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Obesity's Impact on Kentucky's Economy and Labor Force

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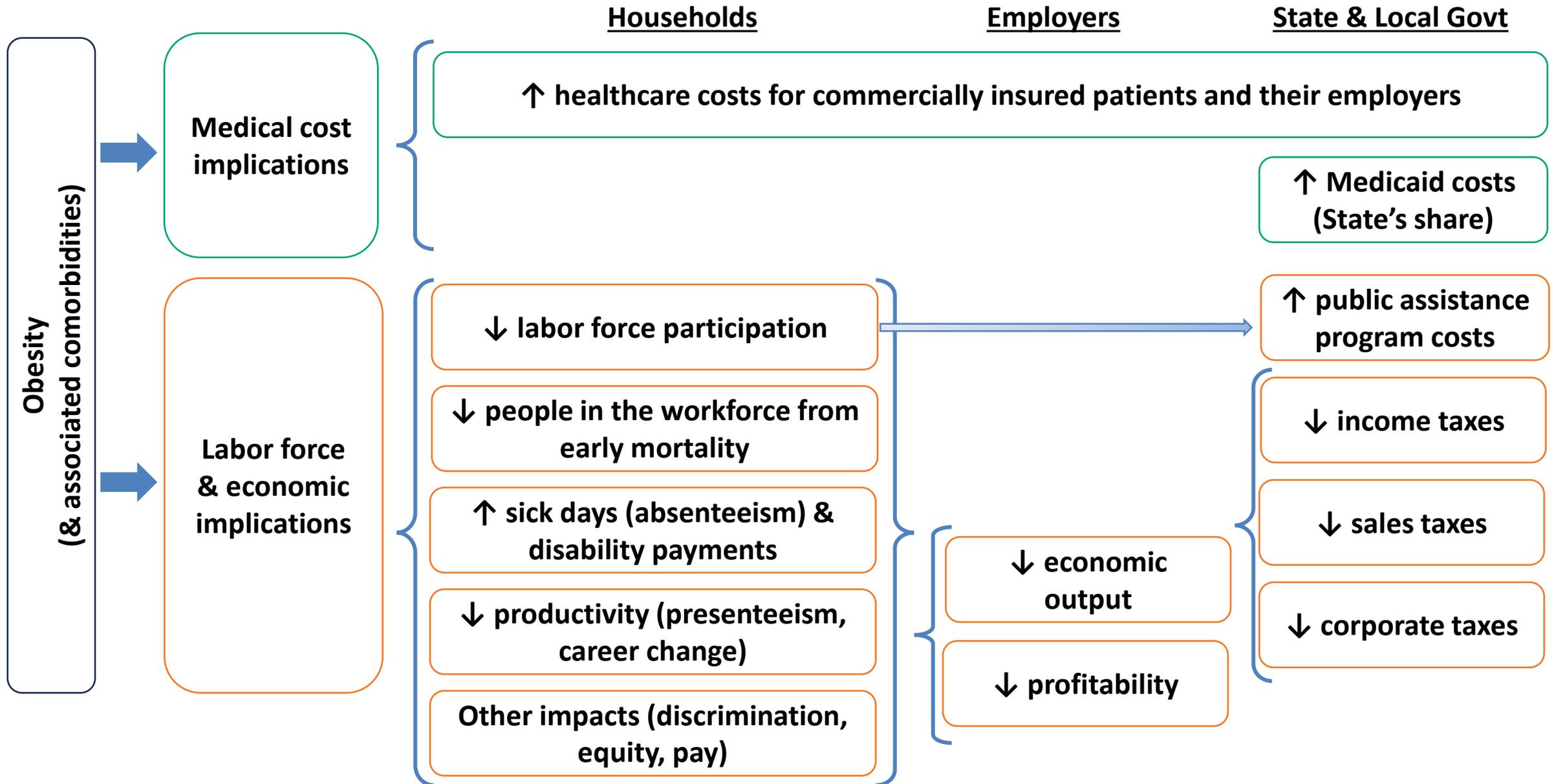
April 23, 2024

See factsheets and reports for employers and other states at:

