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HEALTH CLUBS AND PUBLIC POLICY: THREE PREDICTIONS FOR 2004

the January 26 edition of the *Wall Street Journal* featured 10 major medical breakthroughs that the paper's editors believe will become reality in 2004. While many of the milestones are tied directly to heart disease and cancer, three of the predictions are likely to be of interest to health clubs.

The three milestones, which are tied to health policy decisions at the federal level, are:

- Insurance-Paid Weight Loss
- A Global Battle Against Obesity
- An End to Low-Carb Confusion

INSURANCE-PAID WEIGHT LOSS

The *WSJ* predicts that Medicare will make a decision by the end of 2004 about whether to expand a Medicare-funded demonstration project that hopes to show whether low-fat dieting, exercise and lifestyle changes can improve outcomes for the 1,800 enrolled heart-disease patients. As part of the study, Medicare patients who are candidates for bypass surgery or angioplasty have been given the option of trying the diet and lifestyle program created by Dean Ornish, best known for his staunch advocacy of low-fat diets to prevent and reverse heart disease.

According to the *WSJ*, if Medicare approves the program and expands it to *all* Medicare recipients, it's widely accepted that other insurance companies will follow suit. Although the program would only be covered for patients with risky heart problems, the decision would at least open the door for other weight-management programs to show similar benefits for preventing disease and improving health.

Implication for Health and Racquet Clubs: There are 40 million Medicare recipients, many of whom would be eligible for the exercise and weight-management program, if it were expanded.

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“WHIPing”
Americans
into Shape

see inside

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Make Your Voice Heard!

You can tackle obesity on Capitol Hill by registering for the second annual IHRSA Legislative Summit, which is being held at the JW Marriott Hotel in Washington, DC, on May 19 to 21. The meeting will include seminars and visits with Congressional representatives to discuss important industry initiatives. For more information or to register, visit www.ihrsa.org/meetings or call 1-800-228-4772.

AMERICANS WILL GET ACTIVE WHEN CONGRESS BACKS THE "WHIP"

Americans strongly support action by health insurance providers, employers and government to promote physical fitness and a healthy lifestyle, according to a January 2004 survey conducted for IHRSA by Ketchum Global Research Network. Further, if incentivized by health insurers and employers—through lower monthly premiums or subsidized gym memberships—Americans would take action and exercise regularly to maintain a healthy lifestyle. More than half of all Americans believe Congress ought to do more to prevent obesity, and candidates for office should have a position on how to prevent obesity.

"This is a clarion call to Congress to pass the Workforce Health Improvement Program (WHIP)," said John McCarthy, executive director of IHRSA. The Workforce Health Improvement Program would allow employers to deduct the cost of providing or subsidizing health club benefits to their workers. In addition, this measure would exclude this wellness benefit from being considered additional income of employees.

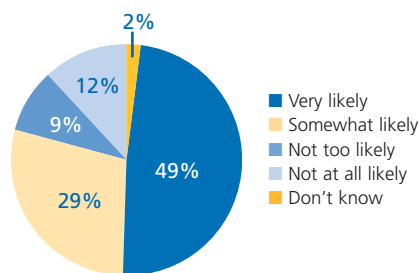
HEALTH INSURANCE

Three-fourths (77%) of Americans would be "very" or "somewhat" likely to exercise if they paid a lower health insurance premium. Those who seem to be living a fast-paced life (annual household income of \$75,000 or more, 25-34 years old, current health club members, have children, college graduates, Republicans) would be more likely to work out if they paid a lower health insurance premium. (Figure 1)

Seven in ten (70%) Americans believe that patients should be reimbursed for physician prescribed fitness/exercise programs. Those in the lower economic bracket (household income less than \$25,000 per year, 25-34 years old, current health club members, live in the Northeast, might vote and have three or more persons in their household) are more likely to believe insurance companies should pay if a doctor prescribes fitness/exercise programs. (Figure 2)

FIGURE 1: LOWER HEALTH INSURANCE PREMIUMS

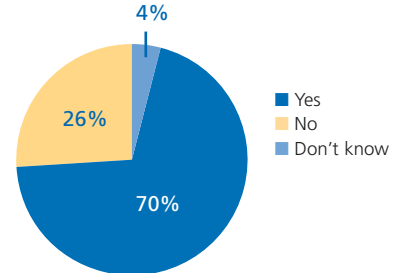
(% Americans favoring)



* Does not equal 100% due to rounding

FIGURE 2: HEALTH INSURANCE REIMBURSEMENT

(% Americans favoring)

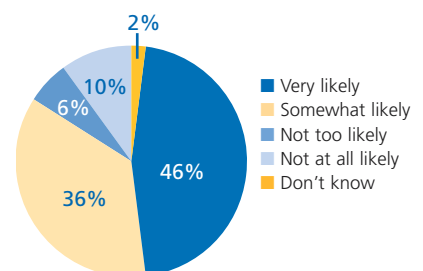


EMPLOYERS

Eight in ten (82%) Americans claim they would exercise regularly if their employer subsidized health club memberships. Young adults (age 18-34) and employed Seniors (65+), as well as those living in or near metropolitan areas, would be more likely to exercise regularly if their employer subsidized health club memberships. (Figure 3)

FIGURE 3: EMPLOYER-SUBSIDIZED GYM MEMBERSHIP

(% Americans likely to exercise)



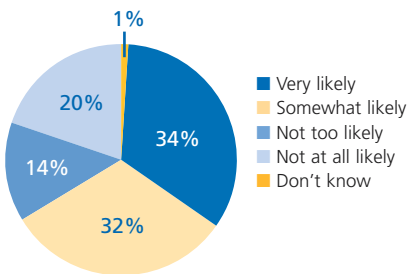
Join Get Active America!

