Introduction

Americans’ waistlines and their perspectives on obesity are rapidly changing. One study shows that 39 percent of Americans will be obese and 75 percent will be overweight by 2008. Three-quarters of Americans see obesity as a disease and think that treatment should be included in their health plan benefits. These changes are driving an increased demand for obesity surgeries, which according to the National Institutes of Health, cost approximately $100,000 per patient when follow-up care and treatment costs are included.

As the United States struggles with these costs and demands on the health care system, there is also debate about the classification of obesity as a disease, assessing fees based on weight for insurance premiums and covering obesity treatment and surgery options as a health benefit. Health care providers, insurers and beneficiaries will all experience changes in the way health care is delivered based on state and federal obesity policies. Medicare, the Internal Revenue Service and other federal agencies are changing their definitions of obesity, which is driving changes at the state level.

Obesity and weight are very personal issues, and all Americans need to take steps to achieve a healthy weight. However, both public and private health insurers spread costs and risks across large populations, so personal choices have societal effects.

Legislators, as stewards of public dollars, are entering into the fray by addressing these issues in the health care system. State policy-makers need to look beyond traditional benefit decisions in Medicaid and health plans to the root causes of increasing costs: obesity, physical inactivity and poor nutrition. State legislators can push the health care system to fight obesity by:

- establishing minimum insurance coverage requirements for obesity prevention and treatments;
- encouraging providers and consumers to adopt best practices in treating and preventing obesity; and
- encouraging worksite wellness and employee benefit programs.
Why Address Obesity in the Health Care System?

Obesity is associated with increased illness and death from chronic diseases such as heart disease, stroke and diabetes. Weight loss and improved physical activity and nutrition lead to reduced risk for diabetes and cardiovascular disease, along with improving blood pressure, cholesterol levels and blood glucose levels. This translates to reduced cost for employers, health plans, insurers and consumers. Additionally, methods for treating obesity—physical activity and healthy eating—are fundamental components of clinical standards of care, in addition to medications and surgery. Physical activity and healthy eating are primary ways to treat diseases such as heart disease, stroke and diabetes.

Which Treatments Work?

Health care providers and their overweight or obese patients have a variety of effective options to manage and reduce weight. These options include:

- dietary therapy approaches such as low-calorie diets and lower-fat diets;
- increasing physical activity patterns;
- behavior therapy techniques;
- pharmacotherapy;
- surgery; and
- combinations of these techniques.

Demand for obesity treatments is growing rapidly, with some insurance companies reporting up to a 50 percent increase per year for the past several years. Insurers and health care purchasers are looking at options for containing costs and providing the best care to their beneficiaries.

Strategies for Weight Loss and Weight Maintenance

The National Institutes of Health have recommended the following interventions for obesity:

- **Dietary therapy**: A regimented dietary plan includes a low calorie diet to support weight loss.
- **Physical activity**: Increasing physical activity is an essential component of weight loss therapy and the prevention of weight re-gain. When physical activity is added to a weight loss regimen, the risks for cardiovascular disease and diabetes are reduced even more than with weight loss alone.
- **Behavior therapy**: Strategies help individuals overcome barriers to comply with a prescribed diet or exercise regimen, including stress management, stimulus control, problem solving, contingency management, cognitive restructuring and social support.
- **Combined therapy**: A combined intervention of behavior therapy, a low calorie diet and increased physical activity provides the most successful therapy for weight loss and weight maintenance. This type of intervention should be maintained for at least six months before considering pharmacotherapy.
Health care providers, health plans and insurers have begun addressing obesity, physical activity and nutrition by:

- educating providers on the latest best practices in preventing and treating obesity;
- encouraging beneficiaries to be healthy through worksite wellness and employee benefit programs; and
- covering weight loss and surgical treatment when appropriate.\(^5\)

**Recent Health Care Sector Trends on Obesity**

While obesity is not widely classified as a disease among insurers, it is classified as such by numerous health and scientific agencies.\(^6,7,8,9,10,11\)

Among federal agencies, there is not agreement about the classification of obesity as a disease. In 2001, however, the Internal Revenue Service ruled that medical expenses for treating obesity medically or with pharmaceuticals were tax deductible, subject to limitations and specific exclusions of most food costs.\(^12\) And now both the Social Security Administration and the Food and Drug Administration acknowledge obesity as a disease. For both Social Security and the FDA, obesity is a qualifying condition for disability payments and related drug therapies, and advertising restrictions on dietary supplements apply to products promoted as weight loss aids.\(^13,14\)

In 2004, the Centers for Medicare and Medicaid Services announced that Medicare would allow payments for reasonable and effective obesity treatments. This ruling prompted an analysis of “reasonableness” of costs by the Medicare Coverage Advisory Committee.

