

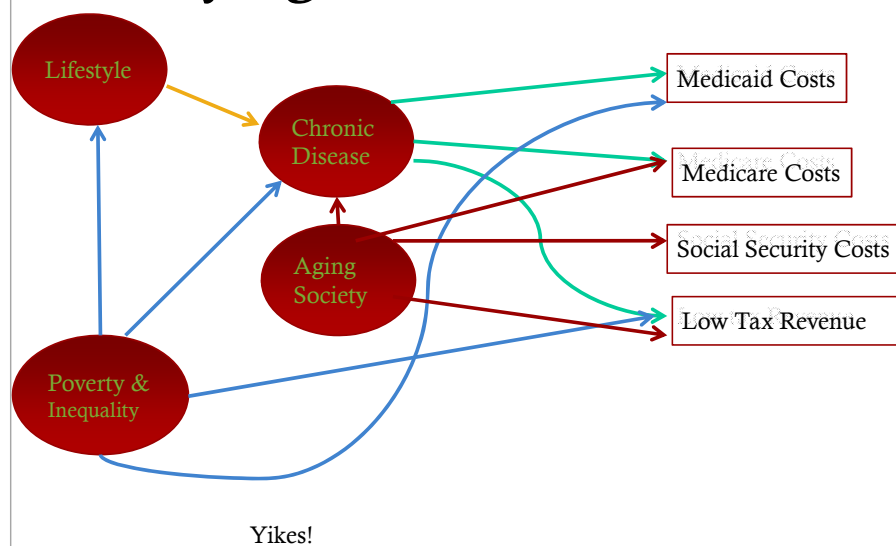
Cutting the Debt and Creating Jobs by Improving Health

Business Engagement in Population Health Improvement
Panel I: The Case for Engagement in Population Health Improvement

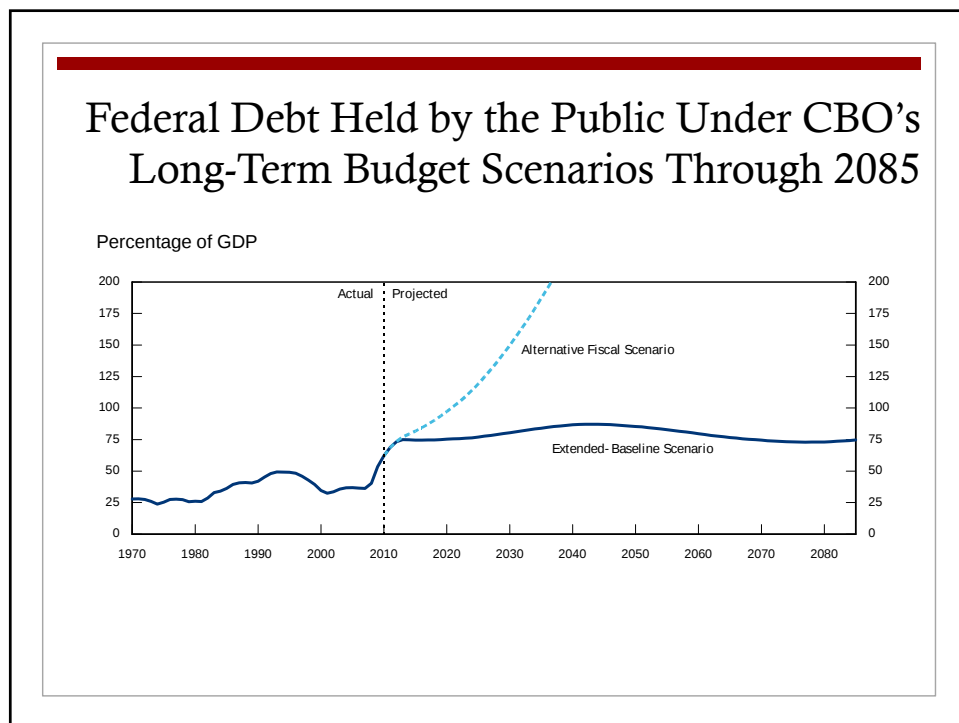
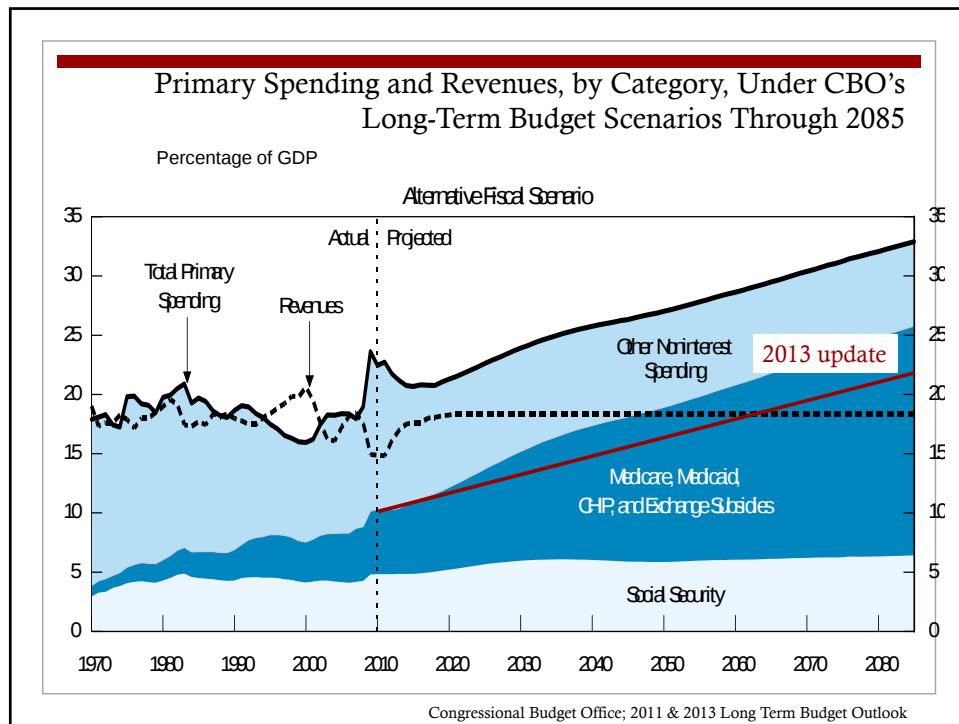
Institute of Medicine, New York, New York
July 30, 2014

