Severe obesity costs Medicaid $8 billion annually and rising

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This is an image of a weight scale. Credit: CDC/Debora Cartagena

Nearly 11 percent or $8 billion of the cost to treat severe obesity was paid for by Medicaid in 2013, ranging from a low of $5 million in Wyoming to $1.3 billion in California. Research led by Y. Claire Wang, ScD, associate professor of Health Policy and Management at Columbia University's Mailman School of Public Health, predicts these costs will only grow as Medicaid eligibility is extended to more people following

the implementation of the Affordable Care Act's Medicaid expansion. To slow down the rise in obesity-related healthcare costs, states should focus on identifying effective obesity prevention and treatment services, ensure access for those who are Medicaid-eligible, and include obesity in policy discussions around state Medicaid expansions. Findings are published in the November issue of the journal *Health Affairs*.

Wang, who is also co-director of the Mailman School's Obesity Prevention Initiative, estimates that of 81.5 million obese adults, 33.7 million, or 41 percent, had severe obesity in 2013. That year, severe obesity was associated with $69 billion in total medical costs across all payers. Medicaid expansion under the Affordable Care Act requires state Medicaid programs to cover more obesity treatment-related services than in previous years.

To estimate obesity-related state-level health care expenditures among adults with severe obesity, the researchers analyzed data from the Medical Expenditure Panel Survey for 2007-2012, a sample of more than 117,000 Americans. With an emphasis on Medicaid costs, they examined the extent to which obesity predicts higher medical expenditures in adults ages 18 and older, compared with their peers without obesity.

"Our estimate of Medicaid's obesity-attributable expenditures is likely conservative since there is potential underreporting of data on healthcare utilization, which appear to be especially significant among Medicaid recipients," said Wang.

Having a body mass index (BMI) in the moderate obesity range predicted an increase of $941 in annual per capita medical expenditures for all adults, relative to having a normal weight. For severe obesity, the increase was $1,980. Public sources paid for approximately 41 percent of the obesity-attributable expenditures associated with severe obesity;

30 percent by Medicare and other federal sources; Medicaid paid for 11 percent.

When the authors considered adults younger than age 65 specifically, the population most affected by the Affordable Care Act and Medicaid expansion efforts, Medicaid paid for 13 percent of obesity-attributable expenditures associated with severe obesity, while commercial plans paid for 36 percent.

Wang points out that states with the highest obesity-related healthcare expenditures in 2013 were not necessarily the states with the highest prevalence of obesity. For example, West Virginia, Mississippi, and Tennessee had the highest obesity rates yet did not rank high in per capita obesity-related expenditures. "This is primarily because of the relatively low cost of healthcare in these states," noted Wang.

Severe obesity is also a challenge for employers. For example, research shows that working adults with severe obesity called in sick on 40 percent more on workdays, compared with workers with normal weight. "This exemplifies an incentive and an opportunity for health promotion by employers," suggests Wang.

"In the past, U.S. clinicians have been more comfortable treating obesity-related health consequences such as high cholesterol and hypertension than delivering counseling and treatment for obesity," Wang adds. "Filling the gaps in clinical training, human resources, and reimbursement is our challenge as the field expands capacity to tackle the demand for a variety of treatment approaches to obesity."

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