

EXECUTIVE SUMMARY

In Washington and in communities across the nation, Americans are hearing about the need for the United States to take immediate action to stimulate the economy and reform the U.S. health care system. For anyone concerned about these issues, and their connection to each other, the second annual *Almanac of Chronic Disease* is an absolutely critical resource. It is the ultimate reference guide on rising rates of chronic disease, and how they are impacting health, health care spending, and economic growth in the U.S.

The 2009 edition combines peer-reviewed data and commentary from national health care leaders and policy experts to provide the most comprehensive collection of current information on this critical issue, as well as guidance on the options for making improvements through changes in individual, community, and national action.

As the nation debates how to reform the U.S. health care system, the 2009 Almanac of Chronic Disease is a must-read. As it will show, the U.S. cannot hope to improve Americans' health, make health care more affordable and of higher quality, and boost long-term growth in the economy, without taking action to address chronic disease.

Below are select highlights from the 2009 edition that illustrate the importance of this issue, and what opportunities exist for finding consensus.

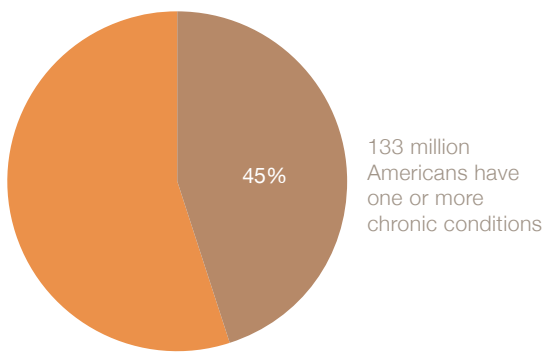
BACKGROUND: AN OVERVIEW OF CHRONIC DISEASE IN AMERICA

Chronic illnesses – ongoing, generally incurable illnesses or conditions, such as heart disease, asthma, cancer and diabetes – are among the greatest threats to Americans' health. More than 133 million Americans, or 45 percent of the population, have at least one chronic condition.

As a result of many factors – including poor lifestyle choices, as well as lack of access or emphasis on preventive care – the incidence of chronic diseases has increased dramatically over the last three decades. With the growth in obesity – especially among younger Americans – the diagnosis of childhood chronic diseases has almost quadrupled over the past four decades, and rates of chronic disease are expected to continue to rise.

CHART HIGHLIGHT

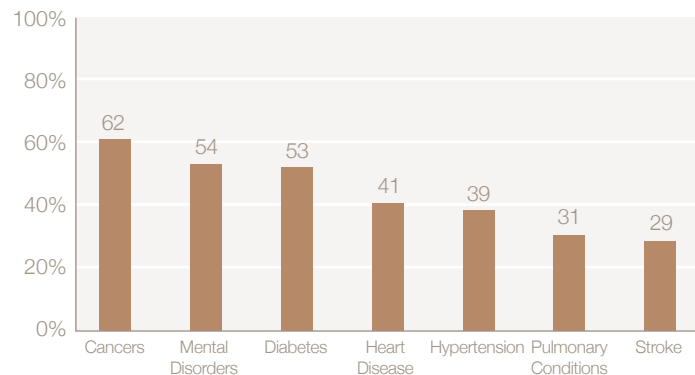
Total U.S. Population



Source: RAND Corporation

Nearly half of Americans have one or more chronic diseases. Without change, by the year 2023 the incidence of chronic disease in the United States is expected to rise dramatically.