<https://www.globaldata.com/health-economics/US>



Obesity Impact on States' Economy and Labor Force: Framework



Economic, Workforce, and State Budget Implications of Excess Weight in Kentucky: 2023



Reduced economic activity by **\$6.9B (2.5%)**



\$1.9B in higher work absenteeism and disability costs



51,100 fewer adults in the workforce



Negative **\$790M** budget implications for Kentucky

Increased Medicaid, public assistance, & state government health insurance costs by

\$313M



Reduced state tax revenues by **\$477M**



Money currently spent on healthcare that could be redirected to other purposes



\$440M in spending by households



\$660M in spending by employers



\$1.6B in federal Medicare and Medicaid spending



COST OF OBESITY ON KENTUCKIANS



Reduced Earnings for Employed Women



Women with **obesity** earn **9%** less than women with **healthy weight**

343,600 employed women with obesity



\$1.3B
reduced earnings

Lower Labor Force Participation



Odds of employment are lower for men (**0.93**) and women (**0.83**) with **obesity** compared to peers with **healthy weight**

30,300 fewer adults with obesity working relative to the healthy weight population



\$1.5B
reduced earnings

Increased Mortality



Estimated premature deaths occur

9,100
Year

Resulting in:

\$1.3B

lower state GDP

\$58M

lower state income tax receipts

Higher Medical Costs to Households



Increased healthcare costs associated with **obesity** and **overweight**

\$1,267
Obesity

\$318
Overweight

Medical costs compared to adults with healthy weight

\$440M

Higher spending by households

**Obesity appears to have no effect on earnings of employed adult males

COST OF OBESITY ON EMPLOYERS



Higher Absenteeism & Disability Costs



831,000 employed adults with obesity in Kentucky

\$1,611 absenteeism
\$611 disability
\$103 workers' comp

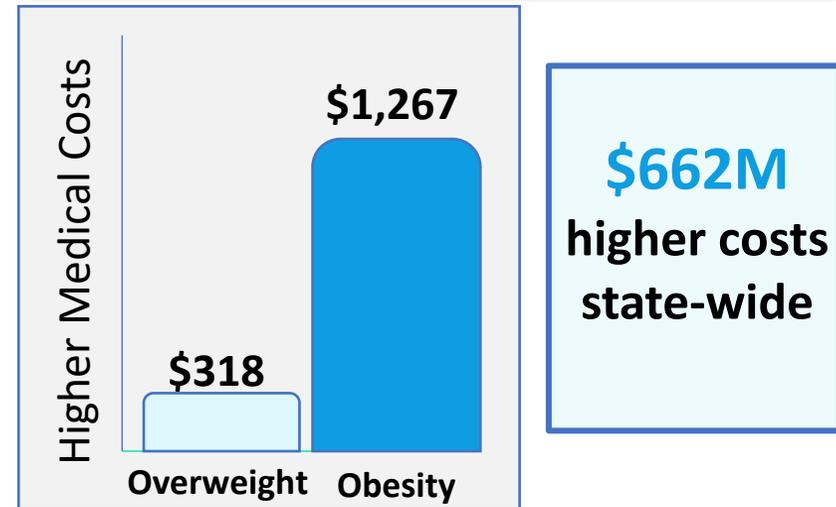
Per employee with obesity

\$1.9B higher costs state-wide

Higher Healthcare Costs



Higher costs attributed to obesity & overweight



COST OF OBESITY ON STATE & LOCAL GOVERNMENT



Increased Medicaid Spending



State incurred higher Medicaid costs in 2023 by



Medicaid beneficiaries with **Overweight & Obesity**



Increased Healthcare Costs for Employees



State and local government employees

246,000

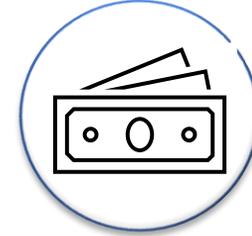
\$541 per employee increased healthcare costs associated with excess weight

