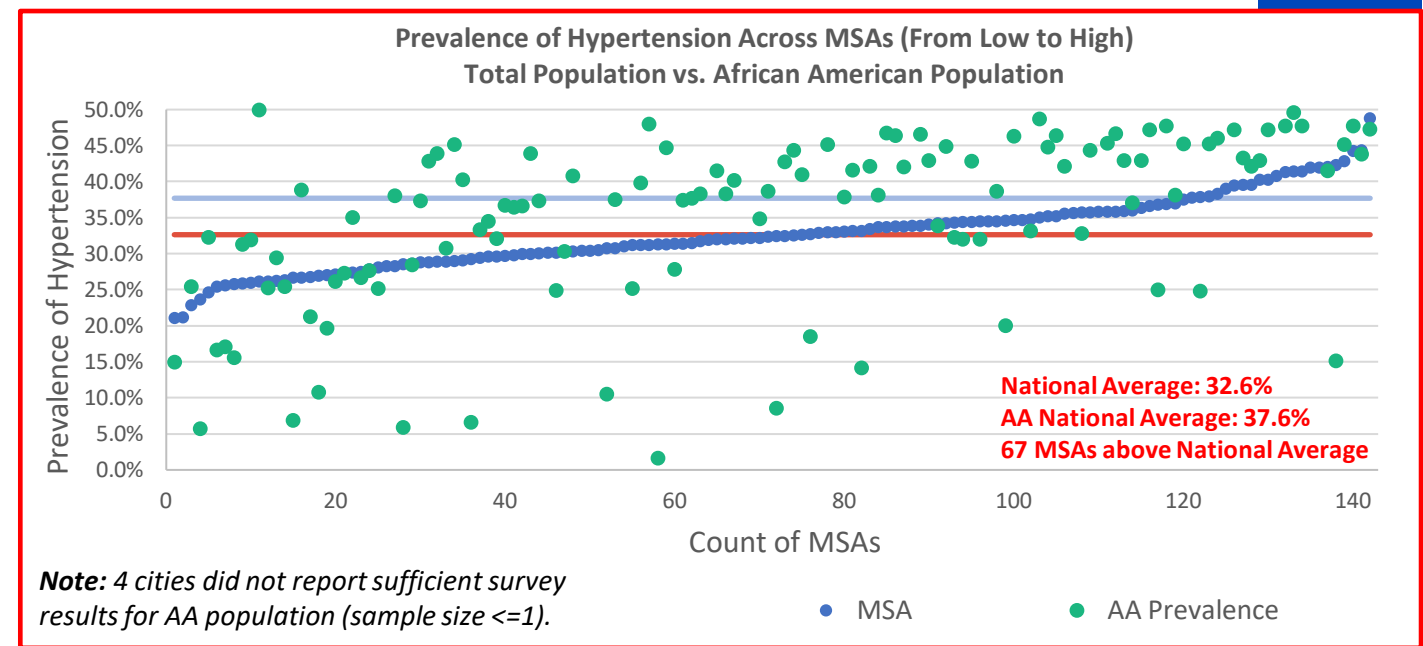
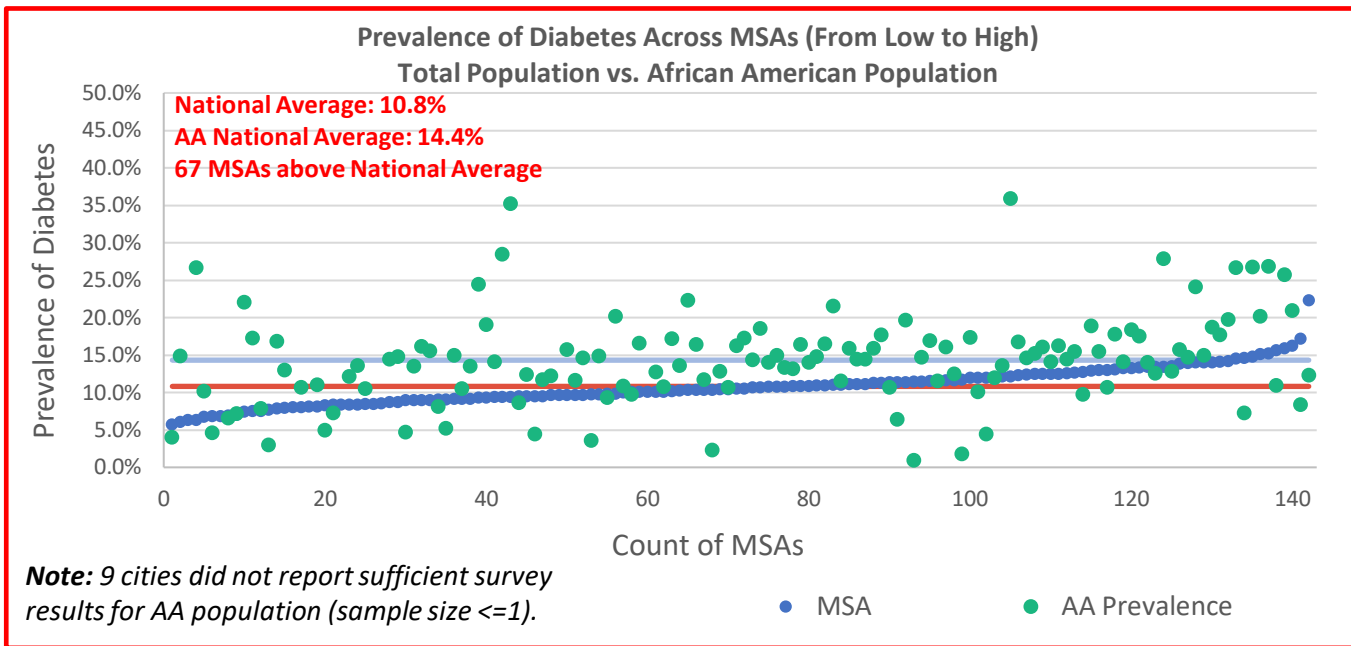
- CDC 2022 data shows *more than doubling of number of states* (compared to 2018) with more than 35% of residents with adult obesity; 36 states with 35% or more black residents with adult obesity vs. 10 for whites.
- Hypertension/diabetes prevalence for African Americans exceeds local pop. averages in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