Projected Rise in Cases of Seven of the Most Common Chronic Diseases, 2003-2023*



*This study evaluated the burden of seven of the most common chronic diseases/conditions (cancer, diabetes, heart disease, hypertension, mental disorders, pulmonary conditions, and stroke).
Source: The Milken Institute

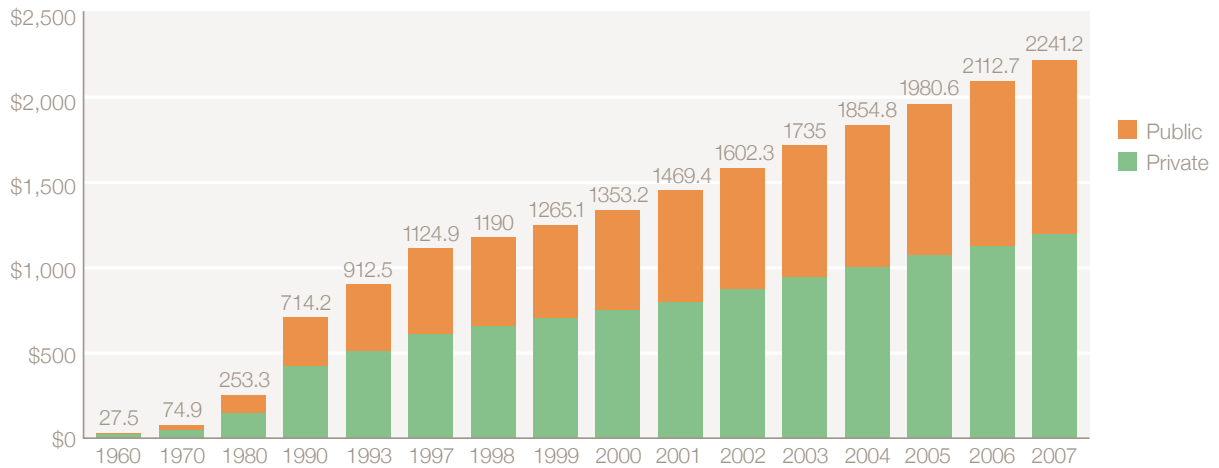
CHAPTER ONE: THE RAPID RISE IN COSTS IN THE U.S. HEALTH CARE SYSTEM

Year after year, the amount the nation is spending on health care increases – both at a national level and for individuals and families. In 2007, the U.S. spent over \$2.2 trillion on health care. This represents 16 percent of U.S. gross domestic product (GDP): the highest proportion in U.S. history and a larger percentage of GDP than any other developed country.

Without action to contain costs, national and personal health spending is expected to continue to grow and will consume an increasing share of the U.S. government, and personal, budgets.

CHART HIGHLIGHT

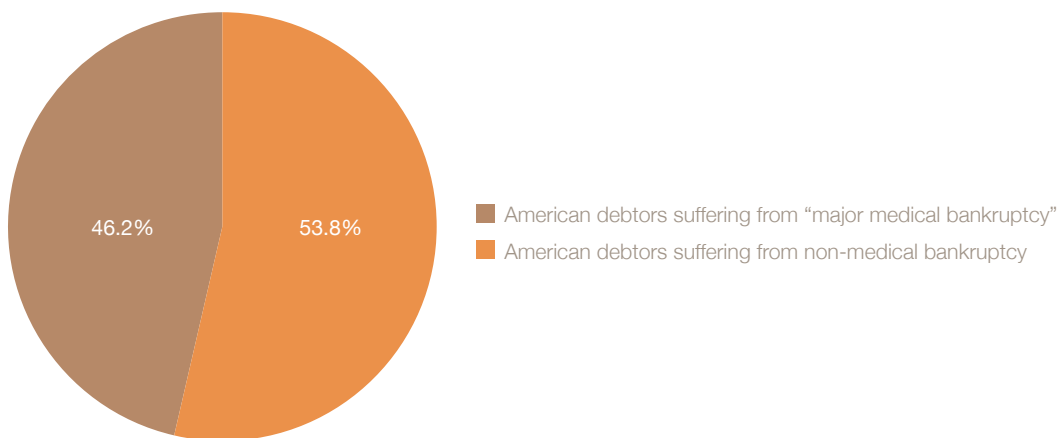
National Health Expenditures (in Billions) by Source



Source: CMS

Over the past four decades, private and public health care spending has increased substantially in the U.S.

