



Rx: Health Care FYI #18

Subject: *Coordinating Care to Treat Chronic Disease*

From: *Rep. Tim Murphy (PA-18)*

The problem: The heaviest users of medical services, those with chronic illnesses, are not receiving adequate coordination of care for their diseases.

Chronic diseases cost money:

- Over 125 million Americans have chronic conditions, or diseases requiring long term treatments, and 61 million (21 percent of the population) have multiple chronic conditions.¹
- Chronic diseases such as heart disease, lung disease, asthma, arthritis, depression and Alzheimer's account for over 75 percent of all health care spending.²
- By 2020 a projected 157 million Americans will have one or more chronic conditions, accounting for over \$1 trillion or 80 percent of health spending.³
- 20 percent of beneficiaries in Medicare have 5 or more chronic conditions, accounting for over two-thirds of Medicare spending. These beneficiaries see about 14 different physicians in a year for over 40 office visits annually.⁴
- People with chronic health conditions do not take their medications as often as prescribed and noncompliance costs over \$300 billion annually to the American healthcare system.⁵

Health care for chronic diseases is not coordinated:

- The average Medicare beneficiary with one or more chronic conditions is seen by eight different physicians during a year.²
- Treatment of heart disease, asthma, and depression, each requires treatment by a different specialist.
- 20 million Americans with chronic illnesses received contradictory information from different health care providers during the year, 18 million received a contradictory diagnosis for the same chronic illness, and 17 million reported

¹ Anderson. G. The Growing Burden of Chronic Disease in America. Public Health Reports. 2004.

² Anderson. Gerard. Changing The Chronic Care System To Meet People's Needs. December 2001.

³ S.Wu and A. Green, *Projection of Chronic Illness Prevalence and Cost Inflation* (Santa Monica, Calif.: RAND Health, October 2000.

⁴Partnership for Solutions, *Medicare: Cost and Prevalence of Chronic Conditions*. Johns Hopkins University, Baltimore MD. July 2002.

⁵ Sokol, Michael. Impact of Medication Adherence on Hospitalization Risk and Healthcare Cost. *Medical Care*. 43(6):521-530, June 2005

going to the pharmacist only to be told of a potential adverse drug/drug interaction.⁶

- Payment systems do not pay providers for the time they spend coordinating care with other providers.⁷

The federal government's role:

- The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) created the Voluntary Chronic Care Improvement program. The project which began in Spring 2005 over a three year period in 9 states and Washington, DC, will provide participating beneficiaries with information and support to help them better care for their conditions. In addition, organizations will work with physicians to ensure that the patient care is coordinated appropriately with other physicians.
- The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 will offer reimbursement for Medication Therapy Management (MTM) services for Part D prescription drug plans for patients who (1) have multiple chronic diseases, (2) are taking multiple drugs, and (3) are likely to incur expenses that exceed a certain level. MTM services include assessment of the patient's health status; creating a medication treatment plan; administering medication therapy; monitoring patient response to medications and review to identify and prevent drug-related problems; documenting care; patient training and support; and coordinating and integrating MTM with other healthcare management services.
- The Chronic Disease Self-Management Program, funded by HHS, offered a 17-hour course to teach patients with chronic disease how to better manage their symptoms, adhere to medication regimens, and maintain functional ability. Participants averaged 0.8 fewer days in the hospital for a 2-year savings of \$390 to \$520 per patient.⁸

Recommendations:

- Provide incentives to change medical education so that doctors are trained to coordinate and consult with other physicians and medical professionals.
- Link Medicare and Medicaid payments to doctors who coordinate care for patients with chronic conditions that result in improved outcomes.
- Use Medicare and Medicaid payments to reimburse providers for offering self-management education for patients to learn to manage their chronic conditions.

⁶ Harris Interactive, *Survey on Chronic Illness and Caregiving* (New York: Harris Interactive, January 2001).

⁷ Medicare Payment Advisory Commission, *Report to Congress: Medicare Payment Policy* (Washington: MedPAC, March 2001).

⁸ Agency for Health Care Research and Quality. Chronic Disease Self-Management Program Can Help Prevent or Delay Disability in Patients.2002.