**Covering Weight Loss Surgery**

The federal Agency for Health Care Research and Quality found that

- **Pharmacotherapy:** In carefully selected patients, appropriate drugs can augment additional weight loss options.
- **Weight loss surgery/ bariatric surgery (including gastric bypass or gastric banding):** Weight loss surgery is typically viewed as a last resort option for morbidly obese patients who have exhausted other options. The surgeries alter the size of the stomach and routing of food to achieve a feeling of fullness, reducing the amount of food, fat and calories absorbed. Guidance on diet, physical activity and behavioral and social supports are necessary both prior to and after the surgery.
for morbidly obese patients—those with BMI greater than or equal to 40—surgical interventions were far more successful than obesity drugs or diet therapy. For patients with BMI's between 35 and 40, the data were inconclusive. Due to high demand for gastric bypass surgery among state employees, Louisiana launched a study to examine the financial effects of gastric by-pass surgery on the overall health care costs of obese patients within their state's employee health plan. The Louisiana Office of Group Benefits, which covers 250,000 state employees and public teachers, agreed to pay for 40 state employees to receive gastric bypass surgery as part of a pilot program testing the procedure’s effectiveness at treating morbid obesity. The state pays a $25,000 capped fee if the surgery is deemed medically necessary and the person consents. If the study shows savings, gastric bypass treatment may become a routinely covered procedure under health insurance plans.

**Educating Providers and Consumers on Best Practices**

To help determine the most effective ways to treat and prevent obesity, Kaiser Permanente (KP) conducted studies and surveys of their members and the American public on obesity. The most recent survey showed that three-quarters of Americans see obesity as a disease and think that health plans should cover obesity treatments. Overall, a person’s own weight had little impact on his or her view of obesity.\(^\text{15}\) KP also assessed the health and weight of its members and found that it covered an estimated 4.4 million overweight or obese adult members out of 7 million total adult members and that the total cost of care for obese members was 44 percent higher than for members who maintained a healthy weight.

- **Tracking BMI in members’ electronic medical records**: KP is using its efforts to establish electronic medical records to institute universal BMI measurement of all members to assess weight trends. Monitoring patient BMI information over time helps clinicians discuss the topic with patients and intervene when necessary.
- **Establishing appropriate clinical management tools**: KP created the Healthy Lifestyles Programs, a series of in-depth online weight management and fitness, smoking cessation, stress reduction and nutrition programs for members.
- **Educating providers**: KP developed the Weight Management Source Book to educate providers about options available to members on weight management and bariatric surgery.

Highmark (Blue Cross/Blue Shield) recognized the impact and prevalence of obesity and initiated a comprehensive approach to specifically address childhood obesity. Additionally, Highmark has begun addressing obesity with a variety of approaches, including:

- **Community-level activity**: Highmark convened a policy forum of obesity experts and community leaders and funded a childhood obesity media campaign. The Highmark Challenge for Healthier Schools has provided $900,000 in grants to schools to introduce nutrition and physical activity programs and to fund a system-wide physical education and nutrition curriculum in grades K–8 affecting 28,000 children. In Central Pennsylvania, over 32,000 elementary students have received daily planners that include health messages and tips.
- **Provider and consumer education**: Highmark developed a tool kit that includes obesity identification and treatment guidelines.

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**Adult Weight Status**

<table>
<thead>
<tr>
<th>BMI</th>
<th>Weight Status</th>
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</thead>
<tbody>
<tr>
<td>Below 18.5</td>
<td>Underweight</td>
</tr>
<tr>
<td>18.5–24.9</td>
<td>Normal</td>
</tr>
<tr>
<td>25–29.9</td>
<td>Overweight</td>
</tr>
<tr>
<td>30.0 and Above</td>
<td>Obese</td>
</tr>
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Adult overweight and obesity are determined by using weight and height to calculate body mass index (BMI), which is directly related to body fat.
parent self-help materials on nutrition and activity, a BMI calculator and other materials. It also created an online weight management initiative for members.

- **Worksite wellness program**: Highmark established a worksite wellness program for Highmark employees.

- **Bariatric surgery and weight loss medications**: Highmark provided these medical interventions to members who meet defined criteria and have sought intervention through an approved weight management program for at least six months prior to the procedure. Prescription weight loss drugs are currently covered for an underlying condition related to obesity.

**Worksite Wellness and Employee Benefits**

West Virginia Public Employee Insurance Agency (PEIA), the largest insurer in the state with 212,000 members, has conducted a number of programs under its Pathways to Wellness Initiative, aimed at keeping its members healthy, fit and eating properly. Recently, PEIA found that those not exercising regularly cost $268 per person more than their counterparts. The agency launched a program targeting sedentary behavior. One year after its inception, the agency reaped the benefits of its efforts: the number of members who exercised over an hour a week doubled from 17 percent to 35 percent. Pathways’ programs include:

- **WellSteps One Risk Management Program**: All programs include support through a telephone coach at varying levels. Employer clients have the option of customizing criteria for telephone counseling and adding additional local options such as community or worksite programs. Fees are based on the level of service selected.