Percent of 2001 U.S. Bankruptcies Attributable to “Major Medical Bankruptcy”



Source: Health Affairs

High rates of spending are placing a significant burden on Americans. Nearly half of U.S. debtors meet at least one criterion to classify as declaring “major medical bankruptcy.”

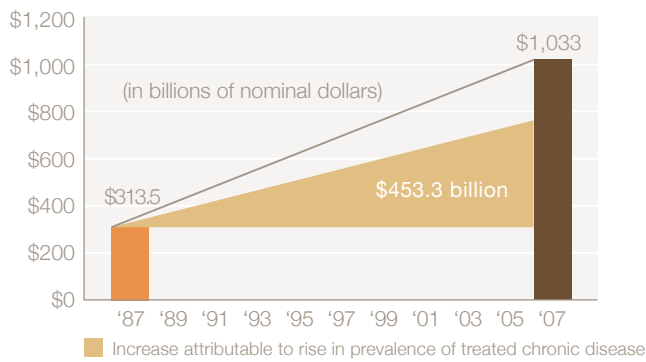
CHAPTER TWO: THE ROLE OF CHRONIC DISEASE IN HIGHER HEALTH COSTS AND LOWER U.S. ECONOMIC GROWTH

Research shows that chronic diseases are a major contributor to rising health care spending in the U.S. Of each dollar we spend on health care nationwide more than 75 cents – or about \$1.7 trillion annually – goes toward the treatment of chronic illness. Chronic diseases also take a toll on the nation’s economy by lowering productivity and slowing economic growth.

High health care costs can have a significant impact on the likelihood that Americans will be able to effectively managing their chronic conditions – and complications due to the mismanagement, under-treatment or underdiagnosis of chronic diseases will only add to the rapidly increasing costs and heavy burden associated with these long-lasting diseases.

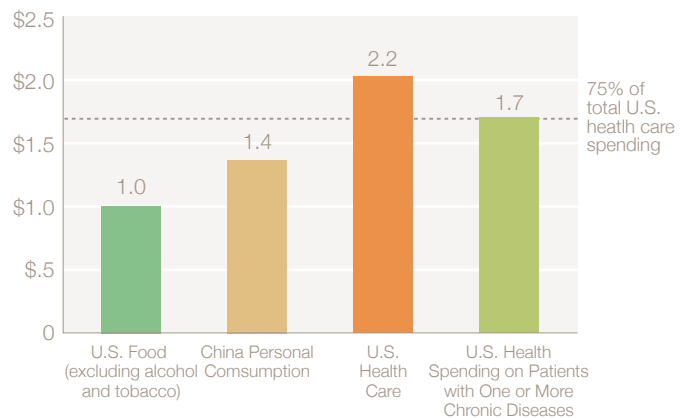
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Level of Health Spending Among the Noninstitutionalized U.S. Population, 1987–2007



Source: Health Affairs. Updated by author using MEPS 2007.

Amount Spent in 2007 (in Trillions)

