Interested Party Written Testimony on House Bill 49
for the Senate Finance Committee
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Dear Chairman Oelslager, Vice Chair Manning, Ranking Member Skindell and members of the committee:

Thank you for accepting our written testimony. The Health Policy Institute of Ohio (HPIO) is a nonprofit organization dedicated to providing Ohio policymakers with the independent and nonpartisan analysis needed to create evidence-informed state health policy.

2017 *HPIO Health Value Dashboard*

HPIO recently released the ***2017 Health Value Dashboard*** which builds upon the inaugural *Dashboard* released in December 2014. With input from many different sectors and stakeholders, HPIO developed the *Dashboard* as a tool to track Ohio's progress towards health value – a composite measure of population health outcomes and healthcare spending.

We know that improving health and addressing healthcare spending growth are concerns shared by policymakers and others. We believe that compiling public data in one place is an important starting place for us to understand whether health outcomes and healthcare spending are improving in Ohio and how our state compares to others. We also believe that the *Dashboard* is a useful tool for prioritizing our challenges to guide action for improvement.

Where does Ohio rank?

In the 2017 *Dashboard*, Ohio ranks 43rd on population health and 31st on healthcare spending out of 50 states and the District of Columbia. Our health value rank is a composite measure of our population health and healthcare spending ranks, equally weighted and relative to other states and D.C.

On health value, Ohio ranks 46th landing in the bottom quartile. Ohioans are living less healthy lives and are spending more on healthcare than people in most other states.

Why does Ohio rank poorly?

The answer is complicated. The *Health Value Dashboard* shows us that Ohio performs well on access to care but poorly on population health. This indicates that access to health care is necessary, in fact it is critical if you are sick, injured or have a chronic condition, but good performance on access to care alone is not sufficient to improving our overall health.

In addition, the *Dashboard* indicates that Ohio continues to perform poorly on the other factors that impact health value. Research estimates that of the modifiable factors that influence our overall health outcomes, 80 percent is attributed to non-clinical factors (including our social and economic environment, physical environment and health behaviors) and only 20 percent is attributed to clinical care (access to care and healthcare system performance).[1] Ohio is not doing well in many of those areas.

Where do other states rank?

There is wide geographic variation on health value rank. This tells us that health value does not depend solely on the geographic or demographic characteristics of a state. States with both poorer and older populations than Ohio (Florida and New Mexico), or larger and more diverse populations (California, Florida and Texas) have a higher health value rank, performing better on both population health outcomes and healthcare spending.

The correlation between percent of a state's population aged 65 and older and health value rank is relatively weak (r=.25). The correlations between children living in poverty and adults living in poverty are even weaker (r=.12 and r=.15). This tells us that the percent of a state's population over age 65 and the poverty level of a state are not driving health value rank.

What are Ohio's greatest challenges and strengths?

In the *Dashboard*, we also highlight Ohio's greatest challenges – metrics where Ohio is in the bottom quartile and metrics where Ohio is worsening. These metrics include infant mortality, cardiovascular disease mortality, smoking and drug overdose deaths.

The *Dashboard* also highlights Ohio's strengths. These are metrics where we are in the top quartile or where we are improving. Ohio has strong performance on several access to care metrics, as well as youth marijuana use and heart failure readmissions.

Is Ohio moving in the right direction?

Another feature of the *Dashboard* is highlighting trend over time. Ohio, like most other states, is moving in the right direction with more metrics that have improved rather than worsened. Specifically, Ohio improved on access to care, healthcare system, social and economic environment and physical environment. However, Ohio saw a net worsening on population health and public health and prevention metrics. To put this into greater context, Ohio was one of only eight states that did not have net improvement on the population health domain.

How does the *Dashboard* address equity?

The *Dashboard* also examines both health disparities and inequities across a set of metrics by race and ethnicity, income level, education level and disability status.

What we found is that Ohioans who are black or have a low income are more likely to experience larger disparities and inequities across metrics than other population groups.

For some metrics, the *Dashboard* provides estimates of how many Ohioans would have a better outcome if their prevalence or exposure rate were that of the group with the best outcome.

For example, we found that nearly 127,000 children in Ohio would not be exposed to second-hand smoke, if the disparity between low-income and moderate-to-high income Ohioans was eliminated. If the racial and ethnic disparity was eliminated, more than 130,000 black children in Ohio would not be living in poverty. In order to improve our health value rank, we must address the disparities and inequities across Ohio's population.

How can we improve health value in Ohio?

The good news is that there is a great deal of research about what works to improve health. Many strategies are already being implemented in Ohio, but more can be done to ensure that the most effective policies and programs are deployed at the scale needed to measurably improve health value. We recommend two sources of information about how to do this:

- **Ohio's 2017-2019 state health improvement plan (SHIP)** was developed with input from a wide range of Ohio stakeholders and includes a menu of strategies to improve outcomes for mental health and addiction, chronic disease and maternal and infant health.
- **HPIO's Guide to improving health value resource page** provides several tools to identify evidence-informed and cost-effective strategies.

What approaches are most likely to yield positive outcomes?

