SA2020 San Antonio Health/Diabetes Dividend

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SA2020
SAN ANTONIO
HEALTH/DIABETES
DIVIDEND™

Cleveland State University
Maxine Goodman Levin College of Urban Affairs
Center for Economic Development
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Prepared by
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AT A TIME WHEN CITIES AND METRO REGIONS HAVE BECOME THE ECONOMIC ENGINES OF THE NATION AND WHEN THE MOST VALUABLE CURRENCY OF THE NEW ECONOMY IS KNOWLEDGE AND IDEAS, CITIES MUST BE CONSTANTLY LEARNING, SHARING, AND REINVENTING. NO CITY LACKS TALENT AND IDEAS, BUT ALMOST EVERY CITY LACKS A VEHICLE FOR CONNECTING WITH TALENT AND IDEAS OUTSIDE THEIR OWN CITY AND FOR MOBILIZING, ACCELERATING, AND SUSTAINING ACTION ON IMPORTANT GOALS.

CEOs for Cities fills this need through a national network of cross-sector leaders who connect with each other and with smart ideas, practices, and stories for city success.

We Curate smart ideas and benchmark city success through our City Vitals.
We Connect cross-sector leaders through our network of City Clusters.
We Catalyze collaborative change through our City Dividends and Prize Challenges.

The Power of Progress. City Dividends.

→ MAKING SMALL CHANGES THAT REAP BIG ECONOMIC DIVIDENDS

Our ultimate goal – catalyzing collaborative change for city success – is easier said than done. The key challenge that every city faces is how to best motivate, mobilize, focus, accelerate, and sustain action on the key issues that contribute to city success. While we know that most work by urban leaders in cities and regions contributes to the general good, the payback from investments often seems distant and uncertain. Leaders in every city are working away at challenges from different angles, but efforts are not coordinated and progress is not being made as quickly as needed.

→ THE KEY CHALLENGE THAT EVERY CITY FACES IS HOW TO BEST MOTIVATE, MOBILIZE, FOCUS, ACCELERATE, AND SUSTAIN ACTION ON THE KEY ISSUES THAT CONTRIBUTE TO CITY SUCCESS.

Our framework is that of a “what if” analysis. What if an investment of resources in a strategy could reap real, tangible and calculable economic benefits? What if my city could reach higher levels of performance in areas of primary importance to the economic success of the city and metro region?

The answer is City Dividends™. A City Dividend is the economic benefit resulting from investing resources to successfully achieve a measurable, actionable goal toward your city’s and metro region’s economic progress. The objective of City Dividends is to provide quantitative estimates of the economic gains and/or savings that metropolitan regions and cities could achieve by improving their performance on specific priority issues.

City Dividends are based on a simple but profound premise - the power of progress- or what Harvard Professor Teresa Amabile calls the “progress principle.” Her extensive research has found that the single most important motivator and catalyst of positive action is making progress and showing forward momentum in meaningful work.

City Dividends are premised on our research and experience that measurable progress, or “moving the needle,” on targeted work can reap huge economic growth dividends for cities and metro regions, and accelerate movement on important goals. Focusing on a particular goal allows us to approach a problem with the kind of intensity needed to formulate an action plan that works.

City Dividends as a Catalyst for Collective Impact

We have found that a City Dividend can be a powerful catalyst for convening stakeholders from different sectors around a common agenda and set of metrics for addressing an important challenge. CEOs for Cities’ highly successful $1 million Talent Dividend Prize, funded by the Kresge and Lumina Foundations in partnership with Living Cities, has helped to catalyze, motivate, and accelerate work on the goal of college completion in 57 American cities competing to achieve the greatest increase in college degree completion over a three-year period. We have found that when there is cross-sector, collaborative focus on achieving a targeted, measurable and actionable goal toward your city’s economic success, the collective impact is positive and measurable, and momentum is sustained. The Talent Dividend Prize incentivized accelerated progress toward the goal of college completion by shining a powerful light on the opportunity and the achievable, measurable goal provided an incentive to make meeting the challenge a priority.
City Dividends can be customized and applied to the situations of individual cities and metropolitan areas and used as a tool in strategic planning and policy advocacy. Cities should adopt City Dividends simply because they can’t afford to drive into the future without collective energy, intense focus, and a well-informed, accelerated path to success.

The future belongs to those cities and regions that can best catalyze collaborative, cross-sector change by demonstrating measurable progress on important goals, thus earning their City Dividends.