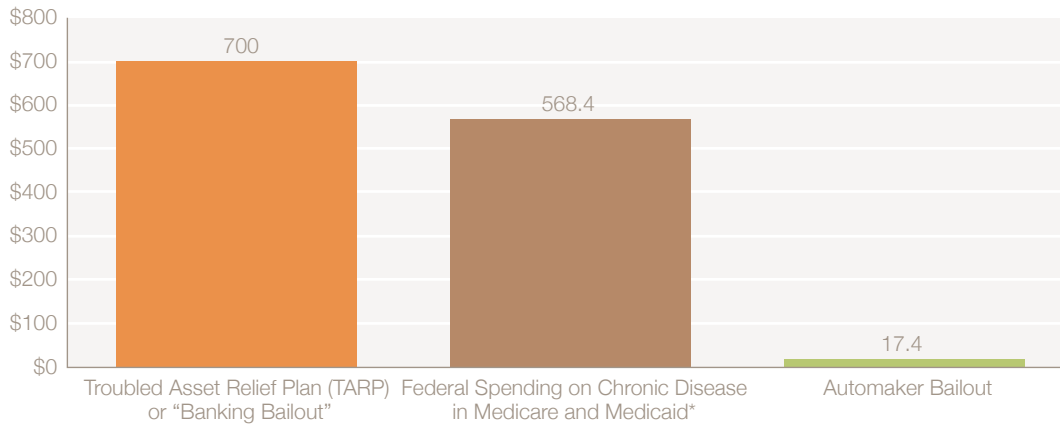


Source: McKinsey & Company, CDC, CMS

The rapid rise in prevalence of chronic diseases such as obesity, diabetes, heart disease and related conditions – and the growing need for medical care to address these issues – is at the root of rising health care costs in the U.S. Since the late 1980s, roughly two-thirds of the increase in health spending in the U.S. is linked to the growth in treated rates of chronic disease.

The amount the U.S. is spending on chronic disease is quite substantial relative to other types of spending. U.S. spending on patients with one or more chronic diseases is larger than all of China’s personal consumption.

Federal Spending (in Billions) in 2008



*Calculated with projected figures for 2008 Medicare and Medicaid spending based on the assumption that 96 percent of Medicare spending and 83 percent of Medicaid spending went towards the treatment of patients with one or more chronic conditions.
Source: CMS; Politico, Associated Press

In 2008, federal spending on Medicare and Medicaid for patients with one or more chronic conditions amounted to \$568 billion. This is more than 32 times the amount of money the federal government spent on the auto bailout and is approaching the amount spent on the banking bailout.

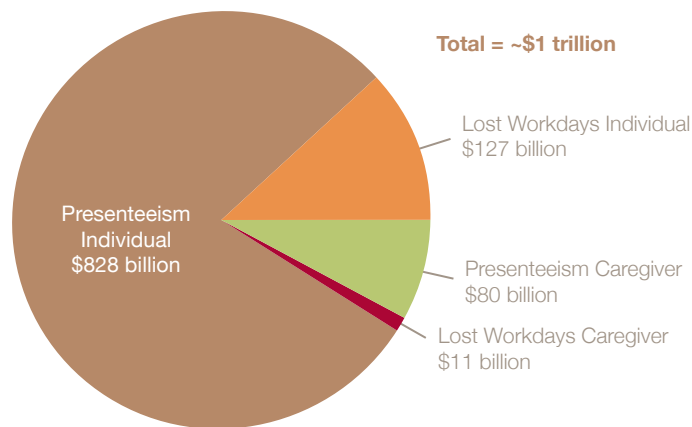
CHAPTER THREE: THE BURDEN OF CHRONIC DISEASE ON BUSINESS AND U.S. COMPETITIVENESS

Businesses are the primary providers of health insurance in the U.S., yet rising health care costs are making it increasingly difficult for them to provide coverage to all their employees. Employee health benefits are the fastest growing cost component for employers and represent an increasingly large percentage of payrolls. The increasing prevalence of chronic conditions within the U.S. workforce is one of the primary reasons for these trends.

Not only does a sicker American workforce have higher health care costs, but it is also less productive. Chronic illnesses lead to absenteeism and presenteeism – or decreased effectiveness while present at work. These problems represent real losses of productivity for U.S. businesses.