\$133M

Higher costs

For state & local government employee healthcare

Increased Public Assistance Program Costs



30,300

Adults

Adults with obesity-attributed unemployment



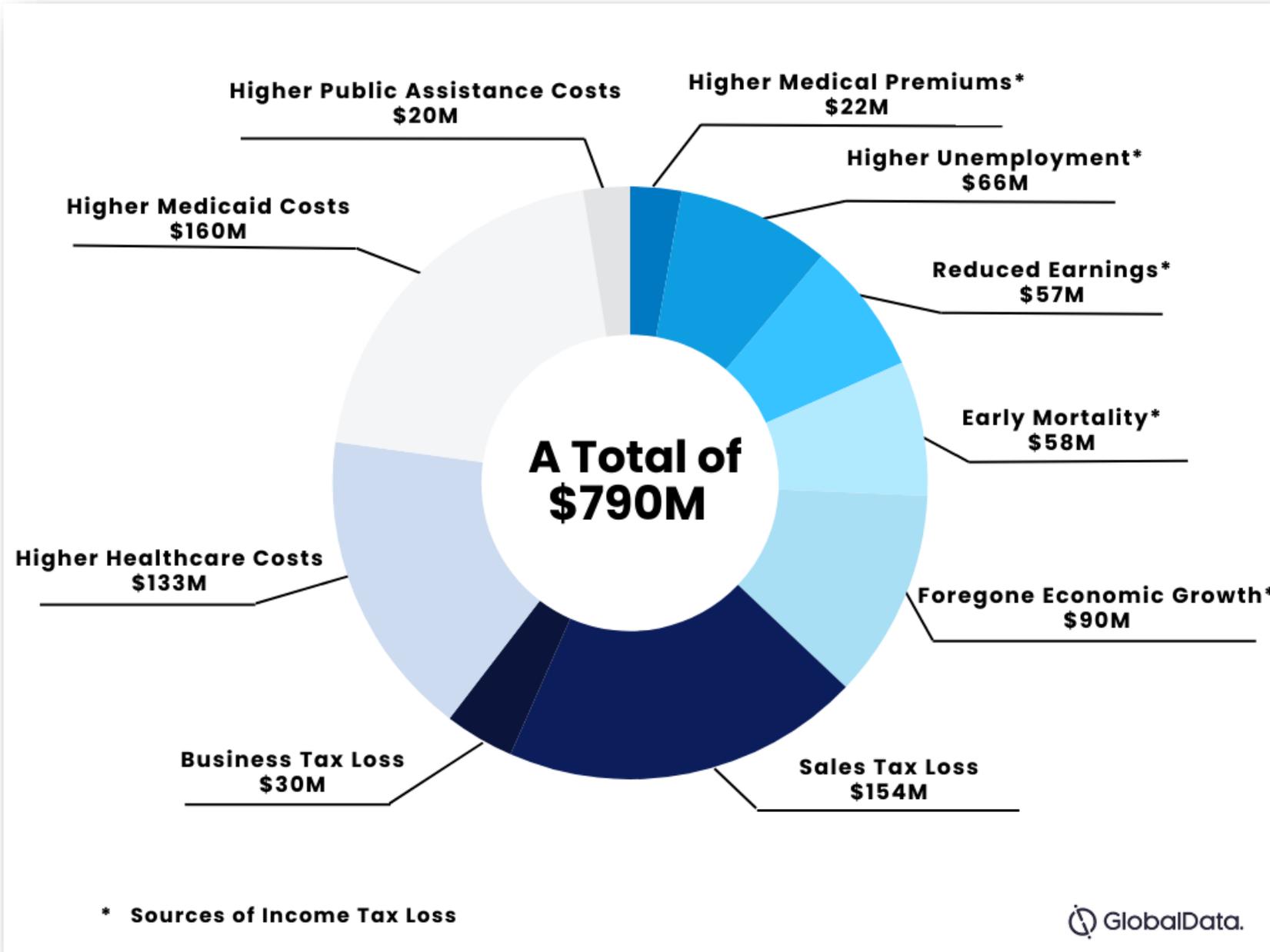
5,065

Adults

Public assistance program participants

\$20M in higher state & local public assistance costs

STATE BUDGET IMPLICATIONS

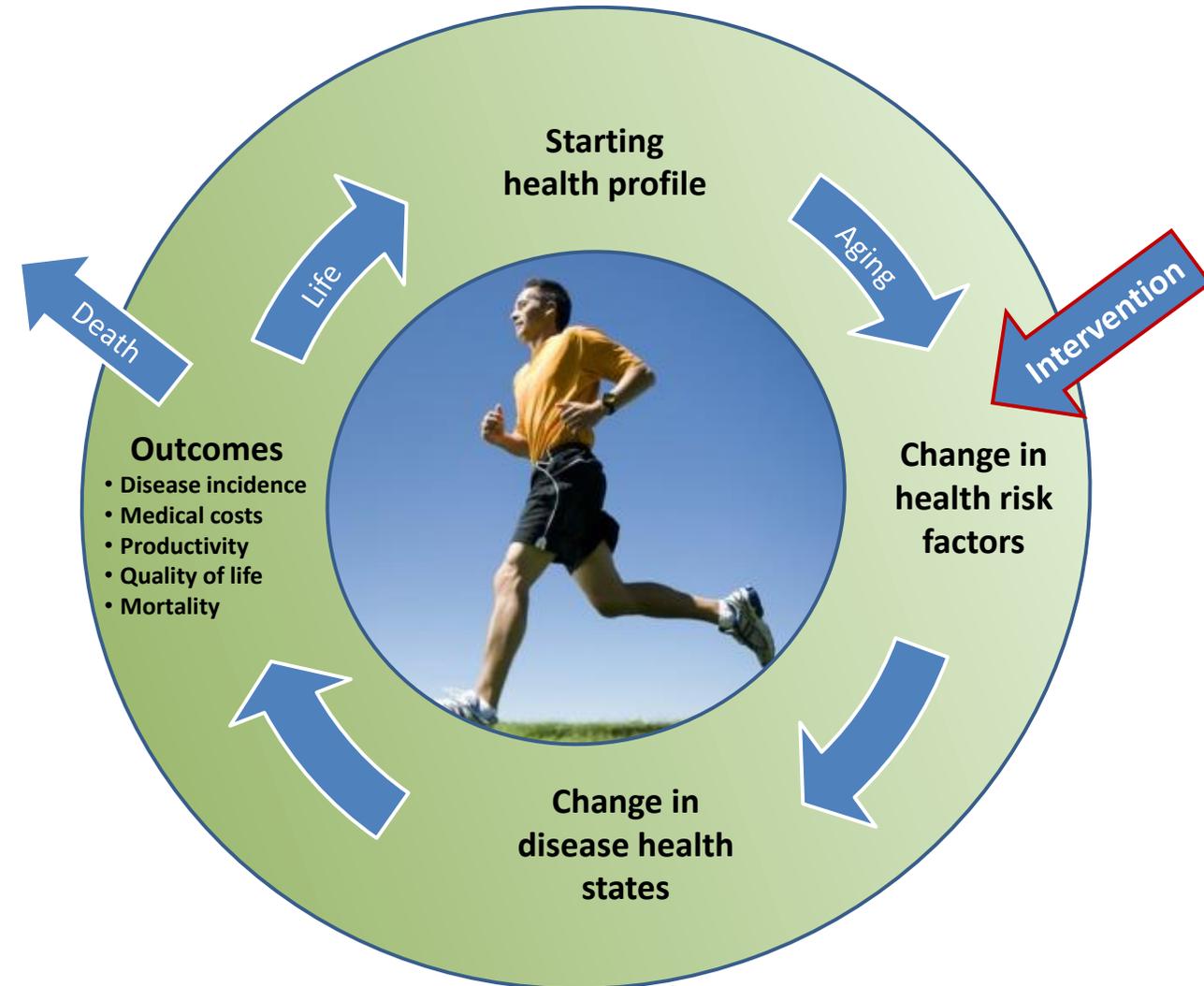