Lee Fisher
President and CEO
CEOs for Cities
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CITY DIVIDENDS ARE PREMISED ON OUR RESEARCH AND EXPERIENCE THAT MEASURABLE PROGRESS, OR “MOVING THE NEEDLE,” ON TARGETED WORK CAN REAP HUGE ECONOMIC GROWTH DIVIDENDS FOR CITIES AND METRO REGIONS, AND ACCELERATE MOVEMENT ON IMPORTANT GOALS.
EXECUTIVE SUMMARY

THE CHALLENGE THAT EVERY CITY FACES IS HOW TO BEST MOBILIZE, ACCELERATE, AND SUSTAIN ACTION ON THE KEY ISSUES THAT CONTRIBUTE TO CITY SUCCESS. THE FUTURE BELONGS TO THOSE CITIES AND REGIONS THAT CAN BEST CATALYZE COLLABORATIVE CHANGE BY DEMONSTRATING MEASURABLE PROGRESS ON IMPORTANT GOALS.

CEOs for Cities believes the answer is City Dividends. CEOs for Cities created the City Dividend concept to catalyze collaborative economic progress in cities and regions. City Dividends, first developed by Economist Joe Cortright of Impressa, Inc., for CEOs for Cities, and Carol Coletta, former President and CEO of CEOs for Cities, are premised on research and experience that measured progress, or “moving the needle,” on targeted work can reap large economic dividends for cities and metro regions, and accelerate movement on important goals.

→ A City Dividend™ is the economic benefit resulting from investing resources to successfully achieve a measurable, actionable goal toward your city’s and metro region’s economic progress.

A City Dividend™ is the economic benefit resulting from investing resources to successfully achieve a measurable, actionable goal toward your city’s and metro region’s economic progress. The objective of City Dividends is to provide quantitative estimates of the economic gains and/or savings that metropolitan regions and cities could achieve by improving their performance on specific priority issues.

CEOs for Cities previously developed three City Dividends—the Talent, Green, and Opportunity Dividends—and the opportunity to develop other city dividends related to city success is unlimited. This report develops a new Dividend for the San Antonio metro region: the Health/Diabetes Dividend.

• The Health/Diabetes Dividend™: The Health/Diabetes Dividend goal is reducing the number of diabetics in the region, and the dividend is the medical and indirect economic savings associated with having fewer individuals with this chronic illness.

San Antonio Health/Diabetes Dividend: Major Findings

The Health/Diabetes Dividend™ calculates the expenditures that could be saved (medical and indirect) from a 1% decline in the diabetic population for each metropolitan region.

• The Health/Diabetes Dividend for the largest 51 metropolitan regions - $1.16 billion.

• The Health/Diabetes Dividend for the San Antonio metro region - $16.1 million. This means that if the citizens of San Antonio reduce the number of people who have diabetes by 1%, residents in the metropolitan region would see a savings of $16.1 million each year. These savings include direct medical expenditures, and indirect expenses due to absenteeism, presenteeism (not working to capacity while being at work), reduced productivity, disability, and early death.

• San Antonio’s Health/Diabetes Dividend ranks 24th of the 51 largest metro regions.

• The cost savings of diabetes per person for the San Antonio metro region is $971, slightly lower than the average $1,070 cost savings of diabetes per person for the largest 51 metropolitan regions. The cost savings measures the total dividend divided by the population. The cost savings of diabetes per person allows us to understand how everyone shares in the savings from a decline in the number of diabetics no matter their age or health status.

Appendix Table B1 shows the largest 51 metropolitan regions that have been included in this report. Appendix Table B2 lists the Health/Diabetes Dividend for these 51 metropolitan regions, and their corresponding ranking within the cohort. All values are shown in millions of dollars per year.
INTRODUCTION
CEOS FOR CITIES CREATED THE CITY DIVIDEND CONCEPT TO CATALYZE COLLABORATIVE ECONOMIC PROGRESS IN CITIES AND REGIONS. A CITY DIVIDEND IS THE ECONOMIC BENEFIT RESULTING FROM INVESTING RESOURCES TO SUCCESSFULLY ACHIEVE A MEASURABLE, ACTIONABLE GOAL TOWARD YOUR CITY’S AND METRO REGION’S ECONOMIC PROGRESS.

This report explores the Health/Diabetes Dividend. The Health/Diabetes Dividend estimates the costs of diabetes and the economic savings associated with reducing the number of diabetics. Detailed methodology on how the Health/Diabetes Dividend is calculated and associated data sources is included in Appendix A.

Health/Diabetes Dividend
According to the American Diabetes Association (ADA), the total annual cost of this disease to individuals and society in the United States in 2012 was $245 billion. These costs include $176 billion in direct medical expenditures and $69 billion for indirect expenses due to absenteeism, presenteeism (not working to capacity while being at work), reduced productivity, disability, and early death. Moreover, it is not just the effects on the individuals that suffer from diabetes, but rather there are systemic problems associated with the disease, especially economic consequences of productivity loss in a team workplace environment. A 2006 study showed that there are productivity losses in team environments when a worker is absent due to illness; and there is a ripple effect of productivity loss since the team is dependent upon all of its workers. Employers understand that it is important to help employees manage chronic illness in order to help decrease absenteeism and loss of productivity, while policy makers see an opportunity to align social welfare funding with chronic care management. The Health/Diabetes Dividend enumerates the ADA’s calculations at the metropolitan level and asks, “What will be the total economic savings (medical and indirect) if a metro region has one percentage less diabetics in their population?”

