

Blue Ribbon Advisory Panel

Recommendations to Fix and Lower Costs in the U.S. Healthcare System

January 1, 2012

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The Blue Ribbon Advisory Panel's report is separated into several sections so our recommendations can be easily followed. We have centered on ideas that would be easy to implement and are non-controversial in the hopes that they could be passed in a divided Congress. Following the sections is a breakdown of the savings and links to the many studies we used to confirm the savings.

I. Education Changes and Additions

A. Teach general nutrition classes in:

1. Grammar School (grades 1-5). We envision this as a simple, basic class educating students on what's healthy and what's not.
2. Middle School (grades 6-8). Classes here would be more advanced and cover why particular foods are unhealthy vs. healthy.
3. High School (grades 9-12). This would be an advanced course, giving students information on why sugar, salt, additives, dyes, preservatives and steroids are harmful.

B. Bring back gym classes with an emphasis on fitness in grades 1-12

1. This will help combat childhood obesity, which is now an epidemic.
2. This will likely teach fitness habits that will stay with our children as they grow into adulthood.

C. Ask medical schools to teach preventative medicine and nutrition classes

1. The public should feel confident and be encouraged to visit doctors for preventative medicine, supplementation and nutritional education based on family history, personal experience, etc. This would provide numerous benefits in a relatively short time period. This would also contribute to the development of a "pipeline" for future healthcare providers to address the serious potential shortage of physician and non-physician healthcare providers.

D. Ask dental schools to teach preventative medicine and nutrition classes

1. The correlation between plaque build-up and gum disease and the increased risk of strokes and heart disease has been well documented. Those with gum disease have a 200 percent increase in heart attacks and strokes.
2. Proper nutrition and supplementation lowers plaque build-up and gum disease, thereby drastically lowering the risk of heart attacks and strokes.

II. Use the Natural Product Association's (NPA) standard for all-natural products

- A. This will help eliminate confusion in the market place, because all-natural labeling, processing and packaging standards currently vary.
- B. This will help increase use of real all-natural products and decrease use of additives, preservatives, dyes and steroids, thereby creating a positive effect on public health.

III. Stop subsidies for certain crops

- A. Stop all subsidies for sugar. Sugar is one of the most deadly products we abuse. Eliminating sugar subsidies will save money, encourage the use of safe, all-natural sugar substitutes and lower the rates of obesity and diabetes.
- B. Stop subsidies for the portion of corn crops that are used for high-fructose corn syrup, which is simply concentrated sugar. This move will save money, increase the use of safe, all-natural sugar substitutes and lower the rates of obesity and diabetes.
- C. Eliminate subsidies for companies, farms, etc. that use what are considered to be harmful products, i.e. known hazardous pesticides, chemicals, etc.
 - 1. This will level the industry's playing field and increase use of all-natural and organic products, thereby producing health benefits.
- D. Do not subsidize any products containing genetically modified organisms (GMO)
 - 1. This will save money now, while also giving scientists the necessary time to carefully research the true long-term effects of GMO products.

IV. Allow Flexible Spending Accounts (FSAs) and Medical Saving Accounts (MSAs) for:

- A. All supplements already approved by the FDA to mitigate health risks and have health benefits. Examples include Omega 3, calcium with vitamin D and folic acid.
- B. Gym memberships, up to a low amount for bare-bones memberships. Data shows that those who go to a gym on a regular basis have less health problems and lower health costs than those who do not.
- C. Registered dietitian services for planning menus for specific medical reasons such as obesity, diabetes, celiac disease, heart disease, high blood pressure, cancer, etc.
- D. For certain approved gym equipment (i.e., treadmills, stationary bicycles, etc.)
- E. Water filtration devices. This will eliminate impurities in drinking water and improve taste, thereby increasing water consumption. Research has proven that those who

drink the proper amount of water each day have fewer health problems and lower healthcare costs than those who do not. Research has also shown that proper water consumption assists with weight loss, which in turn helps obesity and diabetes.

V. Push, promote and encourage the digitalization of all medical records

- A. This breakdown should include foods and supplements consumed by patients. This will allow doctors to better diagnose and treat patients.
- B. This also includes overhauling the reimbursement system, including the reimbursement of office visits to deter the repetitive charging of acquiring, compiling and regurgitating the same past medical history, when this information can easily be shared from one provider to the next. This would allow extra time to address current issues, promote the adoption of electronic health record technology with data sharing, accuracy and decreased medical errors.