Estimating the Potential Value of Treating Obesity

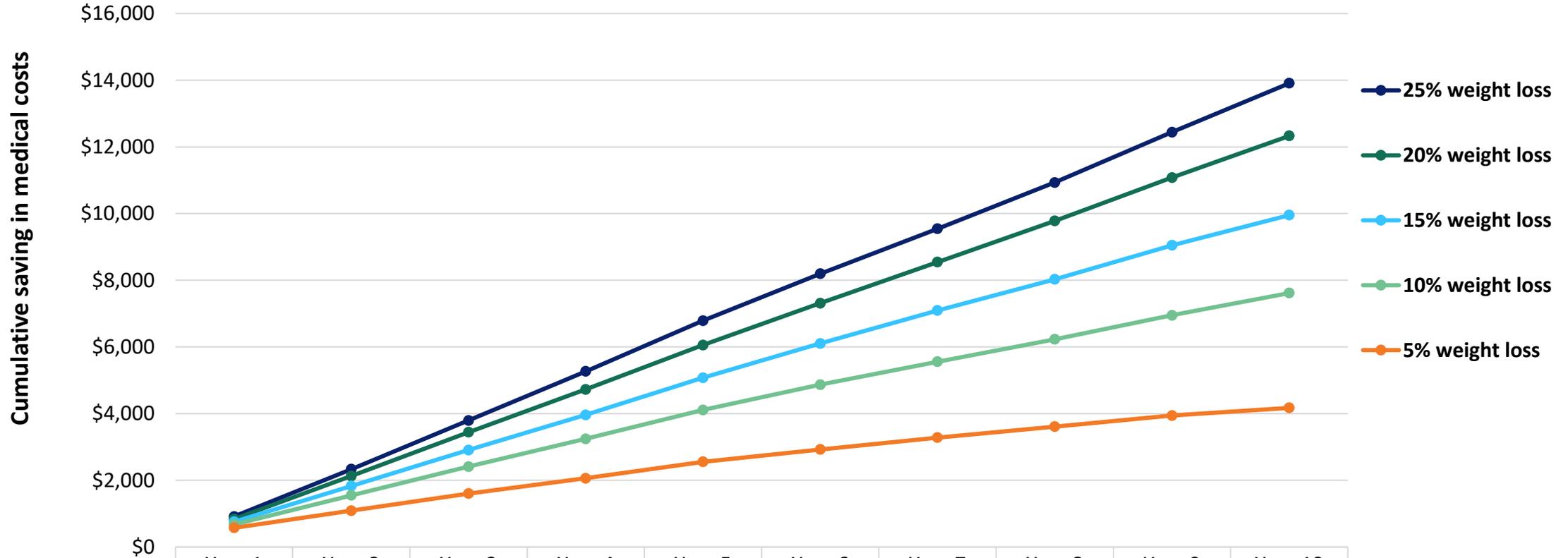


- Created a representative sample of state's non-Medicare adult population with obesity
- Weight loss is one component of treating obesity, contributing to improvements in
 - Blood pressure
 - Cholesterol levels
 - Blood sugar levels
 - Other health benefits
- Modeled scenarios achieving body weight loss of up to 5%, 10%, 15%, 20%, and 25%
 - **Lifestyle and behavioral interventions** often achieve results in the 5% range, up to 8%
 - **Prescription anti-obesity medications**, often coupled with lifestyle intervention, have achieved 15% to 20%+ weight loss in recent clinical trials
 - **Bariatric surgery** has been associated with an average weight loss of 25% or higher