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Health Management Research Center
University of Michigan, School of Kinesiology

Underlying health related causes



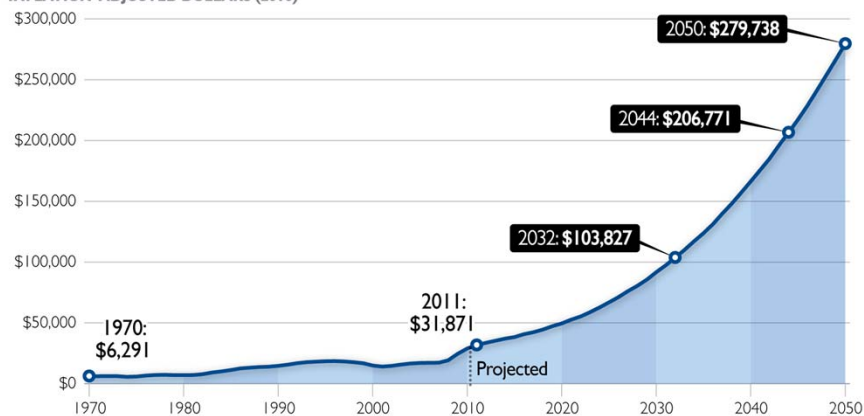
Michael P. O'Donnell, PhD, MBA, MPH, 2012



Each American's Share of National Debt Is Growing

As Washington continues to spend more than it can afford, future generations of taxpayers will be on the hook for increasing levels of debt. The amount of debt per citizen will skyrocket.

INFLATION-ADJUSTED DOLLARS (2010)



Source: U.S. Census Bureau and Congressional Budget Office (Alternative Fiscal Scenario).