CHART HIGHLIGHT

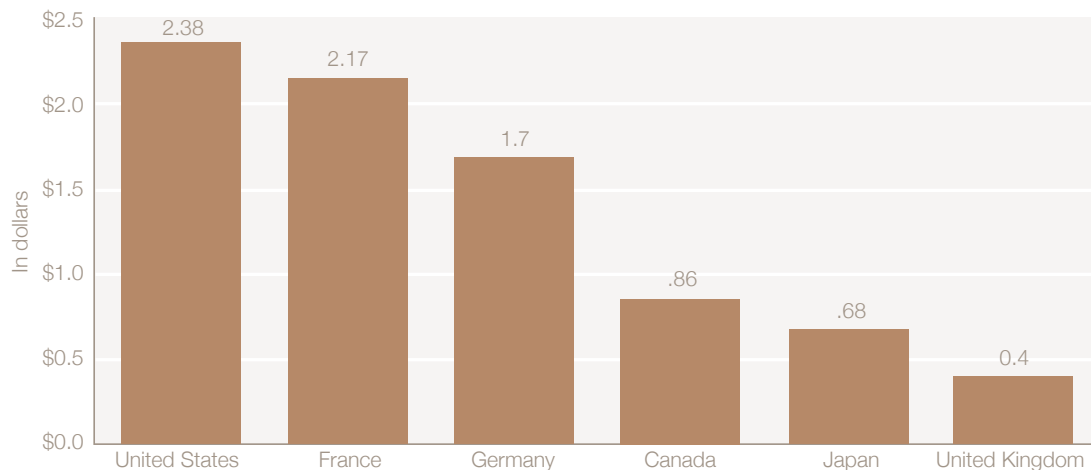
Lost Economic Output Associated with Seven Common Chronic Health Problems*



*This study evaluated the burden of seven of the most common chronic diseases/conditions (cancer, diabetes, heart disease, hypertension, mental disorders, pulmonary conditions, and stroke).
Source: The Milken Institute

Worker productivity losses from missed workdays (absenteeism) and reduced effectiveness at work due to illness (presenteeism) are closely linked to problems with chronic illness.

Hourly Cost of Health Benefits



Source: USA Today

Problems with chronic disease are impacting U.S. competitiveness. The U.S. has a higher hourly cost of health benefits in the manufacturing industry than other developed countries.

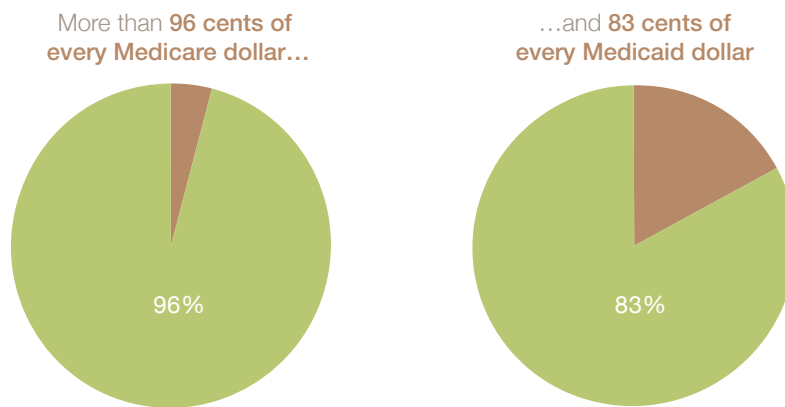
CHAPTER FOUR: THE IMPACT OF CHRONIC DISEASE ON PUBLIC HEALTH INSURANCE PROGRAMS

Millions of Americans receive their health care coverage through the public health insurance programs Medicare and Medicaid. These programs represent a disproportionately large share of total health spending in the U.S., and in the last decade, expenditures in these programs have risen dramatically.

Increasing costs appear to be linked with rising rates of chronic disease, and the tremendous growth in rates of obesity and overweight. Treatment of patients with one or more chronic diseases now accounts for the vast majority of spending in both programs: 96 percent in Medicare, and 83 percent in Medicaid. Evidence suggests this precipitous spending increase could be significantly reduced for a small, long-term per capita investment.

