
A Saviance Technologies Whitepaper

Reforming Healthcare in the US through Chronic Disease Management

The Toll of Chronic Diseases

In the US, the rate of chronic diseases occurrence is increasingly higher which has become a matter of high concern. They are considered among the most fatal and costly of diseases. Chronic health conditions such as, Diabetes, Arthritis, Cardiovascular, Cancer etc. are the most common of all chronic health conditions in the US and are very expensive to manage. According to Government data, 7 out of 10 Americans die of chronic diseases each year. It is also reported that 50% of all deaths occur due to chronic diseases and 75 percent of America's total health care spending goes into chronic disease management.

The Disease Management Industry in the US

The disease management industry in the US is very large and comprises of the organizations based on healthcare solutions, programs and health insurance. According to a study by Mercer, the percentage of employer-sponsored health plans offering disease management programs has grown at an exponential rate and has more than doubled since 2002.

In the U.S., it was reported that around \$85 million was spent on disease management in 1997, which grew up to \$600 million in 2002. The revenue rate of disease management organizations has grown largely in the last few years because it is estimated that 21.3% of patients in the US with at least one chronic condition are using disease management programs.

Growing burden of chronic diseases for employers & employees

In the US, the number of people with chronic conditions is rapidly increasing with more than half of the people living in the country having at least one chronic health condition. These chronic conditions are costing lives and reducing the quality of life of people, which has rung the alarm for many. Among them, the most affected are the US employers as well as employees because they are paying high costs for treatment of chronic diseases.

- Employer-sponsored healthcare premiums for family coverage have risen up to 87% for the past one decade
- Total expenditure on healthcare services for people with a chronic condition comes about \$6,032 annually which is 5 times higher than for those without such a condition
- The U.S. companies' total expenditure on healthcare coverage for a chronic condition is estimated at \$13 billion annually, which includes the cost of health insurance (\$8 billion), sick leave (\$2.4 billion), life insurance (\$1.8 billion), and disability insurance (\$1 billion)

Rising Demand for Healthcare Services and Soaring Costs

For an average American with chronic conditions, the cost of healthcare increases dramatically, as they are the most frequent users of healthcare services. An average patient with one chronic condition consults, say about four physicians a year, whereas those with more than one chronic condition need to consult more than four different physicians a year. The latter type mainly refers to elder group of population, which is the higher proportion of people with multiple chronic conditions. They account for 81% of hospital admissions; 91% of all prescriptions filled, and 76% of all physician visits.

Currently, the United States spends more on health care services than any other country, the total spending on public and private health care amounted to approximately \$2.6 trillion where chronic diseases account for the vast majority of health spending. They cost about 75% of the total expenditure that goes for the treatment of chronic diseases. In public funded plans, spending on chronic disease represents an even greater proportion of total spending, 99% in Medicare and 83% in Medicaid.

Some cost drivers for health care services are:

- Growing and ageing population with one or more chronic conditions
- Increasing demand for new technologies for treatment
- Increasing demand for prescription drugs is directly proportional to the costs of private and public insurance coverage
- Under-funded public programs by Government, caused the cost shift turn to private insurers
- Increasing Government regulation & mandates
- Malpractice insurance premiums driving up costs of healthcare services

Chronic Disease Statistics

Asthma

1. 7.1 million (9.5%) U.S. children have asthma
2. 18.9 million (8.2%) U.S. adults have asthma

Diabetes

1. 8.5% of adults 20 years+ are diagnosed with diabetes
2. The annual deaths around 69,071 are due to diabetes.

Heart Diseases

1. 26.5 million (11.5%) American adults have heart disease
2. 597,689 annual deaths are due to heart disease

Alzheimer's disease

1. An estimated 5.1 million Americans may have Alzheimer's disease
2. 83,494 annual deaths are due to Alzheimer's Disease

Chronic Disease Management and Prevention in the US

Chronic disease management and prevention has been a key topic for the past one decade. Every year, the US government is working towards wellness programs and taking initiatives for the prevention of chronic diseases, which can contribute to changing unhealthy behaviours or lifestyle, improving health conditions and mitigating costs in the US. Health improvement initiatives reach people through a variety of settings, where they work, live or study, and within the health care system itself. The workplace is an important location for implementation of successful prevention initiatives because employers and employees spend a large amount of time at work. Employers can influence their employees' health conditions by providing an ergonomic environment and enhancing the effectiveness of wellness programs.

Moreover, health care services clinically must include prevention, and call to action outside the physician's office. Patients need to be educated about health conditions, encouraged to maintain health, and take initiatives in managing chronic diseases. Providers must work within a coordinated system of physicians and caregivers, where collaboration with patients is needed to deliver the healthcare information and programs. Those associated with medical community in the US must advocate for indispensable change, focus on preventing unhealthy lifestyle and behaviors and, in the end, leverage resources to meet the basic health care needs of people.

Need of implementing Health Improvement Programs

Effective health improvement strategies are based on physical, environmental, and socioeconomic components that contribute to maintaining good health. Since, chronic disease management is fast becoming a global issue, for identifying the causes of chronic diseases and the opportunities for health initiatives, multinational companies and other groups across the US

are developing sustainable, healthcare programs that work to improve health and lower costs. Well-designed, community-based health programs can effectively reduce in the incidence of chronic diseases like hypertension and diabetes. Thus, with collective and joint efforts from government, providers, employers and other groups, the epidemic of chronic diseases can be managed effectively worldwide.

ABOUT Saviance Technologies:

Saviance is a **US based Healthcare IT Services provider** focusing on the newest technology **SMAC stack** – Social, Mobility, Analytics & Cloud. We provide innovative solutions & enable **meaningful use of IT** by designing **patient engagement portals, collaboration applications & actionable analytics** for wellness & population health. Incorporated in 1999 in the US, with over 14 years of excellent industry track record, Saviance offers services & solutions that enable enterprises to achieve critical objectives.

Saviance is a Gold Category Corporate Member with Healthcare Information Management Systems Society (**HIMSS**), **mHealth Alliance** and a **NJ-HITEC** Corporate member. We are awarded by **INC. 5000** as one of the fastest growing privately held companies in North America. Saviance is also ranked among the **Fast 50 Asian American Businesses** in the United States by USPAACC (US Pan Asian American Chamber of Commerce) and selected as a **2014 "Top Business"** recipient by DiversityBusiness.com. A certified **Minority Business Enterprise** recognized by NMSDC, Saviance is also partner with **Microsoft, Amazon Web Services, Apple, Samsung** and **Red Hat**.

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