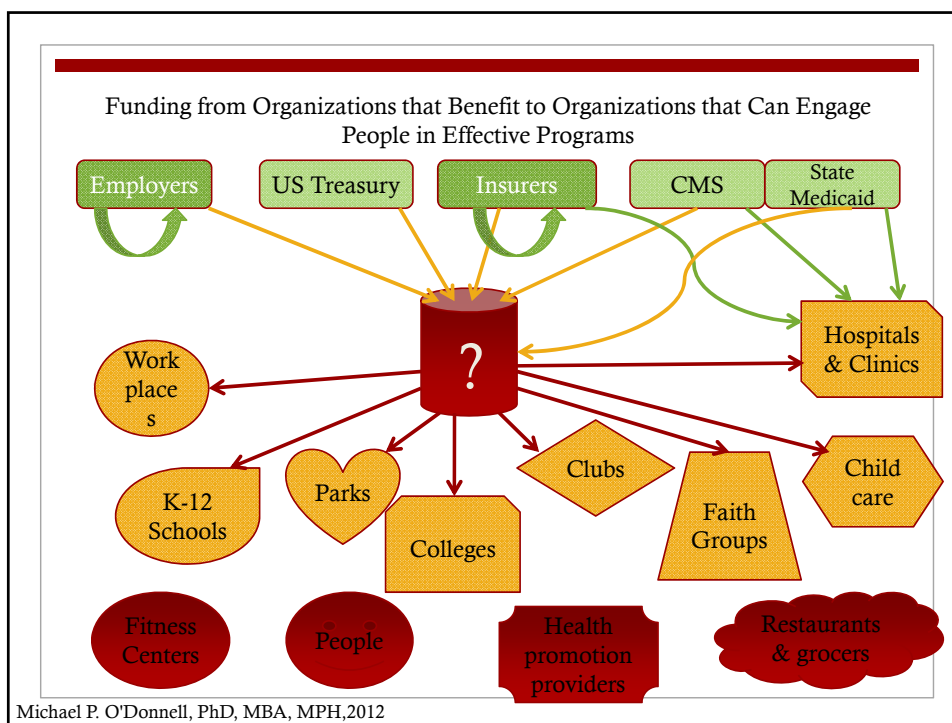
Debt and Deficits Chart 2 • 2011 Budget Chart Book heritage.org

Back of the Spreadsheet Calculations

If improving health of the population can...

- expand years of working life 5 months, it will reduce the federal debt 1.6%
- expand years of working life 4.5 years, it will reduce federal debt 16%
- expand years of working life 9 years, it will reduce federal debt 32%
- reduce annual rate of increase of Medicare .1 percentage point, it will reduce the federal debt 1.5%
- reduce annual rate of increase of Medicare 1 percentage point, it will reduce the federal debt 15%
- reduce annual rate of increase of Medicare 2 percentage point, it will reduce the federal debt 30%

