**Victorian Health Promotion Foundation**
Ground Floor 15 – 31 Pelham Street
PO Box 154 Carlton South 3053
Phone: 03 9667 1333
Fax: 03 9667 1375
Email: vichealth@vichealth.vic.gov.au
Web site : www.vichealth.vic.gov.au

**Who we are**

The Victorian Health Promotion Foundation or VicHealth is a statutory organisation established under the Tobacco Act 1987. VicHealth forms partnerships with different groups to make health a central component of our daily lives. Its activity is geared to promoting good health, safety and preventing ill health. Essentially, VicHealth works with others to build healthy foundations for the future. (see www.vichealth.vic.gov.au for more detail)

**Prevention is better than cure**

**Prevention is better than cure.** It may be an old adage but it is the crux of our submission to the Productivity Commission.

If we want to reduce the fiscal implications of an ageing population, particularly those linked to health care costs, we must act now. We must ensure that our current older adult population is a healthy as possible and that that the next generation of older adults is not suffering from the range of lifestyle related illnesses and diseases that are becoming prominent in Australian society. We must focus on the entire life course not just on older adults.

**Essential role for health promotion**

To have an ageing population that is healthy, productive, participating in and contributing to society we need to be proactive. Rather than sitting back and waiting for new medical technologies and medicines we must invest comprehensively in health promotion. Health promotion has shown to be effective in preventing a range of diseases and illnesses such as: Type II Diabetes, cardiovascular disease, arthritis, obesity, dementia, HIV/AIDS, depression and cancer, to name but a few.

There is ample evidence for a focus on prevention rather than cure:

- The US Centers for Disease Control has estimated that "a one dollar investment in measures to encourage moderate physical activity leads to a cost saving of $3.2 in medical costs"[1]

- Achievements in tobacco control show that in 1998 an estimated **17,400 premature deaths were averted because of lowered tobacco consumption** and the total estimated **financial benefits in that year were $12.3 billion** [2] (based on a conservative estimate of 10% contribution of health programs)

[1] World Health Organisation 2002, *Active Ageing: A Policy Framework,* Noncommunicable Disease prevention and Health Promotion WHO, Geneva

[2] Applied Economics. 2003, *Returns on Investment in Public Health: An Epidemiologic and Economic Analysis,* Department of Health and Ageing, Canberra

**Victorian Health Promotion Foundation**
Ground Floor 15 – 31 Pelham Street
PO Box 154 Carlton South 3053
Phone: 03 9667 1333
Fax: 03 9667 1375
Email: vichealth@vichealth.vic.gov.au
Web site : www.vichealth.vic.gov.au

- Research indicates that if **smoking rates were cut by a further 5%, savings of 17%** would be made by the Pharmaceutical Benefits scheme over the next 40 years. [3]

- The **financial burden of alcohol misuse** to the community has been estimated to be **$4.5 billion per annum**, including lower productivity due to lost work days, road accidents, and legal and court cases, as well as health care costs. It is estimated **that 84% of these costs** ($3.8 billion) **are potentially preventable** and amenable to public policy initiatives [4]

- Fires et al [5] highlight a range of studies that have proven to be cost effective in improving health and decreasing subsequent costs. **Savings ranged from $2 for every $1 invested to $9 for $1 invested.**

**International perspective**

The World Health Organisation as part of its Active Ageing policy highlights that not only should we believe prevention is better than a cure, but that it is never too late to start. Whilst a comprehensive focus across the lifespan is the preferred mode, they also clearly state that "One of the myths of aging is that it is too late to adopt such lifestyles in the later years. On the contrary, **engaging in appropriate physical activity, healthy eating, not smoking and using alcohol wisely in older age can prevent disease and functional decline, extend longevity and enhance one's quality of life."** [6]

VicHealth believes the work already undertaken by the WHO on Active Ageing would be of great interest to the Productivity Commission and others considering issues associates with an ageing society. Many of the issues we are grappling with in Australia have been considered by the WHO and a range of potential policy responses, including ones addressing the economics of an ageing population have already been outlined. Information about the WHO's Active Ageing: A policy Framework is available at: http://www.who.int/hpr/ageing/ActiveAgeingPolicyFrame.pdf .

**Reliance on medical technologies and medicines**

VicHealth is aware of pharmaceutical company arguments that a range of prescription medicines and consumer health care products can help prevent and treat a range of diseases and can in the longer term save the government money. Whilst VicHealth acknowledges the significant contribution medical technologies and medicines have made to our health, our ability

[3] Hurley, S., Scollo, M., Younie, S., English D., & Swanson M. 2004, 'The potential for Tobacco control to reduce PBS costs for smoking-related cardiovascular disease' *Medical Journal of Australia*, vol. 181, no. 5, pp. 252-255.
[4] Commonwealth of Australia. *2001 National Alcohol Strategy: A Plan for Action 2001 to 2003-04,* Ministerial Council on Drug Strategy, Canberra
[5] Fries, J., Koop, E., Sokolov, J., Beadle, C., & Wright, D. 1998, 'Beyond Health Promotion: Reducing Need and Demand for Medical Care', *Health Affairs* Vol 17, No 2, pp 70-84
[6] World Health Organisation 2002, *Active Ageing: A Policy Framework,* Noncommunicable Disease prevention and Health Promotion WHO, Geneva