VI. Healthcare Insurance

- A. Clearly show what insurance companies pay providers and what providers charge so consumers can make informed decisions regarding their healthcare insurance provider and plan. This would allow market forces to lower healthcare costs and make the process more transparent.
- B. Allow everyone to be financially involved and aware like the old 80/20 plans. Right now, consumers have no idea of costs and are mainly concerned with their co-pay and/or deductible costs. If they shared in the total cost, they would shop around, thus forcing lower costs in the market. Also, this type of insurance is less costly and would lower insurance rates overall.
- C. Allow consumers to buy insurance interstate. This added competition will further lower rates.
- D. Implement real tort and malpractice reform. This will lower insurance costs to doctors, who will in turn pass those savings on to patients. This will also lower the use of unnecessary testing that is often performed by doctors in order to protect themselves from lawsuits.
- E. Have insurance companies cover more preventative medical care, such as full blood work ups, dietitian services, etc. This will save everyone dollars in the long run.
- F. Have insurance companies cover proven, scientifically acceptable alternative techniques.

VII. Education by Government Officials

- A. The President of the United States, Surgeon General and all related government agencies should play an active role in educating the public on the benefits of proper nutrition, supplementation, exercise, etc. They should also warn of the dangers of salt, sugar, additives, preservatives, etc. and offer information on safe alternatives. As prominent leaders of our country, their voices could have a positive effect on the health of our citizens.

VIII. Cost Savings

- A. One of the most obvious benefits of the Blue Ribbon Advisory Panel is to showcase the direct savings that would be made by implementing our suggestions.
- B. By allowing FSAs and MSAs to be used to buy nutritional supplements that have previously been approved by the FDA and have been shown to have positive health benefits to consumers, we can save \$10 billion dollars per year. (Lewin Group)
 1. Additional examples of savings through nutritional supplements can be found in the attached studies conducted by the Lewin Group. Those savings can be further increased by making the use of these supplements available to the general public, not just specific, limited segments of the population, as well as by incorporating all FDA-approved supplements versus just those outlined in the Lewin Group's clinical studies.
- C. Allowing FSAs and MSAs to be used for fitness/gym memberships and approved exercise equipment would cut down on obesity, diabetes, heart attacks and strokes, which are huge financial strains on the current system. The attached studies quantify this recommendation. Additional savings would also be achieved by allowing FSAs and MSAs to be used for registered dietitian services for planning menus for specific medical diseases.
- D. Making changes and/or additions to our educational curriculum, such as teaching nutrition classes in grades 1-12, would produce benefits such as lowering obesity rates, diabetes, high cholesterol, high blood pressure, heart attacks and strokes, thereby lowering healthcare costs. Teaching students how to read labels and avoid harmful additives, preservatives, dyes, steroids, etc. will lower the incidence of the above issues, as well as cancer. In August 2009, the CDC stated that the additives, preservatives, dyes, etc., in foods surpassed smoking as the leading cause of cancer.
 1. This also includes bringing back gym in grades 1-12 to help make exercise a lifelong habit, in turn lowering obesity rates, diabetes, heart attacks and strokes.

2. Teaching more preventative medicine classes and nutritional classes in medical schools will help our country transition to an improved healthcare system and away from the disease, sickness and accident treatment system we have today. This will also help with the prevention of obesity, diabetes, heart attacks, cancer and strokes, since these are the easiest major and costly diseases to be affected by preventative care and nutrition.
 3. Teaching preventative medicine and nutrition in dental schools will also have a major effect on heart disease and strokes. The attached studies further corroborate this recommendation.
- E. Using the NPA's standards for all-natural products will help eliminate confusion in the marketplace and cut down on the use of sugars, salt, additives, preservatives, dyes, etc., thus lowering the incidence of obesity, heart attacks, strokes and cancer.
1. Stopping subsidies for sugar will save more than \$1 billion per year in direct costs, as well as huge sums by reducing obesity and diabetes. (Congressional Budget Office 2010)
 2. Eliminating subsidies on corn for those portions used to produce high fructose corn syrup will save direct costs of \$1.6 billion per year, and again, large sums by reducing obesity and diabetes. (CBO 2010)
 3. Stopping subsidies on companies, farms, etc., that use harmful chemicals will also save large sums. Additionally, this will help level the playing field, thereby increasing the use of healthy, all-natural and organic products.
 4. By not subsidizing any GMO crops, our country will save more than \$3 billion per year now and possibly prevent future health problems. (CBO 2010)
- F. By promoting and encouraging the digitalization of medical records, including the breakdown of foods and supplements, the CBO estimates this will save \$2.7 billion per year through efficiency, reduced mistakes, better diagnoses and improved treatments.
- G. By showing what insurance companies pay providers and what providers charge, consumers will get more involved in pricing, thus causing market forces to push prices down.
1. By making sure everyone is involved and has financial incentives to help lower insurance costs (like the old 80/20 plans), the American Insurance Institute estimates this will build up to a 10 percent savings over five years. This will also lower insurance costs. We estimate this savings at \$100 billion per year after five years.

