

House Health and Human Services Committee

Testimony of George McCrary
Kansas Health and Fitness Association

HB 2204

February 7, 2005

“So many of our health problems can be avoided through diet, exercise and making sure we take care of ourselves.

By promoting healthy lifestyles, we can improve the quality of life for all Americans, and reduce healthcare costs dramatically.”

**Tommy G. Thompson, Secretary U.S. Department of
Health and Human Services, September 2003**

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Mr. Chairman and Members of the Committee, my name is George McCrary, and I am the owner/operator of the Baldwin Athletic Club of Baldwin City and am appearing on behalf of the Kansas Health and Fitness Association. I am pleased to be here to speak in support of HB 2204. Our organization represents 70 clubs in 28 communities representing over 150,000 individual members. One of the major purposes of the KHFA is to promote health and fitness throughout the State of Kansas. By removing the sales tax cost on dues for health and fitness clubs HB 2204 will definitely help accomplish this goal.

Last year obesity and related diseases were the second leading cause of preventable deaths in America. Type II diabetes, Cardiovascular disease, and high blood pressure are all related to obesity and overweight. New studies are showing an increase in breast and colon cancer links to being overweight. While these statistics are alarming, they may not be the most devastating. Childhood obesity is attacking our children at a disastrous level. In 1982 only 4% of children were overweight but in 2001 the figures are nearly 30%. A new study suggest one in four overweight children is already showing early signs of type II diabetes and 60% already have at least one risk factor for heart disease. Last, but not least, hospital costs associated with childhood obesity rose from \$35 million in 1979 to \$127 million in 1999.

Most health care reform discussions are about how to develop plans to pay for rising health care costs. Unfortunately rather than developing a true health care plan, the talk is really about a "sick care" plan. While this is needed to aid those who need medical attention it is not preventative, rather reactionary. HB 2204 is a step in the right direction in truly addressing a "health care" plan. Health and fitness are the first line of defense and prevention against obesity and thus is the State's best, most economical solution a healthier Kansas.

Health and Fitness Clubs of today are not the old stereotype gyms of yesterday. They offer true health alternatives. Many clubs offer nutrition training, personal fitness training, as well as support groups to help individuals attain a full lifestyle change. Member after member can testify of the life changing benefits that come from these lifestyle changes.

You may ask whether the adoption of HB 2204 will have any impact on who uses a fitness facility. The removal of the sales tax on the membership dues will effectively give someone about 2/3 of a month of free fitness. The experience in the industry tells us this type of discount will add to the affordability of fitness and could translate into a three or four percent increase in new members. Since sales tax is paid directly by the individual members, the individuals receive the benefit. When existing members get a

notice that the amount their membership costs them each month is going to DECREASE it will encourage them to continue on as well. This means that more Kansans will have an opportunity to access affordable wellness programs and will use them.

The benefits of encouraging wellness through health and fitness programs are well documented in many studies. *The Executive Summary: The Economic Cost of Physical Inactivity in Michigan, 2003*, by D. Chenoweth, G. DeJong, L. Sheppard and M. Lieber found in the state of Michigan physical inactivity results in the loss of twenty days per worker, costing the state \$8.6 billion annually. They further concluded if one of every twenty sedentary adults in the state of Michigan became and remained physically active the state could avoid costs of approximately \$575 million in four years.

The benefits don't stop here. An article by BH Jacobison and SG Aldana, in the *Journal of Occupational & Environmental Medicine, 2001*, found a reduced rate of absenteeism between those who exercised and those who did not. General Mills in 1999 found a \$226.32 per employee savings in absentee related costs. Many other companies have similar savings. These types of savings produce higher productivity, thus higher profits and more tax dollars for the state.

Finally, actual health related costs are coming down for companies and cities that have instituted true health care programs. Steelcase Inc. found that medical claims were 55% lower over a six-year period for those who participated in a fitness program versus those who did not. Mesa, Arizona, found a savings of \$87 per year savings and Birmingham, Alabama had costs drop \$922 under the state average after the development of fitness and lifestyle programs.

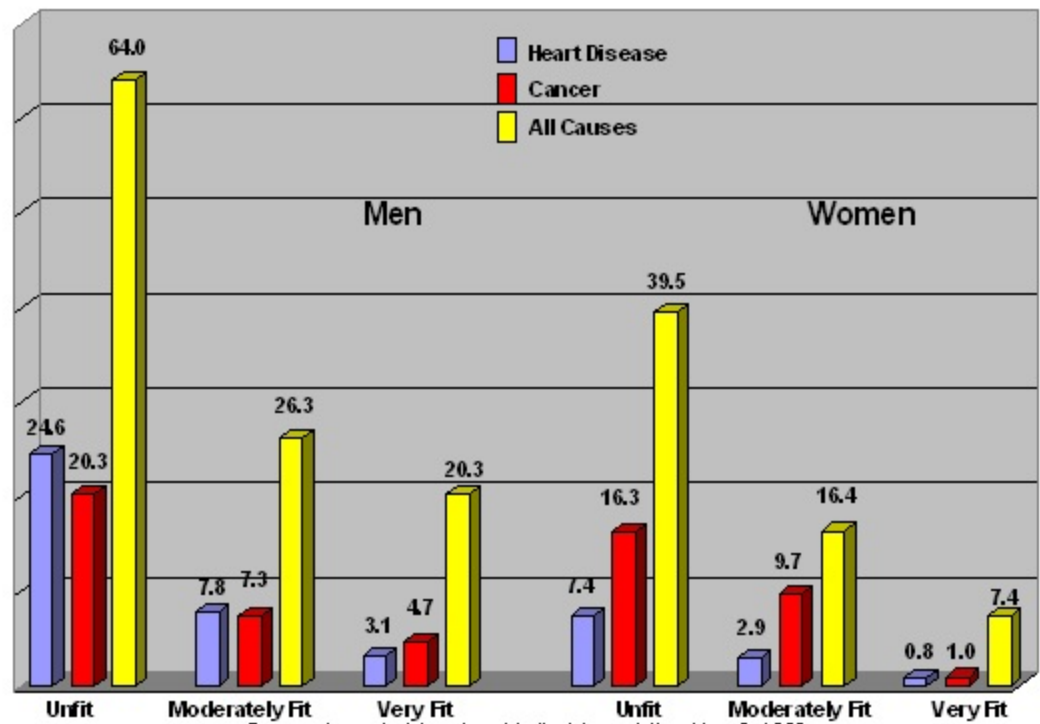
We urge you to take this first step to a healthier Kansas by supporting HB 2204. Thank you for your attention, and I would be glad to answer any questions.

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Fitness = Longer Life

Mortality Rates (per 10,000) Between Fit and Unfit Men and Women



Source: Journal of American Medical Association, Nov. 3, 1969