and, oh yea, improve the wellbeing and quality of life of millions of people

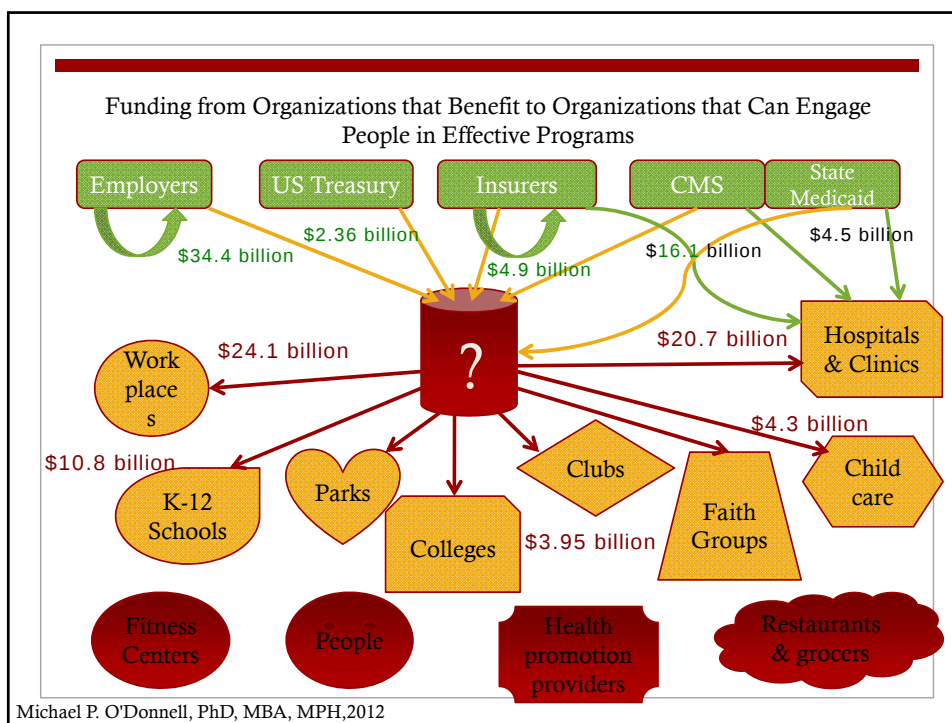


Budget

- Budget: \$200/person year x 310,973,329 million ≈ \$62,394,665,883 billion/year
- Existing funding for public health
 - \$40.84/person in 2005[^] 490%
- Existing workplace health promotion industry
 - \$2 billion 3200%
- Spending in medical care in United States
 - \$2.9 trillion 2.15%
- Liquid assets on non-farm, non-financial balance sheets
 - \$19.4 trillion* .32%

And short term savings may cover all short term costs, in addition to reducing the federal debt long term

[^]RWJF October 2011 Policy Highlight Brief *Federal Reserve quarterly Flow of Funds Q4, 2013



How Many Good Jobs Will We Create?

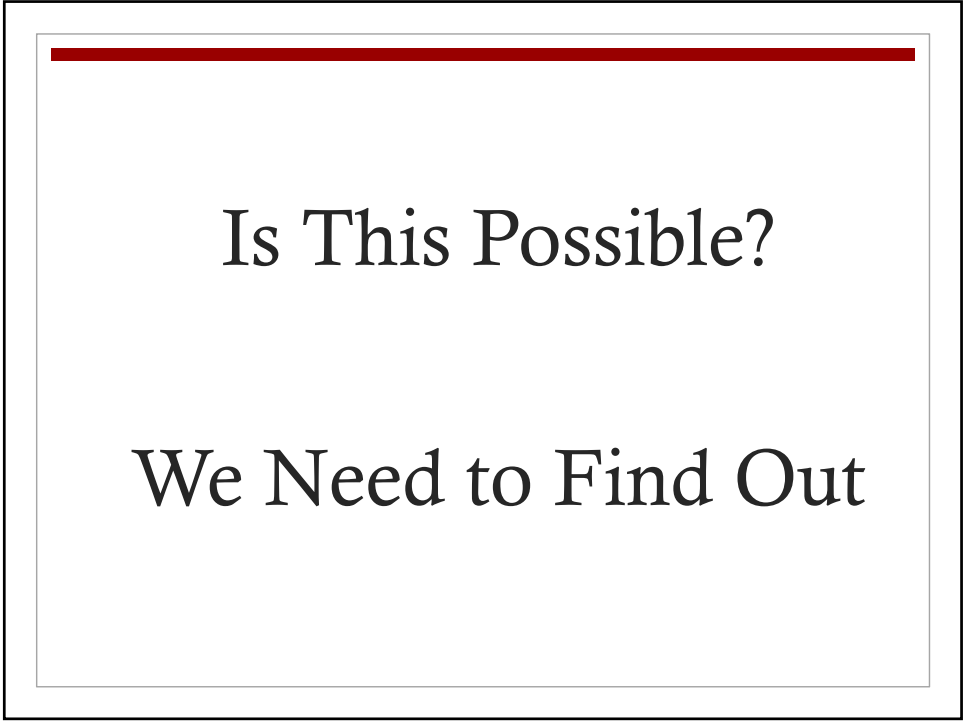
\$60.4 billion in new revenue for health promotion venders

\$21.1 billion in new wages (35% of revenues)

280,000 new health promotion jobs at \$75,000/job including benefits

\$4,540,118,975 in new state
income tax revenues

\$22,530,806,666 in new federal
income tax revenues



Is This Possible?

We Need to Find Out