- **Supersize and Portions Campaign**: PEIA launched a campaign to educate members on food consumption and appropriate portion size to maintain a healthy weight. The agency conducted a mass media campaign warning members about fast food consumption with tools to choose healthy foods. Messages included “Biggie Fries=Biggie Thighs” and “Super Size Food=A Super Size You.”

- **Stepping Stones Pedometer Program**: To promote physical activity, PEIA distributed pedometers to members who requested them and provided tools to track their steps. When screened for the Pathways Initiative, members were encouraged by clinicians to participate.

North Carolina Prevention Partners and the state’s Department of Health and Human Services created the BASIC Preventive Insurance Benefits Initiative to increase availability and use of preventive services. BASIC encourages employers to:

- purchase preventive benefits;
- partner with private and public health plans to establish or enhance insurance products with benefits coverage for preventive services;
- continuously update and promote a profile of all North Carolina preventive services insurance products via the Internet;
- create and disseminate prevention tools to be shared by North Carolina health plans, health systems and health care professionals; and
- raise consumer awareness about the importance of preventive care.

**What Legislators Can Do about Obesity**

Legislators across the country have begun addressing obesity in the health care system by introducing legislation to create dedicated trust funds, establish minimum insurance requirements to cover weight loss
and surgical treatments, modify Medicaid to offer obesity treatment benefits and set up commissions to study the impact of obesity on their state's health care system. Innovative solutions are:

- **California** Senate Bill 564 (2005-pending) would create the California Healthy Trust Fund and an additional tax on cigarettes at the rate of $.025 for each cigarette distributed. Money generated from the tax would fund public health programs to prevent childhood obesity and diabetes.
- **Idaho** House Bill 0696 (2004-enacted) directs the Department of Health and Welfare to conduct a pilot project to determine the effectiveness of weight control therapies in the state's Medicaid program.
- **Maryland** House Bill 462 (2005-enacted) creates a task force to study requiring insurance coverage of obesity treatments.

**Establishing Insurance Coverage Minimum Requirements**

- **Maryland** Senate Bill 868 (2004-enacted) requires that certain health insurance policies offer optional coverage of surgical treatment of morbid obesity.
- **New Jersey** Assembly Bill 1515 (2004-pending) requires managed care programs to cover treatments for obesity in adults on a fee-for-service basis.
- **Idaho** House Bill 708 (2004-not enacted) would have required health insurance companies to cover expenses resulting from weight reduction services or from morbid obesity.

**Covering Weight Loss and Surgery**

- **South Carolina** S1235 (2004-enacted) recognizes the use of gastric bypass surgery for the treatment of morbid obesity as a valid and important procedure with specific preference for treatment provided by board certified bariatric surgeons.
- **Virginia** SB1081 (2003-enacted) provides mandated coverage for the treatment of morbid obesity through gastric bypass surgery or such other methods recognized by the National Institutes of Health (NIH) as effective for the long-term reversal of morbid obesity.
- **Missouri** HB1088 (2004-not enacted) would require insurance companies to offer coverage for treatment of morbid obesity if the policy holder chooses such coverage.
- **Tennessee** HB2246 (2004-not enacted) would require health insurance policies to offer optional coverage for surgical treatment for clinically severe obesity.
While no one action or policy will solve the obesity issue, legislators have numerous opportunities to support healthy living through their state’s health care system, providers and residents. While much discussion has focused on requiring insurers to provide benefits such as gastric bypass surgery, state legislators have many options in supporting the health care system to reduce obesity, improve physical activity and nutrition and reduce illness and costs in their states.

Legislators can:

- examine costs to state government and state economies from obesity, related illnesses and lost productivity;
- convene health care and government agencies to implement obesity prevention and management initiatives;
- work to establish worksite wellness programs for state and private employers;
- consider including nutrition counseling and physical activity counseling in minimum insurance coverage requirement policies, in accordance with NIH guidelines; and
- encourage the use of technology and innovative tools for providers and consumers to maintain a healthy weight or support weight loss.
End Notes


4 Health Plans Emerging As Pragmatic Partners in Fight Against Obesity, National Institute for Health Care Management Foundation, April 2005.

5 World Health Organization, the National Academy of Sciences, the National Institutes of Health, the Food and Drug Administration, the Social Security Administration, the International Classification of Diseases, the Federal Trade Commission and the Internal Revenue Service.


9 IRS Publication 502 for 2004 tax year.


15 Bills are enacted unless otherwise noted.