In order to identify which approaches are most likely to yield positive outcomes, we looked at which *Dashboard* domains correlated most strongly with population health rank. This analysis found that the social and economic environment and public health and prevention domains were the strongest drivers (r=.68 and .69 respectively).

For this reason, it makes sense to focus on the following types of strategies:

- **Improving the social and economic environment** involves strategies like increasing income, labor force participation and housing stability. Examples include vocational training and low-income housing tax credits.
- **Strengthening Ohio's commitment of public health and prevention** involves promoting healthy behaviors and supporting community conditions through strategies such as increasing cigarette taxes, fruit and vegetable incentive programs and complete streets policies to promote physical activity.
- **Starting early to help children and families thrive** involves strategies such as early childhood education and home visiting and school-based programs to prevent drug use and violence.

Tobacco use and health value

Ohio ranks in the bottom quartile for health value, and our high smoking rate is one of the key factors contributing to Ohio's poor performance. Ohio ranks in the bottom quartile for both adult smoking and secondhand smoke exposure for children.

In our *Dashboard* analysis, we found a strong correlation between a state's adult smoking rate and its health value rank (r=0.7). This means that states with a lower adult smoking rate are more likely to have a better health value rank. All of the states in the top quartile for health value—those with the best health outcomes and lowest spending—have lower adult smoking rates than Ohio.

Tobacco use contributes to many of Ohio's greatest health challenges, including cardiovascular disease, cancer and infant mortality. In addition, tobacco use is a cost driver for Medicaid and employers. Researchers estimate that 15 percent of Medicaid costs are attributable to cigarette smoking[2] and that smoking increases healthcare costs for employers.[3]

We know what works: Evidence-based tobacco prevention and cessation strategies

There is a strong body of evidence on what works to reduce tobacco use. As outlined in our **state policy options fact sheet**, the most effective strategies include:

- Increasing the price of tobacco products
- Media campaigns
- Access to cessation counseling and medication
- Smoke-free policies

In the *2017 Health Value Dashboard*, we took a closer look at trends in smoking rates in Midwestern and neighboring states[4] (see **our closer look at tobacco use and health value**) and noticed a pattern. All the Midwestern states that had significant reductions in adult smoking from 2013 to 2015—Illinois, Minnesota, Pennsylvania and Ohio—had state and/or local cigarette tax increases between 2012 and 2015.[5] In addition, we found that states with the highest cigarette tax rates have lower adult smoking rates than Ohio.

Research indicates that tobacco taxes are one of the most powerful policy levers for reducing youth and adult tobacco use[6] and that the higher the tax increase, the greater the impact on tobacco use.[7,8] To increase efficacy, tax increases should be paired with access to cessation services and media messages that encourage quitting.

Key takeaways

- **Ohio ranks 46th on health value** – This means that Ohioans are living less healthy lives and are spending more on health care than people in most other states.
- **Ohio performs well on access to health care but poorly on overall health** – This shows that access to care is necessary but not sufficient to improve overall population health outcomes. We also need to improve our performance on the other factors that shape health value.
- **Improvement is possible** – We know what works to improve health behaviors and support healthy communities.

Thank you Chairman Oelslager for the opportunity to share this information with the committee.

[1] Booske, Bridget C. et. al. *County Health Rankings Working Paper: Different Perspectives for Assigning Weights to Determinants of Health*. University of Wisconsin Public Health Institute, 2010.
[2] Xu, X., et al. "Annual Healthcare Spending Attributable to Cigarette Smoking: An Update." American Journal of Preventive Medicine 48, no.3 (2015): 326- 333. Note that forty-two percent of working-age Medicaid enrollees were current smokers in 2015 in Ohio. (Source: 2015 Ohio Medicaid Assessment Survey (OMAS). "2015 OMAS Public Data and Tables." OMAS. Accessed March 6, 2017. http://grcapps.osu.edu/dashboards/OMAS/adult/
[3] Berman, Micah, et al. "Estimating the cost of a smoking employee." Tobacco Control 23, no.5 (2014): 428-433. This estimate considers absenteeism, presenteeism, smoking breaks, healthcare costs and pension benefits; it is based on private employers who self insure and use defined benefit pension systems.
[4] The 2017 Dashboard highlighted trends in in Midwest (Department of Health and Human Services Region V) and neighboring states.
[5] Data from Campaign for Tobacco-Free Kids. "Cigarette Taxes by State Per Year 2000-2017." November 10, 2016 https://www.tobaccofreekids.org/research/factsheets/pdf/0275.pdf
[6] Tobacco Use and Secondhand Smoke Exposure: Interventions to Increase the Unit Price for Tobacco Products. The Community Guide. Centers of Disease Control and Prevention, 2012. https://www. thecommunityguide.org/ findings/tobacco-use-andsecondhand-smoke-exposureinterventions-increase-unit-pricetobacco
[7] The Guide to Community Preventive Services. http://www.thecommunityguide.org
[8] Community Health Advisor, estimates of the impact of small and large tobacco tax increases on health outcomes and healthcare spending, http://www.communityhealthadvisor.org/cha3/