2. The CBO estimates that by allowing the interstate purchase of insurance, we would save more than \$20 billion per year.
3. The CBO estimates that implementing real tort and malpractice reform will save over \$30 billion dollars per year. These savings would be generated as lower rates are passed on to patients and hospitals and unnecessary testing is lowered as doctors no longer have defensive malpractice concerns.

H. If the President of the United States, Surgeon General and all related government agencies would play an active role in educating the public in regard to the recommendations presented in this summary, we estimate that obesity and diabetes will be cut down by 10 percent over five years and 15 percent over ten years. This amounts to \$27.4 billion per year after five years and \$50.1 billion per year after ten years. The attached studies confirms this data (Appendix A). Regarding non-diabetes-related or cardiovascular-related obesity, this amounts to \$34.4 billion per year within five years and \$57.9 billion within ten years.

1. We estimate 5 percent can be saved on cardiovascular disease within five years and 7.5 percent within ten years. That's \$23.75 billion per year within five years and \$41.25 billion within ten years.

I. Through changes in the education system, using more natural products, supplementation, preventative care and exercise while lowering the use of additives, preservations, dyes, sugar and salt, we estimate the overall cancer rate will be reduced by 7 percent over five years and 12 percent over ten years. This will save \$8.72 billion per year after five years and \$14.95 billion per year after ten years.

The savings are staggering:

	\$ 10.0 billion	FDA-approved supplement use
	\$ 5.6 billion	Subsidies
	\$ 2.7 billion	Digitalization
+	\$ 150.0 billion	Insurance (within five years)
	\$ 27.4 billion	Diabetes (ten years = \$50.1 billion)
	\$ 23.75 billion	Cardiovascular (ten years = \$41.25 billion)
	\$ 34.40 billion	Obesity (ten years = \$57.9 billion)
	\$ 8.72 billion	Cancer (ten years = \$14.95 billion)

\$253.85 billion per year within five years, or \$332.5 billion per year within ten years

These savings amount to nearly 15 percent of our total healthcare costs of \$1.8 trillion. As you can see, these savings come from simple, non-controversial methods. They do not count the large savings that will be gained from less absenteeism and higher productivity at work.

These recommendations have been respectfully submitted by the Blue Ribbon Advisory Panel

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Appendix A

Work Cited

Below are numerous links to studies that confirm our estimates of savings:

- I. www.naturalproductsinfo.org/index.php?src=gendocs&ref=lewin_page&category=Lewin
- II. www.sciencedaily.com/releases/2010/11/101115074040.htm
- III. <http://circ.ahajournals.org/content/107/1/e2.full>
- IV. www.usatoday.com/news/health/weightloss/2009-11-17-future-obesity-costs_N.htm
- V. www.vanderbilt.edu/ans/psychology/health_psychology/exercise.htm
- VI. www.getamericafit.org/statistics-obesity-in-america.html
- VII. www.npr.org/2011/10/27/141760591/workplaces-feel-the-impact-of-obesity
- VIII. www.healthreform.gov/reports/diabetes/diabetes.pdf
- IX. <http://care.diabetesjournals.org/content/26/6/1790.long>
- X. www.sciencenews.org/view/generic/id/62299/title/The_high_cost_of_diabetes
- XI. <http://cnn.com/2010/HEALTH/02/09/fact.check.obesity/index.html>
- XII. www.physorg.com/news/2010-10-medical-obesity-soars.html
- XIII. www.kaiserhealthnews.org/Stories/2010/July/16/FT-obesity-workplace-costs.aspx
- XIV. www.cdc.gov/chronicdisease/resources/publications/AAG/dhdsp.htm
- XV. www.silverbook.org/browse.php?id=38
- XVI. www.servicefoods.com/our-health-experts/other-articles/food-safety-why-vacuum-sealing-and-blast-freezing-is-safer-and-hea
- XVII. <http://www.ars.usda.gov/Research/docs.htm?docid=7205>
- XVIII. www.theheart.org/articles/1176761.do
- XIX. www.cdc.gov/OralHealth

- XX. www.nal.usda.gov/wicworks/Topics/oralhealth.pdf
- XXI. www.americanheart.org/presenter.jhtml?identifier=4436
- XXII. www.gumdisease.co.uk
- XXIII. <http://news.discovery.com/human/glass-water-weight-loss.html>
- XXIV. www.cnn.com/2010/HEALTH/08/23/drink.water.lose.weight/index.html
- XXV. www.shapefit.com/water-benefits.html
- XXVI. www.improving-health-and-energy.com/health-benefit-of-water.html
- XXVII. www.cancer.gov/aboutnci/servingpeople/cancer-statistics/costofcancer
- XXVIII. www.cancer.org/Cancer/CancerBasics/economic-impact-of-cancer

Appendix B

Natural Products Association Standard and Certification for Natural Food Meat and Poultry

The following document outlines criteria as of 2012 to meet the definition of natural for naturally branded products in the United States and serves as a roadmap for maintaining a set standard in current and future product innovations. The next edition of this document is set for release two years from launch.