*Centers for Disease Control and Prevention, National Center for Chronic Disease Prevention and Health Promotion, Division of Population Health, BRFSS Prevalence & Trend Data for 2020. High blood pressure data from 2019. Prevalence rates vary across metro regions and states.

** CDC Press Release. <https://www.cdc.gov/media/releases/2022/p0927-states-obesity.html#print>. And FTI's Center for HealthCare Economics and Policy estimates using sample of US Metropolitan Statistical Areas (MSAs).

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Disease Condition Prevalence & Disparities – Community Impact



Source: Not for use or citation without author's permission. FTI's Center for Healthcare Economics and Policy analyses use CDC SMART BRFFS City, County data and FTI Center proprietary metro area (MSA) datasets (https://www.cdc.gov/brfss/smart/Smart_data.htm)

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.**

	Average	Median	Min	Max
Diabetes	10.8%	10.5%	5.8%	22.3%
Hypertension	32.6%	32.1%	21.1%	48.8%

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*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.

See, <https://www.fticonsulting.com/insights/service-sheets/economic-impact-health-service-sheet>



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Economic Impact of Chronic Conditions

INCREMENTAL MEDICAL COST ESTIMATES	
Total Annual Incremental Medical Costs of Chronic Conditions	
	Buffalo MSA
Diabetes	\$200.4 M
Hypertension	\$201.2 M
Depression	\$170.5 M
Asthma	\$ 207.6 M
COPD	\$59.1 M
\$838.8 M	

PRODUCTIVITY COST ESTIMATES	
Total Annual Productivity Costs of Chronic Conditions	
	Buffalo MSA
Diabetes	\$157.8 M
Hypertension	\$120.5 M
Depression	\$415.7 M
Obesity	\$152.5 M
Asthma	\$222.2 M
COPD	\$180.9 M
\$1.2 B	

IMPACT ON BUFFALO-NIAGARA

Total incremental **medical cost** for asthma, breast and lung cancer, COPD, depression, diabetes, hypertension, and stroke is **\$1.3 billion** annually.

Economic (productivity) costs exceed **\$1.2 billion** annually for chronic conditions.

Total annual cost (**\$2.5 billion**) represents **4.2%** of Buffalo-Niagara's 2017 GDP (\$60 billion).


- **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.

"The Economic Impact of Poor Health on Our WNY Community," *Center for Healthcare Economics and Policy* (2019). <https://www.ftichep.com/wp-content/uploads/2022/02/The-Econ-Impact-of-Poor-Health-on-WNY-Community-Report.pdf>

* 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>.

