Obesity accounts for 21 percent of medical care costs

April 5 2012, By Susan Kelley

(Medical Xpress) -- Obesity now accounts for almost 21 percent of U.S. health care costs -- more than twice the previous estimates, reports a new Cornell study.

The research, which is the first to show the causal effect of obesity on medical care costs, uses new methods and makes a stronger case for government intervention to prevent obesity, the authors say.

The Cornell study reports that an obese person incurs medical costs that are $2,741 higher (in 2005 dollars) than if they were not obese. Nationwide, that translates into $190.2 billion per year, or 20.6 percent of national health expenditures. The study appeared in the January issue of the Journal of Health Economics (31:1). Previous estimates had pegged the cost of obesity at $85.7 billion, or 9.1 percent of national health expenditures.

"Historically we've been underestimating the benefit of preventing and reducing obesity," said lead author John Cawley, professor of policy analysis and management in the College of Human Ecology and professor of economics. "Obesity raises the risk of cancer, stroke, heart attack and diabetes. For any type of surgery, there are complications with anesthesia, with healing [for the obese]. ... Obesity raises the costs of treating almost any medical condition. It adds up very quickly."

The 5 percent of Americans who are morbidly obese generate the highest costs. "These elevated costs are incurred not by the person who is

10 pounds overweight, but the person who is 100 pounds overweight," said Cawley, who is co-director of Cornell's Institute on Health Economics, Health Behaviors and Disparities.

The study, conducted with Chad Meyerhoefer of Lehigh University, represents the final, peer-reviewed version of the researchers' 2010 working paper published by the National Bureau of Economic Research.

Cawley and Meyerhoefer used a federal survey of 24,000 non-elderly U.S. adults, their doctors and other medical care providers from 2000 to 2005. The data include the individuals' weight and height and two years' worth of their medical care and its cost.

The new study estimates the effect of obesity on medical expenses by treating the heritable component of weight as a natural experiment. Previous research simply reported the difference between the medical expenses of heavier and lighter people, which is a misleading estimate of the causal effect because obese and non-obese individuals differ in so many ways. Cawley explains, "For example, I could have injured my back at work, and that may have led me to gain weight. The injury could have led to a lot of health care costs that are due to my back, not my obesity."

The research provides hard evidence for policymakers to use in cost-effectiveness analyses when deciding whether and how much to fund obesity prevention programs, Cawley said. Since previous studies have underestimated the medical costs of obesity, the economic rationale for governments to intervene to reduce obesity has been underappreciated.

The study also shows that obesity raises costs in Medicaid, suggesting that we're all paying for obesity through higher taxes, Cawley said. "That means that obesity isn't just a personal issue. This is relevant to all of society, because the health care costs of obesity are borne by the

population as a whole."

Provided by Cornell University