

10% of your members account for 35% of your costs. Health Integrated can change that.*

Chronic Illness in the United States

New England Journal of Medicine

Crafting effective policy solutions to the high and rising costs of healthcare requires a clear understanding of the underlying problem. First, more than 75% of health care spending is traced back to patients with a chronic illness.¹

Centers for Disease Control and Prevention

133 million, or roughly half of all Americans, live with at least one chronic condition which accounts for one-third of the years of potential life lost before age 65. Chronic diseases account for 70% of all deaths in the United States. The medical care costs of people with chronic diseases account for more than 75% of the nation's \$2 trillion medical care costs.²

Solucia Consulting Analysis: Comparison of Costs Across Population Types*

Commercial Population

- Average cost per member per month: \$217
- Cost per month for chronically ill member without a behavioral health issue: \$400- \$600
- Cost per month for a chronically ill member with a behavior health issue: \$600-\$1,100 (adds more than 50-100% to cost of care)
- Chronically ill with behavioral health issues % of membership: 9-12%
- Chronically ill with behavioral health issues % of costs: 27-35%

Medicaid Population

- Average cost per member per month: \$244
- Cost per month for chronically ill member without a behavioral health issue: \$500-\$600
- Cost per month for a chronically ill member with a behavior health issue: \$750-\$1,100 (adds more than 50-100% to cost of care)
- Chronically ill with behavioral health issues % membership: 5-15%
- Chronically ill with behavioral health issues % of costs: 25-50%

Medicare Population

- Average cost per member per month: \$800
- Cost per month for chronically ill member without a behavioral health issue: \$900-\$1,200
- Cost per month for a chronically ill member with a behavior health issue: \$1,600-\$2,200 (on average adds more than 75% to cost of care)
- Chronically ill with behavioral health issues % membership: 12-19%
- Chronically ill with behavioral health issues % of costs: 29-35%

In a blended average across multiple population types, typically between 10-15% of a population with a chronic illness and co-morbid behavioral health issue account for 35-50% of the costs. These patients are clinically complex and hard to reach, difficult to motivate, and many times struggle with complicated psychosocial factors that exacerbate medical conditions. This increases inappropriate and avoidable healthcare utilization.

¹Cost Sharing, Caps on Benefits, and the Chronically Ill — A Policy Mismatch, Kenneth E. Thorpe, Ph.D. New England Journal of Medicine, June 1, 2006.

²Chronic Disease Overview: Centers for Disease Control and Prevention, 2005 (<http://www.cdc.gov/nccdphp/overview.htm#2>).

*Solucia Consulting, 2008

The Hidden Costs in Healthcare – Chronically Ill with Co-morbid Behavioral Health Issues

“ Across multiple health plan population types, the chronically ill with a behavioral health co-morbidity account for only a small percentage of the population but a disproportionately large percentage of costs. In a typical commercial plan, 5-10% of the population account for 20-30% of costs. In Medicare, the prevalence is higher with 12-19% of the population and the cost is 29-35%. It is most extreme in Medicaid populations with 5-15% of the population accounting for 25-50% of costs. ”

Solucia Consulting, 2008

Psychosocial and Behavioral Health Facts

Fifty to 70% of all primary care visits are primarily for psychosocial concerns.³

There is a threefold greater incidence of depression in CAD patients compared with the general public. Recent studies provide clear and convincing evidence that psychosocial factors contribute significantly to the pathogenesis and expression of coronary artery disease (CAD).⁴

Among people with diabetes, depression is associated with a 50-75% increase in health service costs.⁵

Targeting and enrolling the right patients is the key. If we've learned one thing from the Medicare demos that didn't work, it's that enrolling all or the wrong folks does not work and actually has a net cost. [Also] we waste a lot of money doing care coordination on chronic care patients who have only one chronic condition. They don't need it. Better to focus the money on those with greater than one condition.⁶

The Solution: Synergy Targeted Population Management®

Synergy is a health management program for the chronically ill that improves clinical outcomes and lowers unnecessary utilization by addressing the medical, behavioral and social issues that are barriers to good health. ** Synergy focuses on the hard to reach, difficult to motivate subset of a population that suffers from chronic illness exacerbated by psychosocial factors.

³Spending on Mental Illness: the Need for Creative Innovation, and Improving the Bottom Line. Stephen P. Melek, FSA
Peer reviewed by Bruce Pyenson, FSA, MAAA.

⁴Impact of Psychological Factors on the Pathogenesis of Cardiovascular Disease and Implications for Therapy.
Rozanski A, Blumenthal JA, Kaplan J. <http://www.ncbi.nlm.nih.gov/pubmed/10217662>.

⁵Diabetes Complications and Depression as Predictors of Health Service Costs. G. Simon, W. Katon, E. Lin, E. Ludman,
M. VonKorff, P. Ciechanowski, B. Young. General Hospital Psychiatry, Volume 27, Issue 5, Pages 344 - 351.

⁶Economic Impact of Ill Health: Implications for Health Care Reform. Kenneth E. Thorpe, Ph.D., Robert W. Woodruff
Professor and Chair, Department of Health Policy and Management, Rollins School of Public Health, Emory
University and Executive Director, Partnership to Fight Chronic Disease (PFCDD), kthorpe@sph.emory.edu, presented
at the World Health Care Congress, June 2, 2008.

**Internal clinical results, including a published peer review article, support our program objectives.

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