**Victorian Health Promotion Foundation**
Ground Floor 15 – 31 Pelham Street
PO Box 154 Carlton South 3053
Phone: 03 9667 1333
Fax: 03 9667 1375
Email: vichealth@vichealth.vic.gov.au
Web site : www.vichealth.vic.gov.au

to survive and recover from illnesses and injuries that would have once killed or seriously disabled us, however there needs to be a balance. **We cannot continue to rely upon medical technologies and medicines to solve all health problems. Some health problems must be addressed by preventing their occurrence in the first place.**

Again we argue that it is better to invest in the prevention of lifestyle diseases than it is to invest in their treatment. **Current investment in medial technologies and medicines is unsustainable** and greater emphasis must be given to the health outcomes gained as a result of this spending. Increased expenditure on medial technologies and medicines needs to be weighed up against the costs of preventing the occurrence of the disease in the first place.

We appear too consumed with the supply side of the health care equation and not enough concerned with the demand side. The best way to reduce costs and improve health at the same time is not to control the services provided but **to reduce the need and demand for care**[7]. Fries et al advocate for an approach based on health promotion alongside traditional approaches to diagnosis, treatment and prevention.

On average only 2.8% of total health expenditure is allocated to organized public and private prevention programs, yet **preventable behavioral factors constitute 40 to 50% of the causes of premature deaths.**[8] This needs to be addressed. Failing to prevent or manage the growth of non communicable diseases appropriately will result in enormous human and social costs that will absorb a disproportionate amount of resources which could have been used to address the health problems of other age groups[9]. Fries argues that is not the basic knowledge about what to do that is lacking but the penetration of these sorts of effective programs into a greater number of settings[10].

**Health care reform**

VicHealth sees many links between issues raised in this report and the call for health care reform under the productivity commissions' Competition Policy Reform report. As in our submission to that report, VicHealth agrees **Australia's health care system is in need of urgent overhaul.** However, it is essential that as part of this overhaul a focus on the promotion of good health and preventing the onset of a range of illnesses and diseases is considered. It is our view that the current health care system limits its focus to treating illnesses and diseases and is not in tune with the additional benefits to both the health and

[7] Fries, J., Koop, E., Sokolov, J., Beadle, C., & Wright, D. 1998, 'Beyond Health Promotion: Reducing Need and Demand for Medical Care', *Health Affairs* Vol 17, No 2, pp 70-84

[8] Organisation for Economic Co-operation and Development, 2004 OECD Health data 2004 available @ www.oecd.org/health/data

[9] World Health Organisation 2002, *Active Ageing: A Policy Framework,* Noncommunicable Disease prevention and Health Promotion WHO, Geneva

[10] Fries, J., Koop, E., Sokolov, J., Beadle, C., & Wright, D. 1998, 'Beyond Health Promotion: Reducing Need and Demand for Medical Care', *Health Affairs* Vol 17, No 2, pp 70-84

**Victorian Health Promotion Foundation**
Ground Floor 15 – 31 Pelham Street
PO Box 154 Carlton South 3053
Phone: 03 9667 1333
Fax: 03 9667 1375
Email: vichealth@vichealth.vic.gov.au
Web site : www.vichealth.vic.gov.au

wellbeing and to the bottom line of the economy that are achievable with a stronger health promotion focus.

**Compressed morbidity**

VicHealth feels that the current report questions the concept of and benefits associated with compressed morbidity. Dr James Fries first highlighted the concept of compressed morbidity in the 1980[11] and since this time there has been growing support and increased evidence for the concept. The compressed morbidity concept highlights that more than 80% of our present illness burden is a result of chronic illness occurring between age 55 and death. **If the age at onset of the first chronic infirmity can be postponed more rapidly than the age of death, the lifetime illness burden may be compressed into a shorter period of time nearer the ago of death[12].**

For example, Ferrucci et al [13] studies the effects of smoking and physical activity on active and disabled life expectancy. From their work they conclude that aside from reducing social inequalities, **preventing or stopping smoking and promoting physical activity have the greatest potential to improve life in old age. They argue that resource allocated for this purpose could turn out to be the most cost effective investment in health care in our time.**

VicHealth would be more than happy to highlight and explain the extensive research in this area if the Productivity Commission is interested.

[11] Fries, J, 1980 'Ageing, Natural Death, and the Compression of Morbidity', *New England journal of Medicine* 303 No. 3 pp 130-135

[12] Fries, J, 1993 'Compression of Morbidity Life Span, Disability, and Health Care Costs', *Facts and Research in Gerontology* Vol 7 pp 183-190

[13] Ferrucci, L., Izmirlian, G., Leville, S., Phillips, C., Corti, M., Brock, D & Guralnik, M. 1999, 'Smoking Physical Activity and Active Life Expectancy', *American Journal of Epidemiology* Vol 149, No. 7, pp 645-653