



—Congressional Workshop Series Synopsis— Dollars and Sense: What Economic Incentives Work to Address Obesity

On Monday, December 5th, public health groups, patient advocates, academics and industry representatives gathered with Congressional staff on Capitol Hill to discuss economic incentives used to effectively combat and address the obesity epidemic.

Select congressional staff at the forefront of the battle to combat overweight and obesity in the United States moderated the workshop, which was divided into two panels. Panelists considered four important questions:

- How can economic triggers be used to effect desired behavioral changes?
- What is the effect of food and farm subsidies on the availability of healthy food?
- What types of incentives are effective in a workplace setting to reduce obesity and achieve desired health outcomes?
- What is the role of tax policy in dictating behaviors – especially incentivizing physical activity?

Speakers and Moderators

- Carl Holowaty, MD, Reinsurance Group of America, Inc.
- John Cawley, PhD, Cornell University
- Patrick Woodall, Food and Water Watch
- Stuart Slutzky, HumanaVitality
- Bill Sells, Sporting Goods Manufacturers Association
- Shannon Glynn, Office of Representative Ron Kind (D-WI)
- Noah Jacobson, Office of Representative Erik Paulsen (R-MN)

Panel One Key Takeaways

In the first panel, Dr. John Cawley of Cornell and Patrick Woodall of Food and Water Watch discussed economic triggers of healthy behavior and the role of federal food and farm policies in the proliferation of affordable and nutritious foods. According to Cawley and Woodall:

- The easiest way to make behavioral changes occur is to make the benefits tangible. Dr. Cawley presents that more than a third of Americans are trying to lose weight at any given time, but they are most often finding it easier to lose weight than to keep it off. Because diets and lifestyle changes are considerably more difficult than saving to buy a car – which has a tangible end result – the incremental, and often subtle, changes make these lifestyle changes particularly difficult.
- Economic rewards can often help overcome these challenges. Rewards may be most effective when they are certain (i.e. a specific dollar amount) and immediate.
- Additionally, it has been argued that farm subsidies have led to the overproduction of commodity crops like corn, driving down the price of ‘junk food’ (i.e. leading to the proliferation of high-fructose corn syrup) relative to healthier alternatives and leading to increased rates of obesity. Removing subsidies, the argument goes, would help combat obesity by discouraging overproduction of crops that are the base ingredients of unhealthy food.

- However, Woodall presents that there is no evidence of a relationship between subsidies and the overproduction of commodity crops, or between subsidies and obesity. Instead, it is the deregulation of commodity markets – not subsidies – that has had a significant impact on the price of commodities.
- Deregulation has also provided benefits and incentives to the food industry, including processors, marketers and retailers, and may be one of a number of contributing factors impacting the availability of high-calorie processed foods in the marketplace.
- While commodity price supports do not drive the availability of foods sold in the U.S., there are ways to utilize economic incentives for farmers to improve food availability, especially in areas where nutritious foods are less accessible, among other things.
- Enabling farmers' markets to use Supplemental Nutrition Assistance Program (SNAP) benefits has been helpful in expanding opportunities for local farmers to get more fresh produce to their communities.
- The public health community can also find common ground with the family farm community over commodity policy reform that reduces overproduction and stabilizes price and supply, as well as policies and programs that expand access to healthy food in rural and urban communities.

Panel Two Key Takeaways

The second panel—with Stuart Slutzky of HumanaVitality and Bill Sells of the Sporting Goods Manufacturers Association—considered what incentives work in the workplace and whether and to what extent tax policy can encourage Americans be more physically active:

- HumanaVitality is an incentive-based wellness program which, Slutzky notes, engages approximately 2 million members worldwide with voluntary, motivational rewards. One effective HumanaVitality motivational tool has been using information carefully to drive participants' health behaviors.
 - For example, communicating to people not that they will die younger, but that they may be 'living older' than their actual age has shown to be effective. To illustrate, a 35-year-old who smokes and is obese may be experiencing a state of health that is equivalent to that of a 45 or 50-year-old person. Sharing these messages has been shown to resonate more immediately than informing a person that he or she may live a shortened life (i.e. until age 80 rather than age 90).
- There is no one-size-fits-all approach to successful workplace-based incentive programs. Rather, different HumanaVitality participants benefit from different types of activities designed to assist them in weight loss, from enrolling in a health club to using online support, heart rate monitors, pedometers, smart phone applications that track calories burned and/or video game platforms that capture data pertaining to participants' activity.
- At HumanaVitality, participants earn Vitality Points for getting active, losing weight and eating healthier. They also receive Vitality Bucks for each point they earn, which can then be redeemed on over 600,000 rewards, including movie tickets, events, brand-name merchandise and hotel stays.
- As Bill Sells pointed out, there are also ways to create incentives for wellness through policy. One initiative underway on Capitol Hill is the Personal Health Investment Today (PHIT) Act, which would allow for reimbursement of physical activity expenses using pre-tax dollars. Approximately one in five Americans would qualify for pre-tax deductions under this measure.
- The activities eligible for pre-tax reimbursement under PHIT include sports league fees, health club membership dues, exercise classes, youth camps and other physical activities.

Collectively, panelists and participants expressed consensus on the need to work together to effect changes in the way that American eat, live, work and play and the role that individuals, businesses, and the government have in facilitating these needed changes. While Congress has in part recognized the economic threat posed by the obesity epidemic, and enacted measures in the Affordable Care Act to encourage actions that can help reduce obesity, more needs to be done at each of these levels.