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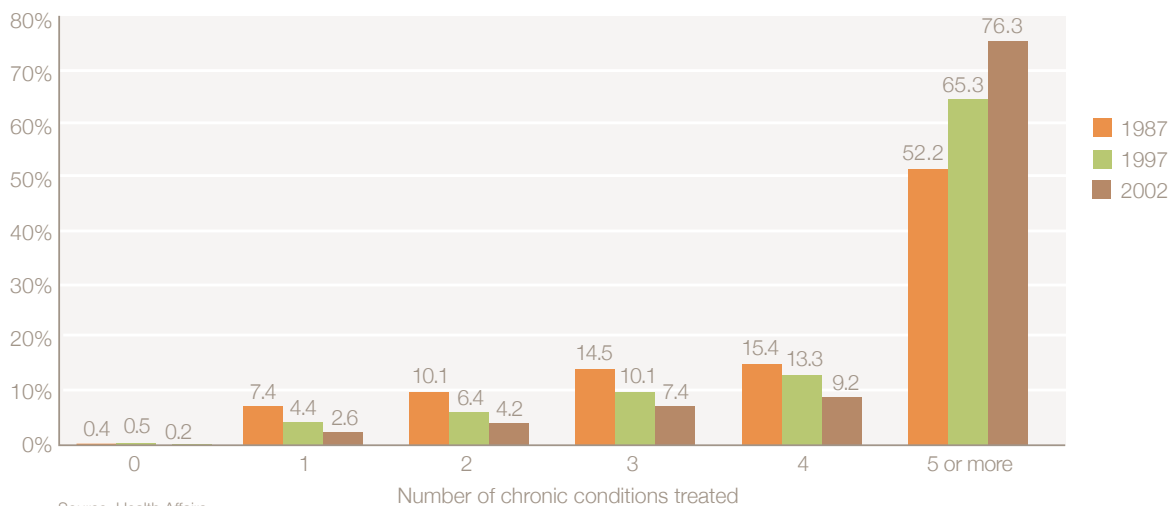
Share Spent on Patients with One or More Chronic Diseases



Source: Partnership for Solutions

Patients with one or more chronic conditions account for the vast majority of Medicare and Medicaid spending in public health insurance programs.

Percentage of Medicare Spending on Patients with Chronic Conditions, by Number of Treated Chronic Conditions



The percentage of Medicare patients today with multiple chronic conditions has grown, and so has spending on this group. Beneficiaries with five or more chronic conditions accounted for three-quarters of Medicare spending in 2002, compared to roughly 50 percent in 1987.

