Public Health Prevention Interventions and Healthcare Spending

Dr. T. Lucas Hollar

Health Policy Fellowship 2011-2012

Abstract

In 2012, US healthcare spending reached $2.7 trillion. Roughly 60% of the growth in spending is attributable to individuals’ worsening health habits. As such, approximately 75% of healthcare spending is directed at treating potentially avoidable chronic diseases through clinical services. Meanwhile, the nation devotes less than .05 cents of every healthcare dollar to health promotion and disease prevention. Accordingly, the US spends more money on administrative overhead within the healthcare system than it does on public health activities aimed at addressing individuals’ health habits and preventing chronic disease.

Some argue that efforts to prevent disease do not actually save any money. They argue that up to 80% of preventive measures actually increase healthcare costs. However, research involving public health approaches to prevention demonstrates cost-saving successes. Public health prevention differs from clinical prevention by focusing on the avoidance of disease and illness, rather than detection and treatment, and by focusing interventions on social and environmental determinants of health and disease.

Evidence-based, population-level public health interventions have a noteworthy ability to reduce healthcare costs while improving the wellbeing of individuals and communities. By acknowledging the benefits and costs of various approaches to prevention, and by synthesizing the various approaches into an optimally effective and efficient system of care, those involved in the healthcare system can improve the way they design and manage healthcare policy, organization, and finance. Public health prevention is an effective means for reducing healthcare costs associated with chronic disease and poor behavioral health.