Disease Prevention & Treatment Microsimulation Model

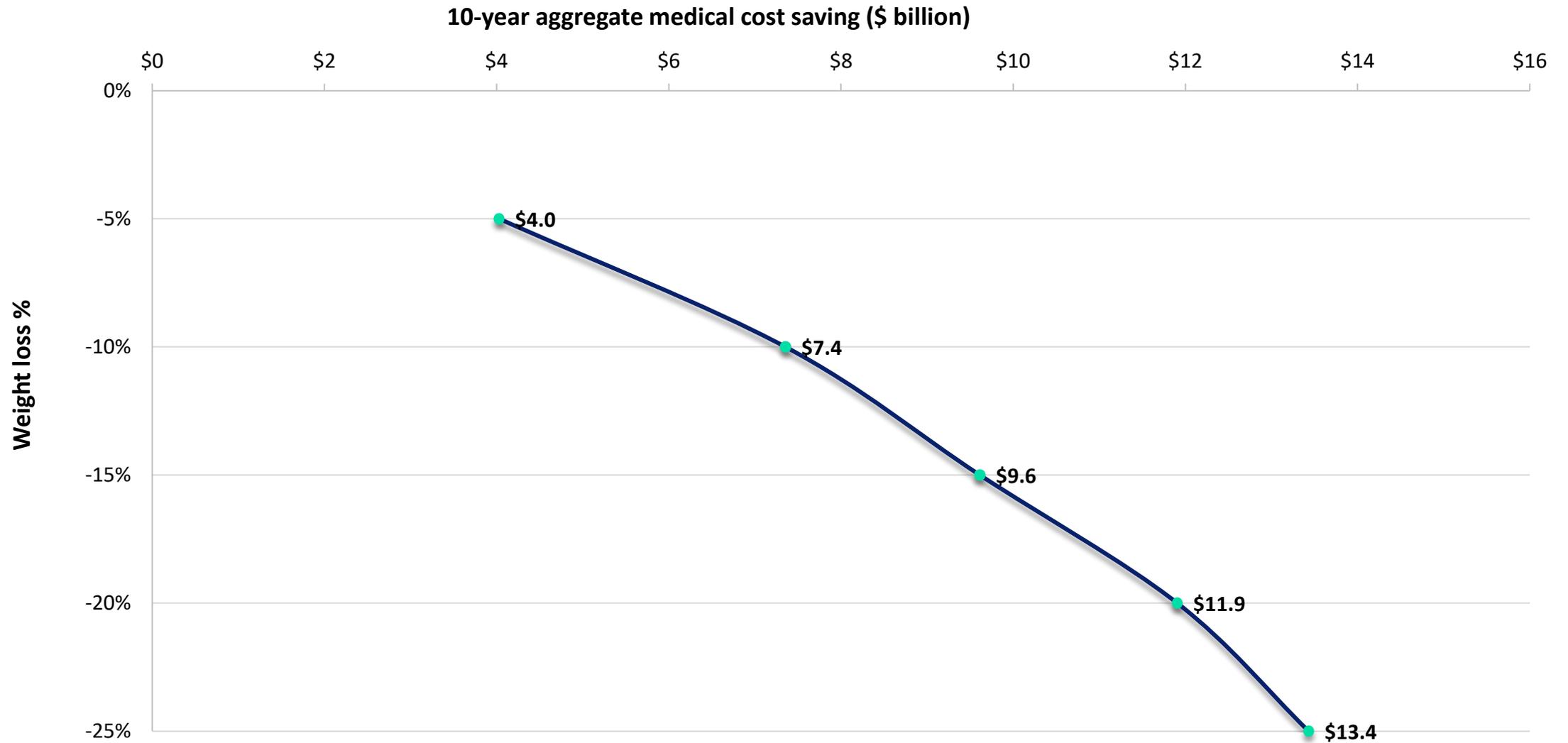


Estimated Cumulative Medical Savings Due to Weight Loss Among Adults with Obesity



	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
25% weight loss	\$912	\$2,332	\$3,795	\$5,266	\$6,790	\$8,195	\$9,544	\$10,931	\$12,442	\$13,910
20% weight loss	\$837	\$2,128	\$3,441	\$4,728	\$6,057	\$7,312	\$8,545	\$9,778	\$11,079	\$12,330
15% weight loss	\$754	\$1,828	\$2,908	\$3,961	\$5,078	\$6,104	\$7,094	\$8,026	\$9,047	\$9,954
10% weight loss	\$675	\$1,546	\$2,409	\$3,244	\$4,110	\$4,869	\$5,555	\$6,229	\$6,951	\$7,616
5% weight loss	\$574	\$1,086	\$1,600	\$2,060	\$2,555	\$2,924	\$3,279	\$3,610	\$3,940	\$4,173

Estimated Statewide 10-year Medical Cost Savings by Weight Loss Scenario



Note: This chart shows the estimated cumulative savings over 10 years if Kentucky could achieve body weight loss of 5%, 10%, 15%, 20%, or 25% among the current population with obesity.