The Economic Impact of Health Inequity

Health and Economic Impact of COVID-19 – Insights on Health Equity



ARTICLE


Health & Economic Impact of COVID-19

Public-private partnership opportunities for health, equity & economic vitality

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. Poor health challenges the economic vitality and growth of businesses and cities and reduces quality of life. Chronic conditions such as diabetes and hypertension are directly linked to significant medical, productivity and economic costs. These high costs tax the resiliency of businesses and communities. The COVID-19 pandemic increases these health and economic costs as underlying health conditions such as diabetes and hypertension are associated with more severe illness and higher mortality risks from COVID-19. The pandemic compounds 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. Pandemic response efforts reveal inter-relationships between health, social factors and impacts on health and economic vitality and imperatives for more coordinated approaches across sectors to address them. The pandemic reinforces understanding of these linkages and the gains from collaborative activity - and the urgency for action. FTI's Center for Healthcare Economics & Policy (Center) systematically tracks and quantifies economic costs and their drivers at the metro level to inform businesses, insurers, government, population health and other stakeholders.

Multi-sector collaboratives are already in place in many cities to address increasingly urgent health and economic challenges. Public-private partnerships addressing local population and public health issues have pivoted to add COVID-19 to highest priorities for action. Collaboratives use trusted partnerships to reach deep into communities to support residents and employers to improve access, connectivity and health. FTI's Center works with metro area leaders to provide comprehensive data analytics to quantify poor health and local economic impact, identify drivers of productivity and medical costs, and set priorities for meaningful change. FTI's Center provides each with actionable data and analytics customized to the community and our national experience to find meaningful actions replicable across cities. While COVID-19 heightens the urgency for action to address health and economic impact, it also aligns community stakeholders from many sectors around health, safety, and the common good.

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- **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*

* Ndugga, Nambi and Samantha Artiga. “Disparities in Health and Health Care: 5 Key Questions and Answers.” *KFF Issue Brief* (2021). <https://www.kff.org/racial-equity-and-health-policy/issue-brief/disparities-in-health-and-health-care-5-key-question-and-answers/>.

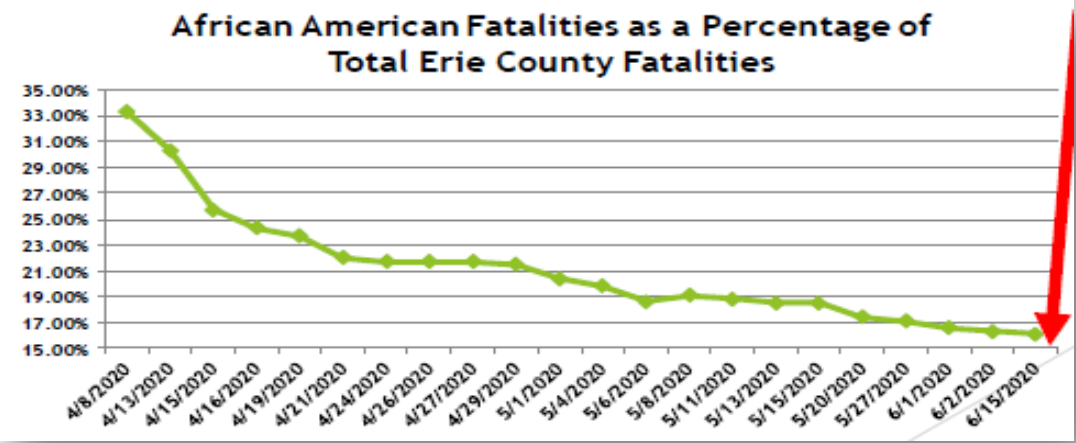
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Case Ex: Partnering To Address Health and Health Disparities




Presentation to National Forum for Heart Disease & Stroke Prevention
Mobilizing Faith-based and Trusted Community Leaders in Buffalo, New York to Improve Blood Pressure Control in Underserved Communities
 Mid-Year Virtual Convening: Answering the Surgeon General's Call to Action to Control Hypertension: May 6, 2021

Meg Guerin-Calvert, SMD, President, Center for Healthcare Economics & Policy, FTI Consulting
 Rev. George F. Nicholas, Lincoln Memorial United Methodist Church, Buffalo, New York
 Maria Whyte, Deputy County Executive, at Erie County, New York



African American fatalities as a percentage of total fatalities declined from 33% to 16% between April and June 2020, and as of May 2021 was at 14.4%.



