

An Ounce of Prevention

Potential Impact of Investments in Prevention, Wellness and Smoking Cessation Program on Business Activity in Texas

The Texas Coalition for Worksite Wellness commissioned The Perryman Group to conduct an economic impact study on the potential impact of prevention, wellness and smoking cessation programs. The study includes data on the impact of targeted investments in prevention, wellness and smoking cessation on state-funded health care including state employees and Medicaid recipients, as well as private sector employers in Texas.

According to Dr. Perryman, “Keeping Texans healthy is in the direct interest of the State. With rising health care costs, it is to the State’s benefit to reduce preventable health-related costs.”

The net fiscal effects of prevention, wellness and smoking cessation are decidedly positive, even on a short-term basis. Prevention and wellness programs are a “win-win” for Texas and Texans, and are worthy of substantial support by the public and private sectors.

The Perryman Group estimates that if wellness programs are implemented for State employees and Medicaid recipients, Texas could see a **net gain in economic activity of billions of dollars and tens of thousands of jobs.**

Measuring the Impact

STATE EMPLOYEES

A comprehensive prevention and wellness program for State employees offers the highest economic returns on the State’s investment. Gains in business activity were measured to include **more than \$338.5 million in annual fiscal revenues for a biennium and more than 2,400 jobs** (on a net basis).

MEDICAID RECIPIENTS

A comprehensive wellness program for Medicaid recipients in Texas could be expected to **add more than \$2.7 billion in annual spending to the economy, generate \$2.5 billion in fiscal resources for a biennium and create more than 20,000 permanent jobs** even when necessary State spending to support the Medicaid program is fully offset. The gains could be even more significant if the improved lifestyle choices and health outcomes of Medicaid recipients allow these Texans to gain employment and become part of the private-sector health care system.

PRIVATE SECTOR EMPLOYERS

If the private sector efforts led to widespread adoption of comprehensive prevention and wellness programs, the net stimulus to business activity includes **more than \$8.1 billion in annual expenditures available for other fiscal priorities or private spending and the creation of more than 42,000 jobs.** Many Texas companies are already embracing prevention and wellness in the workplace and through employee health care benefits; thus, some of these benefits are already being experienced.

BOTTOM LINE

Wellness and smoking cessation programs have been shown to be quite successful in the private sector and are gaining ground among many states.

An Ounce of Prevention is Worth Much More Than a Pound of Cure.

Read the full study online at www.txworksitewellnes.org.