

The Problem with Prevention

Dr. Robert F. Graboyes / rfggraboyes@gmail.com / www.robertgraboyes.com

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Healthcare costs consume the resources of small business and wages of their employees. The solution? Many folks suggest, "More prevention and wellness programs!" That's a problem. I like prevention. So does small business, as long as programs are voluntary. But while prevention may be good for health, it generally [pushes costs up](#), not [down](#). And honestly, there's [scant evidence](#) that company prevention programs actually improve health. Even less so for small business. And, truth be told, [prevention's not always good for health](#).

How can prevention not cut costs? An ounce of prevention is worth a pound of cure. A stitch in time saves nine. Yadda-yadda. Problem is, you can't just compare how expensive Joe's illness is and how cheap prevention would have been. Prevention isn't just "B rush, floss, exercise, eat broccoli, look both ways." It's tests, pills, surgery, therapy, consultation. Preventing Joe's costly illness means screening lots of people, treating the sick ones, treating some well ones who SEEM sick but aren't, and undoing side effects of testing and treatment. (Add some lawyers to the mix.) Plus, prevention helps people live longer, so they have more time to get REALLY expensive illnesses. That's good, but doesn't cut costs.

Companies like [Safeway](#) use prevention to cut employee healthcare costs. That's admirable, but I can't tell whether this cuts America's total spending or just pushes some costs to the next employer or Medicare. I recently heard a long, description of another company's elaborate wellness program, my economist brain wondered, "Does it work? Does it cut spending?" To my surprise, the speaker concluded with (paraphrasing), "We're not sure any of this works, but our company decided it's the right thing to do." So the gyms, screenings and counseling are a form of philanthropy, similar in spirit to corporate contributions to the arts. Perfectly fine, and I hope the employees appreciate it.

Insurance policies should generously cover some preventive services. But Congress shouldn't require insurers to cover every imaginable preventive procedure, giving rise to unnecessary medication, cost, and [iatrogenesis](#). They shouldn't require companies, especially small businesses, to offer prevention and wellness programs. The gas station or pizza parlor can't build a gym or hire a dietician, psychological counselor or physical therapist. On the other hand parity might be good. Big companies can write off employee gyms and therapists on their taxes. Why not let the gas station or machine shop deduct its employees' gym memberships? Worth considering.