- 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**

Guerin-Calvert, Meg, Rev. George F. Nicholas, and Maria Whyte. "Mobilizing Faith-Based & Community Leaders to Improve Blood Pressure Control in Underserved Communities." Presentation to the National Forum for Heart Disease & Stroke Prevention's "2021 Mid-Year Virtual Convening: Answering the Surgeon General's Call to Action to Control Hypertension" (May 6, 2021). <https://www.fticonsulting.com/insights/webinars/mobilizing-faith-based-community-leaders-improve-blood-pressure-control-underserved-communities>. Whyte, Maria, George Nicholas, and Raul Vasquez, "Faith, Community & Government – Health Collaboration to Address Health Disparities during the COVID-19 Pandemic," Action Collaborative on Business Engagement in Building Healthy Communities (July 15, 2020), <https://www.nationalacademies.org/event/07-15-2020/collaborative-webinar-faith-community-and-government-health-collaboration-to-address-health-disparities-during-the-covid19-pandemic>.

The Economic Impact of Health Inequity

Breaking Down Silos, Building Collaboratives and Initiatives

#1 Priority for CEOs...



...should be the physical health and well-being of their employees, per an FTI Consulting survey of more than 1,000 employed professionals.

FTI CEO Leadership Redefined: Survey



As companies weigh their options for bringing employees back to the office, the physical and mental health of their people should be a top priority — for their sake, and for the economic health of our communities.

The massive economic and social disruption of the pandemic has led to a dramatic rise in stress and health issues for many of us. But that may be just the tip of the iceberg when it comes to the impact of the pandemic on our well-being. Longer term, we can expect to see many people, especially those with chronic conditions, continue to need additional care and support as a direct result of COVID-19.

Medical experts say the impact on the workforce, in particular, could be so profound that entire local economies will be affected, suppressing growth and resilience. Indeed, pre-pandemic data collected by FTI Consulting's Center for Healthcare Economics and Policy for two metropolitan areas, Buffalo and Nashville, portends trouble. Just three chronic conditions — diabetes, hypertension, and depression — cost the two areas \$1.4 billion and \$2.0 billion respectively, in annual lost productivity and medical expenditure. (The Buffalo figure represents over 2% of its regional GDP².)

#1 Priority for CEOs...

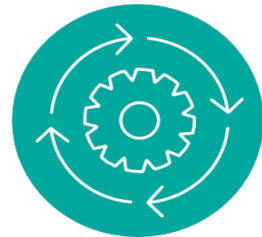
...should be the physical health and well-being of their employees, per an FTI Consulting survey of more than 1,000 employed professionals.

The issue is on the minds of employers as they prepare for the large-scale return of workers to the office. More than 1,000 employed professionals surveyed by FTI Consulting in September said the top business priority for CEOs should be the physical health and well-being of employees.

- 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
 - **What Business Leaders Need to Know About the Benefits of a Healthy Workforce:** <https://www.fticonsulting.com/insights/fti-journal/what-business-leaders-benefits-healthy-workforce>
 - **CEO Leadership Redefined-Part 1 Survey:** <https://www.fticonsulting.com/insights/articles/ceo-leadership-redefined-part-1>
 - **Economic Impact of Health Service Sheet:** <https://www.ftichep.com/wp-content/uploads/2022/04/FTI-CHEP-Economic-Impact-of-Health-Service-Sheet-3.pdf>
 - **Nashville Region Health Competitiveness Initiative-2017 Report:** <https://www.ftichep.com/insight/nashville-region-health-competitiveness-initiative-2017-report/>
 - **Winston-Salem: Williams, Terry G. and William Madison Satterwhite III. “A Conversation About Employer COVID-19 Issues and Emerging Opportunities”:** <https://www.fticonsulting.com/insights/webinars/conversation-about-employer-covid-19-issues-emerging-opportunities>
 - **U.S. Surgeon General- Dr. Vivek Murthy, 2022 “Workplace Mental Health and Well-Being”** <https://www.hhs.gov/sites/default/files/workplace-mental-health-well-being.pdf>.
 - **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 or contact the author, Meg Guerin-Calvert at Meg.Guerin-Calvert@FTIConsulting.com**



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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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