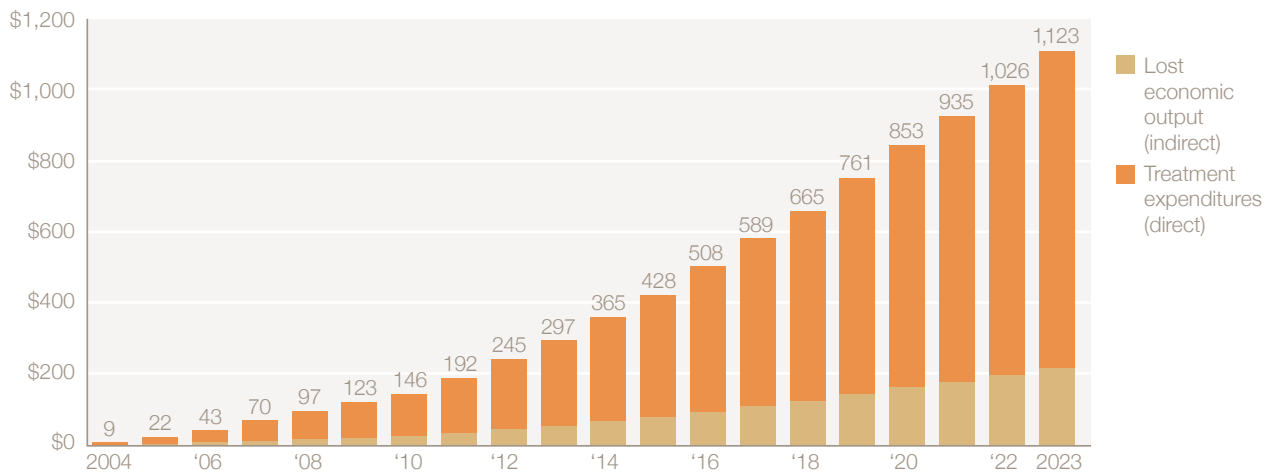
CHAPTER FIVE: BOOSTING U.S. HEALTH AND PROSPERITY BY REDUCING CHRONIC DISEASE

Chronic disease prevention and management holds great promise for reducing our nation’s health care spending. But far too little is being invested in improving Americans’ health and effectively preventing and managing common and costly chronic health problems.

Well-designed disease prevention and management programs are proven to yield economic and health benefits, especially if implemented in communities, schools and the workplace. Programs designed to change poor health behaviors – such as those to reduce smoking or improve medication adherence – have been shown to reduce costs and improve health.

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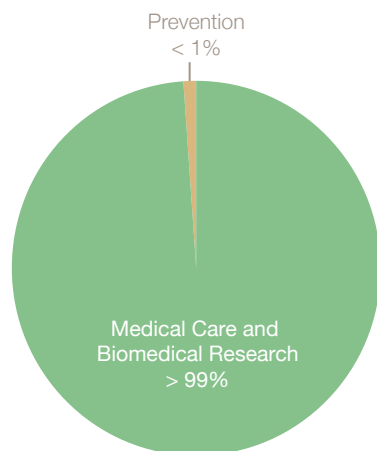
Future Cost Savings Associated with Improved Chronic Disease Prevention and Management (in Billions)



*This study evaluated the burden of seven of the most common chronic diseases/conditions (cancer, diabetes, heart disease, hypertension, mental disorders, pulmonary conditions, and stroke).
Source: The Milken Institute

By 2023, the U.S. could save over \$1 trillion in direct and indirect costs on seven of the most common chronic diseases by taking action to improve prevention and disease management.

U.S. Investment in Prevention



Despite the economic and health benefits of prevention, less than one percent of total health care spending goes toward prevention.

