

Coordinating Care for the Chronically Ill

Issue

Chronic diseases are a significant cause of illness and disability in America, and thus are a significant source of national health care expenditures, especially by the Medicare program. Chronic illnesses include conditions like heart disease, diabetes, Parkinson's disease, multiple sclerosis, Alzheimer's disease and chronic obstructive pulmonary disease. As the U.S. population ages, the importance of caring appropriately for people with chronic illnesses intensifies. Yet, our health care system is not structured to avoid or delay the onset of chronic illnesses nor, when they occur, to manage them effectively. This failure is taking a heavy toll on the lives of millions of Americans and on health care in this country.

Patients with chronic illnesses represent the highest-cost and fastest-growing service group in health care:

- Almost half of all Americans (133 million) live with a chronic condition.
- The chronically ill consume the vast majority of medical services, accounting for 96 percent of home care visits, 83 percent of prescription drug use, 80 percent of hospital days, and 66 percent of physician visits. Medical costs for people with chronic conditions will nearly double by 2050.
- About 62 percent of Medicare beneficiaries have two or more chronic conditions; 40 percent have three or more. Those with three or more see, on average, 10 different physicians during a typical year.
- Roughly 80 percent of all Medicare dollars is spent for about 20 percent of beneficiaries.

Our health care system is becoming more fragmented every day, with covered benefits often leaving gaping holes that make it difficult to manage chronic illness, and many individuals, especially Medicare beneficiaries, are covered by multiple programs or plans. Current care management approaches seldom respond to the totality of a person's problem, within the context of his/her ongoing care needs, and do not follow the natural progression of a person's condition as it evolves over time and across care settings.

AHA View

Preserving and strengthening Medicare and other programs for the chronically ill requires a fundamental change in how we deliver, finance and administer care.

Hospitals. For their part, hospitals and health systems can develop the local infrastructure needed to support interdisciplinary care teams and coordinate care across settings, avoiding duplicative or unnecessary services, patient confusion, medical complications and conflicting therapies for patients with multiple, complex and ongoing care needs.



Insurers. Health plans and government programs need to support these activities through the re-engineering of health policy and financing and by providing benefit packages that address chronic illnesses. They also need to recognize that external disease or care management programs operated by health plans and vendors can go only so far in meeting the needs of those with volatile, complex chronic conditions who inevitably require that the care coordination be internalized within their clinical team.

The Federal Government. Federal-level improvements that would help include:

- Increasing Medicare payment to physicians and other care coordinators to adequately compensate them for monitoring and managing the constantly changing health status of patients with complex chronic conditions and for coordinating the multiple care plans, treatments, prescriptions, and other services that their patients require.
- Creating incentives for providers to target chronically complex patients and employ methods that optimize quality and cost performance as a person's care needs evolve over time and across care settings.
- Developing quality measures that are more appropriate for persons with multiple, complex chronic conditions to adequately account for the cumulative effects of multiple interventions.
- Identifying federal funds to help hospitals and health systems develop the local infrastructure needed to support interdisciplinary care teams and coordinate care across settings.
- Integrating Medicare and Medicaid financing and regulatory oversight for dually-eligible persons. Pooled, risk-adjusted payment methods should be developed.
- Allowing flexibility for qualified case managers to work with Medicare beneficiaries and their families to identify and substitute appropriate alternative services to improve the effectiveness of care for Medicare beneficiaries with multiple, complex chronic conditions.
- Streamlining regulatory oversight to enable providers to work more closely together to improve continuity of care.

The AHA will work toward improving the quality of care and life for the chronically ill and will advocate changes in the payment system that reward efforts to coordinate care across all settings for patients with chronic illnesses.