- **Definition of Natural Meat and Poultry Products:**

Natural meat and poultry products consist of wholesale or retail cuts of meat and poultry, raw or cooked, that contain no other ingredients including water, or any other artificial ingredients such as colorings, flavorings, tenderizers, preservatives, seasonings, marinades or rubs and are minimally processed. The product may be frozen or refrigerated, provided proper handling is ensured.

- **Ingredients:**

A natural ingredient is one that comes from or is made from a renewable resource found in nature.

- **Processing:**

The Natural Standard has examined the typical processing methods currently used in food manufacturing and has specified a number of processes that range from traditional to modern and are generally accepted as natural by consumers, retailers and manufacturers. Additionally, the goal of the Natural Standard is to replace unacceptable processing methods currently in use with methods from the acceptable list.

The following processes, listed in Table 1, are prohibited in any aspect of food processing:

Processes requiring synthetic ingredients or processing aids	γ – Irradiation
Conversion	Marinating
Esterification	Soaking
Hormonal action	Synthesis
Hydrogenation	Tumbling
Interesterification	

The following processes, listed in Table 2, are allowed in processing of natural meat and poultry products:

Acceptable Processes – Table 2	
Aeration	Grinding
Aging	Heating (including baking, blanching, boiling, canning, cooking, frying, microwaving, parboiling, roasting)
Blending	Melting, thawing
Chilling (including refrigeration and freezing)	Mixing
Cleaning* (manual)	Packaging
Cutting	Pressing
Deboning (manual)	Separating
Degerming	Shredding
Drying (e.g., dehydratin, desiccation, evaporation, freeze-drying)	Treatment with inert gases (nitrogen pack)
Extrusion	Trimming
Forming	

- **Food Safety**

As a measure of food safety, industry-best practice standards limit the level of acceptable bacteria in finished foods. To meet these microbiological standards, the product or ingredients within the product may need to undergo processing steps that do not meet the criteria for natural as a natural processing alternative is not available. In these cases, an exception to the acceptable processes list may be made.

- **Labeling**

Products labeled Natural must meet all criteria outlined in this standard. A natural seal may appear on product packaging and in advertisements.

Products that contain less than 100 percent natural ingredients do not meet the minimum level required for a natural claim based on this standard – these products, might, however, still meet the guidelines for natural according to USDA guidance.

Labeling requirements may be different in various countries; for instance, some products can never be labeled as “all-natural,” “100% natural” or “natural.” They may only be labeled as containing “all-natural ingredients.” Products/ingredients must comply 100 percent with regulations for the appropriate country to make any claims.

- **Packaging**

Some amount of packaging is often necessary to ensure the safety and stability of food products. When designing packaging for naturally branded products, materials that maximize the use of recyclable and post-consumer recycled content should be emphasized where appropriate. In addition, to preserve the integrity of a pre-packaged, natural meat or poultry products, meeting industry standards that limit the level of acceptable bacteria in meat and poultry is required.

- **Freezing**

If the meat or poultry product is frozen, it must have been frozen at an effective temperature of 50 degrees below zero Fahrenheit (-50°F) or colder to minimize or prevent the breakdown and desiccation of the products' molecular structure. This also eliminates most of the anaerobic bacteria, meeting industry-best practice standards that limit the level of acceptable bacteria in meat and poultry.

- **Cleaning**

When cleaning any surface or material that has the potential of touching the food (machinery, tools, utensils, countertops, etc.), they can only be cleaned with all-natural products (containing absolutely no artificial ingredients). Steam cleaning may be an appropriate method that would not utilize the addition of chemicals.

- **Genetic Modification**

Genetically modified organisms (GMO) are living organisms that have been modified by inserting genetic material from an unrelated species into the organism's existing genetic structure.¹ Incorporation of genes from unrelated species does not occur in nature but is becoming more and more commonplace for ingredients; therefore, acceptance as natural in naturally branded products needs to be determined by the NPA committee. The fact that genetically modified (GM) ingredients do not occur naturally must be weighed against decreasing availability of non-GM crops in the United States and an inability to efficiently control against cross-contamination between GM and non-GM crops due to commercial farming and manufacturing practices.

1. <http://www.ars.usda.gov/Research/docs.htm?docid=7205>