

Health Care Growth Strategies

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Obesity Estimated to Cost \$100 Billion in Direct Health Care Expenses Each Year

Recognized since 1985 as a chronic disease, obesity and its complications are the second leading cause of preventable death, outranked only by cigarette smoking. Obesity, which affects approximately 40 million American adults, is a serious health issue and a disease with staggering statistics. Each year there are 62.7 million physician office visits related to obesity conditions. Obesity is estimated to cost the United States \$100 billion annually in direct health care expenses to treat conditions such as diabetes, hypertension, heart attacks, asthma, weight-bearing osteoarthritis of the hips and knees, and sleep apnea.

Approximately 1.5 million people are classified as morbidly obese, defined clinically by a body mass index (BMI) of 40 kg/m² or 100 pounds overweight. An estimated 280,000 morbidly obese people die prematurely each year from obesity-related complications.

Growth and Revenue Opportunities: Bariatric Surgery Centers

Bariatric (from the Greek word *baros* for weight) surgery is treatment for morbid obesity and is not a cosmetic procedure. The fundamental rationale for the surgery is to treat this serious disease when other weight control procedures have proven ineffective. The number of gastric bypass procedures performed each year has grown significantly with an estimated 16,200 procedures performed in 1992, 36,700 in 2000, and 60,000 in 2001. In 1999, singer Carnie Wilson increased public awareness of obesity treatment during a live Internet broadcast of her 90-minute surgical procedure. Over 250,000 viewers watched as her stomach was stapled to the size of a thumb. Wilson lost half her body weight (150 pounds) in the 18 months after the bypass procedure.

The American College of Surgery recommends that health care facilities with bariatric surgery centers have board certified surgeons who understand obesity and its associated conditions, along with ancillary staff (e.g., anesthesiologists, nurses, dietitians, and psychologists) with experience to care for the special needs of obese patients. The multidisciplinary team approach to treating obese

patients with patient education and counseling is essential. Facility requirements include diagnostic equipment, beds, chairs, commodes, and wheelchairs that can accommodate patients who weigh up to 750 pounds. Patients who are eligible for the procedure typically weigh from 300 to 500 pounds with additional comorbid medical conditions.

Bariatric surgical procedures can be performed either with minimally invasive techniques or by a sternum-to-navel

open incision. Investment in a laparoscope, specially designed surgical instruments, and computerized display systems are required for laparoscopic capabilities. Although the initial investment in technology makes the laparoscopic procedure more expensive to perform, shortened hospital stays are likely to offset the investment. The inpatient stay for laparoscopic gastric bypass patients averages 3.6 days, while

[continued on next page](#)

Health Improvements Associated with Bariatric Surgery



- **Weight loss:** 48% to 74 % of excess body weight lost between 18 and 24 months postoperatively
- **Type II diabetes:** Glucose tolerance is normalized after surgery in 78% of patients
- **Hypertension:** 50% reduction in incidence and a decrease in medication requirements
- **Cardiovascular:** Improvements in ventricular function, reductions in myocardial wall thickness and chamber size, and sustained normalization of lipid profiles
- **Obstructive sleep apnea:** Reduction in the incidence of apneic episodes in 70% of patients
- **Quality of life:** Improved mobility, stamina, and self-esteem
- **Economic:** 45% of patients receiving disability or public assistance returned to work

Source: American Society for Bariatric Surgery and the American Obesity Association.

7 to 10 days is the average hospital recovery time for open-incision procedures.

An East Coast hospital that has been operating a bariatric surgery program is exceeding performance and profitability goals. The hospital invested in computerized equipment for laparoscopic capabilities and negotiated increased payments from insurers for the surgery and additional services such as cardiopulmonary evaluations for sleep apnea. Patients are also referred for physical therapy, nutritional counseling, psychological assessments, and medical services (e.g., gastroenterology). Current procedure volumes will allow initial costs to be recovered within 18 months.

With the prevalence of obesity steadily increasing, its treatment has become a top national health concern. Bariatrics has emerged as the cutting-edge field focused on treating the surgical, medical, and psychological needs of the obese population. Dedicating a center to bariatric surgery can give patients access to a necessary clinical service and provide health care organizations with a profitable endeavor.



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Health Strategies & Solutions, Inc., is a national management consulting firm dedicated to helping organizations discover innovative strategies and solutions for today's complex health care challenges. Our staff has enabled hundreds of health care organizations across the country to address complex issues, make decisions that achieve lasting results, and set courses for success in the new millennium.

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