2Ibid.
WHAT IF THE SAN ANTONIO METRO REGION DECREASES ITS DIABETIC POPULATION BY 1%?

FIGURE 2 DISPLAYS THE COST SAVINGS IN MILLIONS OF DOLLARS FOR A 1% DECLINE IN DIABETICS FOR EACH OF THE LARGEST 51 METROPOLITAN REGIONS IN THE UNITED STATES. SAN ANTONIO’S COST SAVINGS WOULD BE $16.1 MILLION. THIS VALUE IS THE HEALTH/DIABETES DIVIDEND FOR THE SAN ANTONIO METRO REGION. SAN ANTONIO’S HEALTH/DIABETES DIVIDEND RANKS 24TH OF THE 51 LARGEST METRO REGIONS. THE COHORT AVERAGE SAVINGS IS $22.7 MILLION. IT IS IMPORTANT TO KEEP IN MIND THAT AS MUCH AS THE OVERALL COST SAVINGS IS IMPORTANT FOR A METROPOLITAN REGION, THIS DIVIDEND IS CALCULATED AS A FUNCTION OF THE AMOUNT OF DIABETICS IN A REGION TO THE OVERALL STATE. THEREFORE, IT SHOULD BE NO SURPRISE THAT THE METRO REGIONS OF LOS ANGELES, CA, AND NEW YORK, NY, WILL HAVE THE HIGHEST OVERALL COST SAVINGS AT $116.7 MILLION AND $79.7 MILLION, RESPECTIVELY, DUE TO THE SHEER SIZE THESE REGIONS ACCOUNT FOR WITHIN THEIR STATES.

According to the Centers for Disease control, approximately 75% of the $2 trillion spent on medical care each year is spent on chronic diseases such as diabetes, heart disease, stroke, and cancer. The Health/Diabetes Dividend examines diabetes as one facet of chronic diseases.

To account for the size and scale of each metro region, Figure 11 displays the diabetes cost savings per person for the entire metro region. This calculation is based upon the cost estimate in Figure 10 divided by the population estimates generated by the Centers for Disease Control Behavioral Risk Factor Surveillance System (CDC BRFSS) data. Overall, the average cost savings of diabetes per person in the largest 51 metropolitan regions is $1,070. The San Antonio metro region has a cost savings of $971. It is interesting to note that the metro regions of Los Angeles, CA, and New York, NY, which had the highest total cost savings because of their large population size are ranked 15th and 18th, respectively, based on savings per person. The average cost savings of diabetes per person allows us to understand how everyone shares in the savings from a decline in the number of diabetics no matter their age or health status.

*We used the CDC BRFSS population estimates instead of the U.S. Census Bureau population estimates to keep data points congruent.
San Antonio’s cost savings for a 1% decline in its diabetic population is $16.1 million.
SAN ANTONIO HEALTH/DIABETES DIVIDEND MATH

170,000 PEOPLE WITH DIABETES IN THE SAN ANTONIO METRO REGION

1% REDUCTION IN THE DIABETIC POPULATION

1,700 LESS PEOPLE WITH DIABETES

REDUCING THE NUMBER OF PEOPLE WITH DIABETES BY 1% WILL GENERATE $16.1 MILLION IN MEDICAL AND OTHER SAVINGS FOR THE SAN ANTONIO METRO REGION EACH YEAR
Appendix A  METHODOLOGY

The Health/Diabetes Dividend was derived from a multitude of sources. We estimated the number of individuals at the metropolitan region to have diabetes using the U.S. Centers for Disease Control Behavioral Risk Factor Surveillance System (BRFSS). This detailed survey data contains information on a multitude of health questions, including whether a person has diabetes, for the United States, metropolitan area, and county level. Individual identifiers are concealed but the dataset is weighted so that responses are representative of the geographic area.

Using the estimated number of diabetics per metro region from the BRFSS data and the supplementary tables provided by the ADA, we calculated the number of diabetics in the San Antonio metro region as a percentage of the total diabetics in the state. This percentage was then applied to the state level cost estimates from the ADA. If an MSA was contained solely within one state, MSA level BRFSS data was used. However, if an MSA crossed state boundaries, we estimated costs based on BRFSS county level data.

The unit of analysis for this study is that of the Metropolitan Statistical Area (MSA), referred to in this report as metropolitan regions, metro regions, or metropolitan areas. MSAs have been defined by using updated 2003 Office of Management and Budget (OMB) delineations. A cohort of the largest 51 MSAs is used in this report in keeping with the cohort of CEOs for Cities City Vitals 2.0. For a listing of all MSAs, see Appendix Table B1.