Source: Institute of Medicine, Health Affairs, JAMA

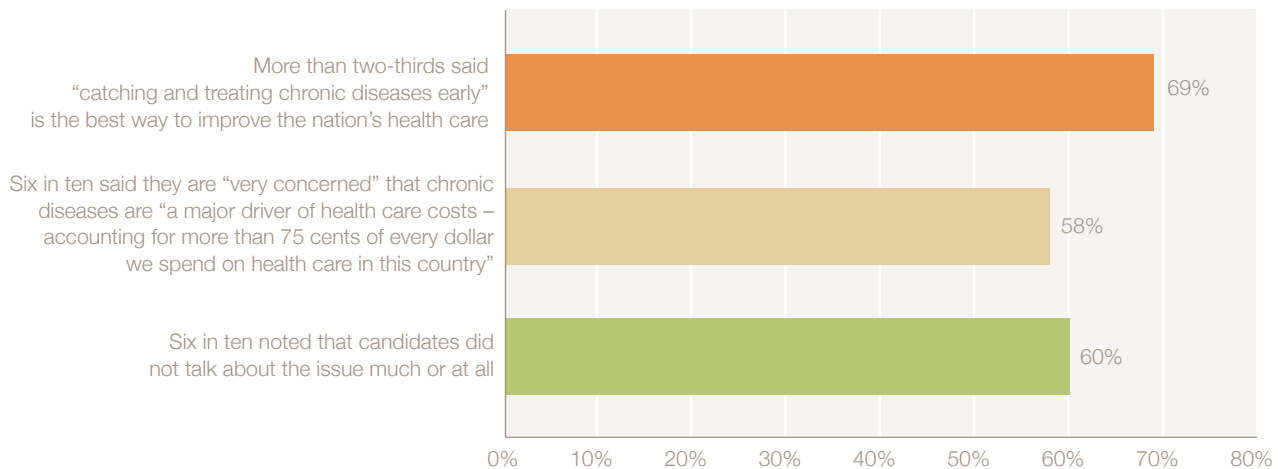
CHAPTER SIX: THE GROUNDSWELL OF PUBLIC SUPPORT FOR FIGHTING CHRONIC DISEASE

Some believe that the economic downturn has slowed momentum for health reform, but the evidence suggests just the opposite. For most Americans, health care is as much an economic issue as one of personal health. When it comes to reforming health care to reduce cost, they endorse policies that aim to fight the crisis of chronic disease and strongly support increasing the share of health care dollars devoted to prevention and wellness.

Americans want policymakers to make health care more affordable, more accessible, and improve the quality of care delivered. When it comes to achieving these goals, Americans are most supportive of policies built around fighting chronic disease, and they are calling for change now.

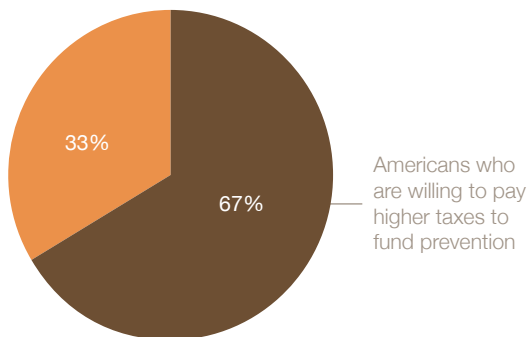
CHART HIGHLIGHT

Americans Believe That Chronic Disease is an Important Part of Health Care Reform



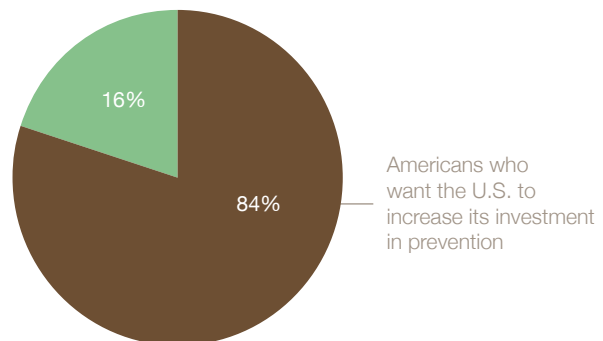
Source: Partnership to Fight Chronic Disease 2008 Voter Survey

Percent of Public Willing to Pay More Taxes for Prevention



Source: National Association of Chronic Disease Directors

Percent of Public Who Say More Money Should be Spent on Chronic Disease Prevention



Americans want to see a greater investment in chronic disease prevention: More than four in five Americans favor increased investment in programs to help prevent chronic disease and two-thirds say they're willing to pay higher taxes to fund them.

ABOUT THE PARTNERSHIP TO FIGHT CHRONIC DISEASE

The Partnership to Fight Chronic Disease (PFCD) is a national coalition of patients, providers, community organizations, business and labor groups and health policy experts committed to raising awareness of the number one cause of death, disability, and rising health care costs in the United States: chronic disease.

The PFCD's mission is to:

- **Challenge** policymakers to make the issue of chronic disease a top priority and articulate how they will address the issue through their health care proposals
- **Educate** the public about chronic disease and potential solutions for individuals, communities, and the nation
- **Mobilize** Americans to call for change in how policymakers, governments, employers, health institutions, and other entities approach chronic disease



PARTNERSHIP TO FIGHT
CHRONIC DISEASE

For more information about the PFCD and its partner organizations, please visit:

WWW.FIGHTCHRONICDISEASE.ORG