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**Testimony to the Senate Committee on Assessment and Taxation  
In Support of SB442  
Greg Ferris  
Kansas Health and Fitness Association  
March 13, 2012**

Chairman Donovan and members of the Committee; my name is Greg Ferris. Thank you for the opportunity to address you today. I represent the Kansas Health and Fitness Association and its member clubs throughout the State. I am here to support SB442 as amended.

You have heard from club owners both in written and oral testimony. They have talked of unfair competition and obstacles to growth of the industry. I will not repeat their stories. I want to focus on the specific benefits this legislation will have both to the State and its citizens. This is particularly true when you consider a few statistics about Kansas.

According to research by the International Health Racquet and Sports Association; sixty-four percent of Kansans are overweight or obese. This results in \$657 million in obesity related medical costs. Sixty percent of those costs are paid by Medicare and Medicaid. Finding ways to reduce obesity in Kansans will result in reduced costs for the State. Access to fitness facilities is a first step to these savings.

The benefits go beyond direct Medicare and Medicaid savings. Two health insurance companies conducted studies on the direct relationship between increased fitness club usage and healthiness. In the Medica Insurance study using fitness clubs at least eight times per month reduced an individual's medical spending over thirty three percent after two years in the program. This was compared to a control group who did not exercise. Blue Cross Blue Shield's study, also based on eight visits per month to a fitness club, showed an eighteen percent reduction in medical spending after nine months.

These savings result in additional disposable income for participants. Medical spending is primarily exempt from sales taxation. Therefore, the transfer of even a small part of these dollars from medical spending to other goods and services would result in significant additional revenue for state and local governments.

The typical thinking about health is to provide medical services to a community. While this is extremely important; it is time to think about bringing services to communities, both large and small, that will reduce the need for medical services. This Bill, if passed, will encourage the expansion and retention of fitness facilities in urban areas. Perhaps even more important, it will provide an important tool to the new development of fitness facilities in areas outside the urban centers.

Yes, this Bill will eliminate the unfair treatment of like businesses. However, it goes much further. I encourage you to support SB442.

Thank you. I will be glad to answer any questions.

Sn. Assmnt & Tax  
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Attachment # 5