- Organizations with obesity guidelines
 - The National Institutes of Health
 - The Centers for Disease Control and Prevention
 - Medical associations like the **American Medical Association, American Gastroenterological Association, and Endocrine Society**
 - The American Heart Association
 - The American Diabetes Association
 - The Obesity Society
 - The Obesity Action Coalition
 - The American Society for Metabolic and Bariatric Surgery and the International Federation for the Surgery of Obesity and Metabolic Disorders
- Examples of Kentucky organizations involved in efforts to address obesity
 - The Kentucky Department for Public Health
 - Kentucky Physical Activity and Nutrition Program
 - University of Kentucky Center of Research in Obesity and Cardiovascular Disease
 - The Foundation for a Healthy Kentucky (non-profit)

Numerous state, national, and international organizations have released evidence-based guidelines concerning the prevention and treatment of obesity. These recommendations serve as valuable guidance for healthcare professionals and policymakers in undertaking this significant public health concern...Still, access to and utilization of obesity treatment remains limited.

“Providing evidence-based treatment options that include weight loss medications aligns with a comprehensive, multimodal approach to effectively manage obesity is important to reduce health complications,” said AMA Trustee Bobby Mukkamala, M.D. “The AMA will urge health insurers to provide coverage of available FDA-approved weight-loss medications, including GLP-1 medications, to demonstrate a commitment to the health and well-being of our patients.”

<https://www.ama-assn.org/press-center/press-releases/ama-urges-insurance-coverage-parity-emerging-obesity-treatment-options>

- **Promote insurance coverage for comprehensive obesity treatment:** State policy makers can demonstrate modern care for obesity by updating health insurance for state employees to cover evidence-based obesity treatments, including intensive behavioral counseling, nutrition support, pharmacotherapy, and metabolic/bariatric surgery.
- **Expand Medicaid coverage for obesity treatment:** State policy makers can expand Medicaid coverage to include evidence-based obesity care, including intensive behavioral counseling, nutrition support, pharmacotherapy, and metabolic/bariatric surgery.
- **Invest in community-based programs and education campaigns:** State policy makers can invest in community-based programs and infrastructure that serve as an adjunct to access to obesity treatment, ensuring individuals have access to healthy, affordable food and safe, and affordable opportunities for being physically active. Education campaigns, including educating primary care providers, can increase awareness about the causes of and health risks associated with obesity and promote evidence-based obesity treatments. Investing in community health worker (CHW) programs, for example, can be a cost-effective way to provide outreach and support to address obesity among underserved populations.

- **Offer insurance coverage and wellness programs for obesity care at parity with other chronic diseases:** Employers can ensure their health insurance plans cover evidence-based obesity treatments, including intensive behavioral counseling, nutrition support, pharmacotherapy, and metabolic/bariatric surgery. Employers can implement wellness programs that specifically address obesity prevention and management. These programs can include resources for healthy eating, physical activity initiatives, access to fitness facilities or classes, and comprehensive weight management support (inclusive of all treatment options).
- **Foster a culture of support and inclusion:** Employers can create a culture of support and inclusion that recognizes and accommodates the needs of employees with obesity. This can involve implementing non-discriminatory policies, offering weight bias and stigma mitigation training, creating a supportive workplace environment that promotes healthy behaviors such as providing healthy food options, offering opportunities for physical activity, and providing reasonable workplace accommodations for individuals with obesity and related health conditions.
- **Provide education and resources:** Employers can provide education and resources to employees to educate about the health risks associated with obesity as well as strategies for obesity care and weight management. This can include partnering with their health insurance program and other providers to encourage weight assessments as part of their annual physical, and offer health screenings, health coaching, and other support services.

Assessing the Economic Impact of Obesity and Overweight on Employers: Identifying Paths Toward Work Force Health and Well-Being



Obesity Impact on Employers



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NEWS RELEASE
GlobalData
Obesity report highlights staggering \$10.2 billion economic cost of obesity and overweight in U.S. Businesses and Employees in 2023

See the employer and state reports and fact sheets at: <https://www.globaldata.com/health-economics/US/>

LINKS AND CONTACT INFORMATION

Published state and employer reports:

<https://www.globaldata.com/health-economics/us/>

- Whitepapers
- Infographics
- PowerPoint Slides

The Obesity Action Coalition's Stop Obesity Weight Bias Campaign includes media [guidelines](#) and [bias-free image gallery](#)

Tim Dall

Executive Director, GlobalData Plc
tim.dall@globaldata.com

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