



benefitNEWS

The Impact of Obesity on Medical Costs and Labor Market Outcomes in the US

According to research published in a [January 2018 article](#) in the journal Chemical Chemistry, while the prevalence of obesity has risen dramatically in the US there has been little information published about the economic impact of this trend. Recent analysis of [Medical Expenditure Panel Survey](#) (MEPS) data for 2001 to 2015 provides new insight into how individual states are impacted financially by the healthcare costs of obesity. By analyzing the MEPS survey data, researchers have calculated the percentage of healthcare costs associated with adult obesity for the most populous states. Here are the headlines from the study:

- Large differences exist across states. In 2015, states such as Arizona, California, Florida, New York, and Pennsylvania devoted 5% to 6% of their total medical expenditures to treating obesity-related illness. North Carolina, Ohio and Wisconsin spent more than twice that with over 12% of all healthcare dollars in those states used to treat obesity-related illness.
- According to the study, the percent of US national medical expenditures devoted to treating obesity-related illness in adults rose from 6.13% in 2001 to 7.91% in 2015, an increase of 29%.
- The publication reports results by payer type, including private health insurance companies, Medicare, and Medicaid. There are dramatic differences across states in the fraction of Medicaid spending that is devoted to obesity-related illness. For example, from 2001 to 2015, Kentucky and Wisconsin devoted over 20% of their Medicaid spending to obesity-related illness. In contrast, in New York, 10.9% of Medicaid spending was devoted to obesity-related illness, and the average for the US as a whole was 8.23% during that period. These differences across states are driven by a number of factors, such as differences in obesity prevalence, healthcare access by obese individuals, how obesity is treated, and prices of healthcare.

Challenges with nutrition and obesity continue to dominate healthcare and health benefit spending in the US. Conditions like diabetes and heart disease are in many instances directly related to obesity. Employers and plan sponsors continue to focus on the healthcare costs associated with obesity and there are many contemporary solutions available to help plan members that drive value and ROI. If you have questions about these solutions, simply contact your Conner Strong & Buckelew account representative toll free at 1-877-861-3220.



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