



# The Case for Better Care

## *Chronic Illness: The Cost to Society*

### **Americans Are Living Longer but Often Sicker, with Multiple, Complex Health Conditions**

- In 2008 nearly 40 million Americans were age 65 or older – accounting for one in every eight Americans or nearly 13 percent of the general population.<sup>1</sup>
- The nation is aging. Researchers estimate that in 2030, when all the Baby Boomers join the ranks of the older population, about 72.1 million people – or close to one in five U.S. residents – will be age 65 and older. This is nearly twice their number in 2008.<sup>2</sup>
- Older adults are more likely to have multiple chronic conditions. Nine in 10 older Americans (age 65 and older) have at least one chronic health condition and 77 percent have multiple chronic conditions.<sup>3</sup>

### **Costs Related to Treating Chronic Conditions Could Soon Overwhelm Our Health Care System**

- People with chronic conditions account for 85 percent of all health care spending.<sup>4</sup>
- 96 percent of Medicare dollars is spent on patients with multiple chronic conditions.<sup>5</sup>
- Two-thirds of Medicare dollars are spent on patients with five or more chronic conditions.<sup>6</sup>

- Two-thirds of Medicare dollars are spent on patients with five or more chronic conditions.<sup>7</sup>
- People with Medicare coverage are the most likely to have high out-of-pocket costs for chronic care.<sup>8</sup>

### **Costs Related to Treating Chronic Conditions Could Soon Overwhelm Patients, Families And Caregivers – And Inevitably Lead to a Strain on the System**

- The average adult aged 55-64 with at least one chronic condition spent \$7,377 on health care in 2006, compared to \$4,951 for younger persons.<sup>9</sup>
- People with serious chronic conditions use a variety of methods to finance their health care including savings (38 percent), government aid (36 percent), borrowing or receiving money from another family member or friend (27 percent), and/or taking money from a retirement fund (16 percent).<sup>10</sup>
- In 2007, family members caring for someone age 50 or older reported spending an average of \$5,531 out of their own pocket to help with their loved one's medical care.<sup>11</sup>
- One in three caregivers used their savings (34 percent) or cut back on basic home maintenance (32 percent), and nearly one in four caregivers (23 percent) cut back on spending for their own health or dental care to help with the expenses associated with caring for their relative or friend.<sup>12</sup>

**MORE »**

- Out-of-pocket spending remains high for family caregivers with extremely limited incomes. Those with the lowest income (less than \$25,000 per year) report an average annual expense of more than \$5,000 – or more than 20 percent of their annual income.<sup>13</sup>

## Efforts to Improve Health Care Quality and Coordination Could Help Improve Care for Adults with Multiple Chronic Health Conditions and Bring Health Care Costs Under Control

- Older adults with multiple (five or more) chronic health conditions have an average of 37 doctor visits, 14 different doctors and 50 separate prescriptions each year.<sup>14</sup>
- Large numbers of older adults with multiple chronic health conditions report duplicate tests and procedures, conflicting diagnoses for the same set of symptoms, contradictory medical information, and not receiving adequate information about potential drug interactions when they fill prescriptions.<sup>15</sup>

- People with five or more chronic health conditions experience avoidable hospitalizations at 15 times the rate of those with one condition.<sup>16</sup>
- One in five older adults with complex chronic health conditions – like diabetes, heart disease or severe arthritis – are readmitted to the hospital within 30 days because they go home without the information and support they need to take care of themselves and they get no follow-up care.<sup>17</sup>
- A typical primary care physician who sees Medicare patients must coordinate care for those patients with 229 other physicians who work in 117 different practices.<sup>18</sup>
- Physicians surveyed about their perspectives on chronic care believe that quality problems are greater among their patients with multiple chronic conditions.<sup>19</sup>
- Without concerted strategic intervention, chronic diseases and their risk factors can be expected to cause more harm – and be more costly to society.<sup>20</sup>

<sup>1</sup>U.S. Administration on Aging (2008). Annual Estimates of the Resident Population by Sex and Five-Year Age Groups for the United States: July 1, 2008. Retrieved September 25, 2009, from [http://www.aoa.gov/AoARoot/Aging\\_Statistics/Census\\_Population/Population/2008/docs/2008-National-Population-Estimates.xls](http://www.aoa.gov/AoARoot/Aging_Statistics/Census_Population/Population/2008/docs/2008-National-Population-Estimates.xls).

<sup>2</sup>U.S. Census Bureau, National Population Projections, Table 2: Projections of the Population by Selected Age Groups and Sex for the United States: 2010 to 2050 (August 2008). Retrieved July 22, 2009, from <http://www.census.gov/population/www/projections/files/nation/summary/np2008-t2.xls>.

<sup>3</sup>Machlin, S., Cohen, J., & Beaugard, K. (2008). Agency for Healthcare Research and Quality. *Health Care Expenses for Adults with Chronic Conditions, 2005*. (Statistical Brief #203). Retrieved July 22, 2009, from [http://www.meps.ahrq.gov/mepsweb/data\\_files/publications/st203/stat203.pdf](http://www.meps.ahrq.gov/mepsweb/data_files/publications/st203/stat203.pdf).

<sup>4</sup>Anderson, G. (2007). *Chartbook, Chronic Conditions: Making the Case for Ongoing Care*. Johns Hopkins University. Retrieved October 1, 2009, from [http://www.fightchronicdisease.org/news/pfcd/documents/ChronicCareChartbook\\_FINAL.pdf](http://www.fightchronicdisease.org/news/pfcd/documents/ChronicCareChartbook_FINAL.pdf)

<sup>5</sup>Partnership for Solutions (2004). *Chronic Conditions: Making the Case for Ongoing Care*. Baltimore, MD: Johns Hopkins University. Retrieved October 13, 2009, from <http://www.partnershipforsolutions.org/DMS/files/chronicbook2004.pdf>.

