



NEWS RELEASE

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Chronic Conditions Equal High Expenditures in Michigan

Center for Healthcare Research & Transformation brief shows cost burden can be eased with better prevention and management

ANN ARBOR, MI – Chronic conditions, such as asthma, diabetes, and coronary artery disease, are attacking our wallets in Michigan. According to a new issue brief from the Center for Healthcare Research and Transformation (CHRT), average annual spending for someone with a chronic condition can cost from \$3,785 to \$38,270 more than someone with no chronic condition.

Chronic conditions are also disproportionately costly. Data from Blue Cross Blue Shield of Michigan showed that the 35% of its patients with at least one chronic condition accounted for more than 64% of its total spending.

Not only are chronic conditions expensive, but personal health risk factors such as smoking and obesity have been shown to contribute to many of these conditions. At 20.5%, Michigan's smoking rate is higher than the national average of 18.4 percent, and accounted for \$3.3 billion in smoking-related health care expenditures.

"This study offers us a credible early warning system. We must work together, at a community level, to reduce drivers of chronic disease," says Marianne Udow-Philips, director of CHRT. "When we reduce the incidence of chronic disease, we improve the health of the population."

Udow points to the Affordable Care Act, where there are dollars tagged for public health improvement. "We can work together in Michigan to use these funds toward strategies that have been proven to work," she says.

Michigan is not alone in carrying the burden of chronic conditions. According to the U.S. Department of Health and Human Services, chronic diseases such as heart disease, cancer, stroke and diabetes, are responsible for 7 out of 10 deaths annually in the U.S., and account for 75 percent of the nation's health spending.

Highlights of findings include:

- Spending for patients with no chronic conditions averaged \$2,788 per year, while spending for patients with three or more chronic conditions averaged \$27,763 per year.
- Michigan has a higher rate of obesity at 29.5 percent than the U.S. average of 26.7 percent.
- In 2008, Michigan was 9th highest in the U.S. on percentage of adults who are obese.

"Community wellbeing will improve, and spending on chronic conditions will decrease, if we partner with patients in their efforts to embrace healthy behaviors and help them manage their chronic conditions," says David Share, MD, MPH, executive medical director, health care quality at Blue Cross Blue Shield of Michigan.

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“At Blue Cross, we have several initiatives in place to support providers’ efforts to do that, such as the Patient-Centered Medical Home program which focuses on chronic care management.”

Udow points to several strategies that have been shown to help manage and reduce chronic disease, such as Michigan’s Smoke Free Air Law that went into effect May 1. At a community level, obesity rates can be lowered by creating walkable communities and by teaching young children to make nutritious food choices.

“We can reduce the barriers to compliance, for example, by lowering copayments for diabetes medications. Let’s make it easier for diabetics to comply with their care plan by making it more affordable to do so,” says Udow.

This issue brief is third in a series of briefs stemming from CHRT’s Price of Care study, a long term, deep dive analysis of the cost drivers of health care in Michigan and the United States.

***The Center for Healthcare Research & Transformation** sponsors research and public information to promote evidence-based health care delivery, improve population health, and expand access to care. Housed at the University of Michigan, CHRT is a partnership between U-M and Blue Cross Blue Shield of Michigan to test the best ideas for improving the effectiveness and efficiency of the health care system.*

Visit CHRT on the Web at: www.chrt.org for a copy of this Issue Brief.

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