3For more information: American Diabetes Association. (2013). Economic Costs of Diabetes in the U.S. in 2012. Diabetes Care, 36(4), 1033-1046. See Supplementary Table 17. 6MSAs, as defined by the US Census Bureau, are associated with at least one urbanized area with a population of at least 50,000, comprising of the central county/county (or equivalent entities) containing the core, plus adjacent, outlying counties having a high degree of social and economic integration with the central county/county as measured through commuting. For more information: http://www.census.gov/prod/cen2010/doc/sf1.pdf.
Appendix Table B2. Largest 51 Metropolitan Regions Health/Diabetes Dividends (in millions)

<table>
<thead>
<tr>
<th>MSA</th>
<th>Value (millions)</th>
<th>Rank</th>
<th>Cost Savings Per Person ($)</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atlanta-Sandy Springs-Marietta, GA</td>
<td>$38.2</td>
<td>6</td>
<td>$941.2</td>
<td>43</td>
</tr>
<tr>
<td>Austin-Round Rock-San Marcos, TX</td>
<td>$9.7</td>
<td>44</td>
<td>$700.4</td>
<td>49</td>
</tr>
<tr>
<td>Baltimore-Towson, MD</td>
<td>$26.0</td>
<td>15</td>
<td>$1,222.1</td>
<td>11</td>
</tr>
<tr>
<td>Birmingham-Hoover, AL</td>
<td>$9.9</td>
<td>43</td>
<td>$1,140.3</td>
<td>17</td>
</tr>
<tr>
<td>Boston-Cambridge-Quincy, MA-NH</td>
<td>$37.8</td>
<td>9</td>
<td>$1,035.5</td>
<td>31</td>
</tr>
<tr>
<td>Buffalo-Niagara Falls, NY</td>
<td>$16.6</td>
<td>23</td>
<td>$1,464.0</td>
<td>2</td>
</tr>
<tr>
<td>Charlotte-Gastonia-Rock Hill, NC-SC</td>
<td>$7.3</td>
<td>49</td>
<td>$1,001.3</td>
<td>33</td>
</tr>
<tr>
<td>Chicago-Joliet-Naperville, IL-IN-WI</td>
<td>$37.8</td>
<td>8</td>
<td>$863.6</td>
<td>46</td>
</tr>
<tr>
<td>Cincinnati-Middletown, OH-KY-IN</td>
<td>$7.9</td>
<td>47</td>
<td>$1,288.3</td>
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<tr>
<td>Cleveland-Elyria-Mentor, OH</td>
<td>$19.3</td>
<td>19</td>
<td>$1,212.7</td>
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<td>Columbus, OH</td>
<td>$14.4</td>
<td>31</td>
<td>$980.9</td>
<td>37</td>
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<td>Dallas-Fort Worth-Arlington, TX</td>
<td>$33.0</td>
<td>10</td>
<td>$1,043.4</td>
<td>29</td>
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<tr>
<td>Denver-Aurora-Broomfield, CO</td>
<td>$15.6</td>
<td>27</td>
<td>$777.7</td>
<td>48</td>
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<tr>
<td>Detroit-Warren-Livonia, MI</td>
<td>$32.4</td>
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<td>$1,102.4</td>
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<tr>
<td>Hartford-West Hartford-East Hartford, CT</td>
<td>$12.1</td>
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<td>$1,269.6</td>
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<td>Houston-Sugar Land-Baytown, TX</td>
<td>$44.9</td>
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<td>$995.8</td>
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<td>Indianapolis-Carmel, IN</td>
<td>$14.9</td>
<td>28</td>
<td>$1,039.4</td>
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<td>Jacksonville, FL</td>
<td>$13.2</td>
<td>32</td>
<td>$1,254.4</td>
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<td>Kansas City, MO-KS</td>
<td>$9.9</td>
<td>42</td>
<td>$954.6</td>
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<td>Las Vegas-Paradise, NV</td>
<td>$14.5</td>
<td>30</td>
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<td>Los Angeles-Long Beach-Santa Ana, CA</td>
<td>$116.7</td>
<td>1</td>
<td>$1,171.4</td>
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<tr>
<td>Louisville/Jefferson County, KY-IN</td>
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<td>45</td>
<td>$1,356.2</td>
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<td>$1,130.3</td>
<td>19</td>
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<tr>
<td>Milwaukee-Waukesha-West Allis, WI</td>
<td>$12.5</td>
<td>35</td>
<td>$1,054.0</td>
<td>27</td>
</tr>
<tr>
<td>Minneapolis-St. Paul-Bloomington, MN-WI</td>
<td>$12.5</td>
<td>34</td>
<td>$670.5</td>
<td>51</td>
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