<sup>6</sup>Anderson, G. (2007). *Chartbook, Chronic Conditions: Making the Case for Ongoing Care*. Johns Hopkins University. Retrieved October 1, 2009, from [http://www.fightchronicdisease.org/news/pfcd/documents/ChronicCareChartbook\\_FINAL.pdf](http://www.fightchronicdisease.org/news/pfcd/documents/ChronicCareChartbook_FINAL.pdf)

<sup>7</sup>Anderson, G. (2007). *Chartbook, Chronic Conditions: Making the Case for Ongoing Care*. Johns Hopkins University. Retrieved October 1, 2009, from [http://www.fightchronicdisease.org/news/pfcd/documents/ChronicCareChartbook\\_FINAL.pdf](http://www.fightchronicdisease.org/news/pfcd/documents/ChronicCareChartbook_FINAL.pdf)

<sup>8</sup>Anderson, G. (2007). *Chartbook, Chronic Conditions: Making the Case for Ongoing Care*. Johns Hopkins University. Retrieved October 1, 2009, from [http://www.fightchronicdisease.org/news/pfcd/documents/ChronicCareChartbook\\_FINAL.pdf](http://www.fightchronicdisease.org/news/pfcd/documents/ChronicCareChartbook_FINAL.pdf)

<sup>9</sup>Vistnes, J., Cooper, P., Bernard, D., & Banthin, J. (2009). *Near-Elderly Adults Aged 55-64: Health Insurance Coverage, Cost and Access*. Rockville, MD: Agency for Healthcare Research and Quality. Retrieved October 7, 2009, from <http://www.ahrq.gov/data/meps/mepsneareld/nearelderly.pdf>.

<sup>10</sup>The Gallup Organization (2002). *Serious Chronic Illness Survey*. Washington, DC.

<sup>11</sup>National Alliance for Caregiving and Evercare (2007). *Evercare Study of Family Caregivers—What They Spend, What They Sacrifice: The Personal Financial Tool of Caring for a Loved One*. Retrieved July 23, 2009, from [http://www.caregiving.org/data/Evercare\\_NAC\\_CaregiverCostStudyFINAL20111907.pdf](http://www.caregiving.org/data/Evercare_NAC_CaregiverCostStudyFINAL20111907.pdf)

<sup>12</sup>National Alliance for Caregiving and Evercare (2007). *Evercare Study of Family Caregivers—What They Spend, What They Sacrifice: The Personal Financial Tool of Caring for a Loved One*. Retrieved July 23, 2009, from [http://www.caregiving.org/data/Evercare\\_NAC\\_CaregiverCostStudyFINAL20111907.pdf](http://www.caregiving.org/data/Evercare_NAC_CaregiverCostStudyFINAL20111907.pdf)

<sup>13</sup>National Alliance for Caregiving and Evercare (2007). *Evercare Study of Family Caregivers—What They Spend, What They Sacrifice: The Personal Financial Tool of Caring for a Loved One*. Retrieved July 23, 2009, from [http://www.caregiving.org/data/Evercare\\_NAC\\_CaregiverCostStudyFINAL20111907.pdf](http://www.caregiving.org/data/Evercare_NAC_CaregiverCostStudyFINAL20111907.pdf)

<sup>14</sup>Berenson, R. & Horvath, J. (2002). *The Clinical Characteristics of Medicare Beneficiaries and Implications for Medicare Reform*. Prepared for: The Center for Medicare Advocacy Conference on Medicare Coordinated Care, Washington, DC. Retrieved September 24, 2009, from [www.partnershipforsolutions.org](http://www.partnershipforsolutions.org).

<sup>15</sup>Anderson, G. (2007). *Chartbook, Chronic Conditions: Making the Case for Ongoing Care*. Johns Hopkins University. Retrieved October 1, 2009, from [http://www.fightchronicdisease.com/news/pfcd/documents/ChronicCareChartbook\\_FINAL.pdf](http://www.fightchronicdisease.com/news/pfcd/documents/ChronicCareChartbook_FINAL.pdf)

<sup>16</sup>Partnership for Solutions (2004). *Chronic Conditions: Making the Case for Ongoing Care*. Baltimore, MD: Johns Hopkins University. Retrieved October 13, 2009, from <http://www.partnershipforsolutions.org/DMS/files/chronicbook2004.pdf>.

<sup>17</sup>Jencks, S., Williams, M., & Coleman, E. (2009). Rehospitalizations among patients in the Medicare fee-for-service program. *New England Journal of Medicine*, 360(14): 1418-1428.

<sup>18</sup>Pham, H., O'Malley, A., Bach, P., Saiontz-Martinez, C., & Schrag, D. (2009). Primary care physicians' links to other physicians through Medicare patients: The scope of care coordination. *Annals of Internal Medicine*, 150(4): 236-242.

<sup>19</sup>Anderson, G. (February 2003). Physician, public, and policymaker perspectives on chronic conditions. *Archives of Internal Medicine*, 163, 437-442.

<sup>20</sup>Centers for Disease Control and Prevention (2003). *Public Health and Aging: Trends in Aging—United States and Worldwide*. Morbidity and Mortality Weekly Report, 52(06): 101-106. Retrieved October 13, 2009 from <http://www.cdc.gov/mmwr/preview/mmwrhtml/mm5206a2.htm>.