Two-thirds (65%) would be very/somewhat likely to pay for a gym membership out of their salary before taxes if their employers offered this benefit. College age (18-24) Americans living in the West would be more likely to exercise regularly if their employer provided health club memberships. (Figure 4)

Two-thirds (66%) of Americans believe that companies should be allowed to deduct the expense of employee health club memberships. Affluent Americans, Republicans, those between the ages of 35 and 44, those living in metropolitan areas, and Americans who are most likely to vote in the 2004 presidential election are more likely to believe that companies should be allowed to deduct health club membership expenses. (Figure 5)

FIGURE 4: PAYING FOR GYM MEMBERSHIP PRE-TAXES

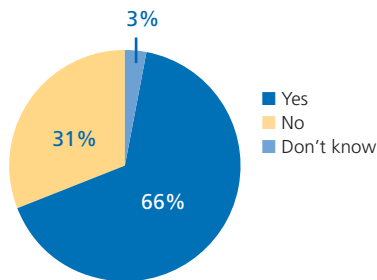
(% of Americans likely to take advantage of opportunity)



* Does not equal 100% due to rounding

FIGURE 5: EMPLOYER-DEDUCTED EXPENSE

(% of Americans favoring for companies that provide health club memberships to employees)



GOVERNMENT

Six in ten (61%) Americans believe that Congress should do more to promote physical activity and prevent obesity. Minorities, Democrats, less educated (some high school/high school graduate) and less affluent (household income of \$25,000 to less than \$35,000) people are more likely to believe that Congress should do more to control obesity. (Figure 6)

Over half (58%) of Americans believe it is important that candidates running for public office have a position on how to reduce obesity. Minorities, Democrats, 18-24 year olds, those less educated (some high school/high school graduate) and less affluent (household income of \$25,000 to less than \$35,000) are more likely to believe that candidates should have a plan on reducing obesity in America. (Figure 7)

FIGURE 6: CALL TO ACTION ON OBESITY

(% of Americans who believe Congress should do more)

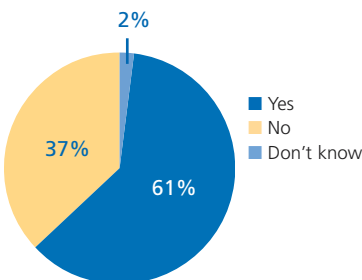
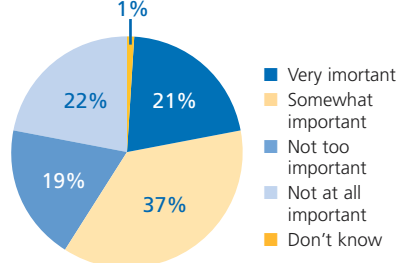


FIGURE 7: CANDIDATES' POSITION ON OBESITY

(% Americans who believe candidates should have a position)



Source for all charts: Ketchum Global Research Network

IHRSA's new public outreach campaign is designed to provide Americans with simple to follow recommendations for adding activity and healthy nutrition to their daily lives. The initiative will feature free access to more than 1,500 participating IHRSA-member health clubs from May 17-23. Participating clubs can download a FREE program manual to help them conduct the program in their communities. For information or to enroll your club as a participant, log onto www.ihrsa.org/getactiveamerica or call Brooke Basile at IHRSA, 1-800-228-4772, ext. 173.



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IHRSA is a nonprofit trade association
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THREE HEALTH POLICY PREDICTIONS FOR 2004 ...CONTINUED

A GLOBAL BATTLE AGAINST OBESITY

This Spring, the World Health Organization (WHO) will decide whether to adopt an aggressive plan that outlines various ways nations can combat obesity. Suggestions include limiting food advertising aimed at children, offering tax breaks and subsidies to lower prices of healthy foods, improving food labels and curbing sugars to just 10% of daily calories. The plan also calls for food and beverage companies to reduce the fat, salt and sugar content in their products.

The proposal has generated strong criticism from the Bush administration, as well as from the sugar industry, grocers, soft-drink manufacturers and big food companies. However, if the WHO adopts the plan, consumers around the world may see a push to help them improve their diets, including international efforts to regulate food marketing, pricing and production.

Implication for Health and Racquet Clubs: Expect increasing international efforts to curb the spread of the obesity epidemic. Health clubs are a part of the solution and could promote themselves as such.

AN END TO LOW-CARB CONFUSION

Most major food and beverage companies are introducing low-carb beers, pasta, breads and snack foods. However, according to the WSJ, the influx of low-carb lingo on packaging has confused everyone. Some food packages hype “net carbs” or “effective carbs,” while others claim to be “carb-conscious” or “carb-fit,” or to enhance a “low-carb lifestyle.” The problem is that nobody knows what any of the terms *really* mean. The FDA has standards for low-fat food claims, but has never looked at low-carb assertions.

But, that’s about to change. As early as this month, the FDA is expected to appoint its own obesity working group to tackle the issue. The group’s recommendations are expected to lead to regulatory changes in how low-carb foods are labeled and marketed.

Implications for Health and Racquet Clubs: As more food companies jump on the low-carb bandwagon, health club members may become more confused by all the jargon. Clubs could provide guidelines or “helpful hints” to help members cut through the low-carb clutter.

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This article originally appeared as an issue of *Trends Insight*, a weekly online update of research on current trends affecting the health club industry provided for IHRSA and its members by Ketchum Global Research Network. Log onto www.ihrsa.org to read the latest edition of *Trends Insight*.