

The Impact of Disability on Health Care Costs

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Research Study

- National and State-level estimates of disability-associated health care expenditures
- Funded by Centers for Disease Control and Prevention
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Introduction

- Estimates of disability in total U.S. population
 - Estimates range depending on source of data
 - 18.6 percent for disability lasting any length of time
 - 6.0 percent for disability lasting 6 months or longer
- Estimates of disability among adults age 65 and older
 - 54.2 percent reported a disability
 - 39.4 percent reported a severe disability

(Estimates derived from 2006 Census report (Steinmetz) on 2002 Survey of Income and Program Participation data and administrative data on number of institutionalized persons)

Introduction (continued)

- Persons with disability have higher health care costs
 - Poorer health status so use more health care services
 - More chronic conditions
 - Access barriers so may have more frequent emergent care episodes
- U.S. health care system bears these higher costs
 - Private insurance
 - Public insurers (Medicare, Medicaid)
 - Uninsured persons

Questions to Inform Policy

- What are U.S. adult health care costs associated with disability?
- What is share of government health care spending?
- How does spending vary by payer source and type of care?
- How does spending vary by state (and payer within state)?
- How does spending by state vary per person with a disability and per capita?

Study Definition of Disability

- Having a limitation in any way in any activity because of a physical, mental, or emotional problem
- Definition includes:
 - Deficit in Activities of Daily Living (ADLs), such as bathing, eating, or toileting, and
 - Deficit in Instrumental Activities of Daily Living (IADLs), such as shopping and bill paying
- Approximately 15 percent of U.S. adults reported a disability

Data and Methods

- Data
 - CDC National Health Interview Survey
 - AHRQ Medical Expenditure Panel Survey
 - CDC Behavioral Risk Factor Surveillance System
 - CMS Administrative data
- Methods
 - Estimate costs for people both in, and not in, institutions
 - Estimate costs and fraction of national and state spending

Results from National Study

- \$397.9 billion on health services in year 2006
- 26.7 percent of all U.S. adult 2006 health care costs
- Government spending accounts for 70.4 percent of costs
- Institutional spending accounts for 55.6 percent of costs

Disability Costs by Payer

Payer Type	DAHE (\$ billions)	Percent of Each Payer
Medicaid	161.1	68.7
Medicare	119.0	38.1
Private	111.0	12.2
Uninsured	5.6	22.7
Other insurance	1.2	17.1

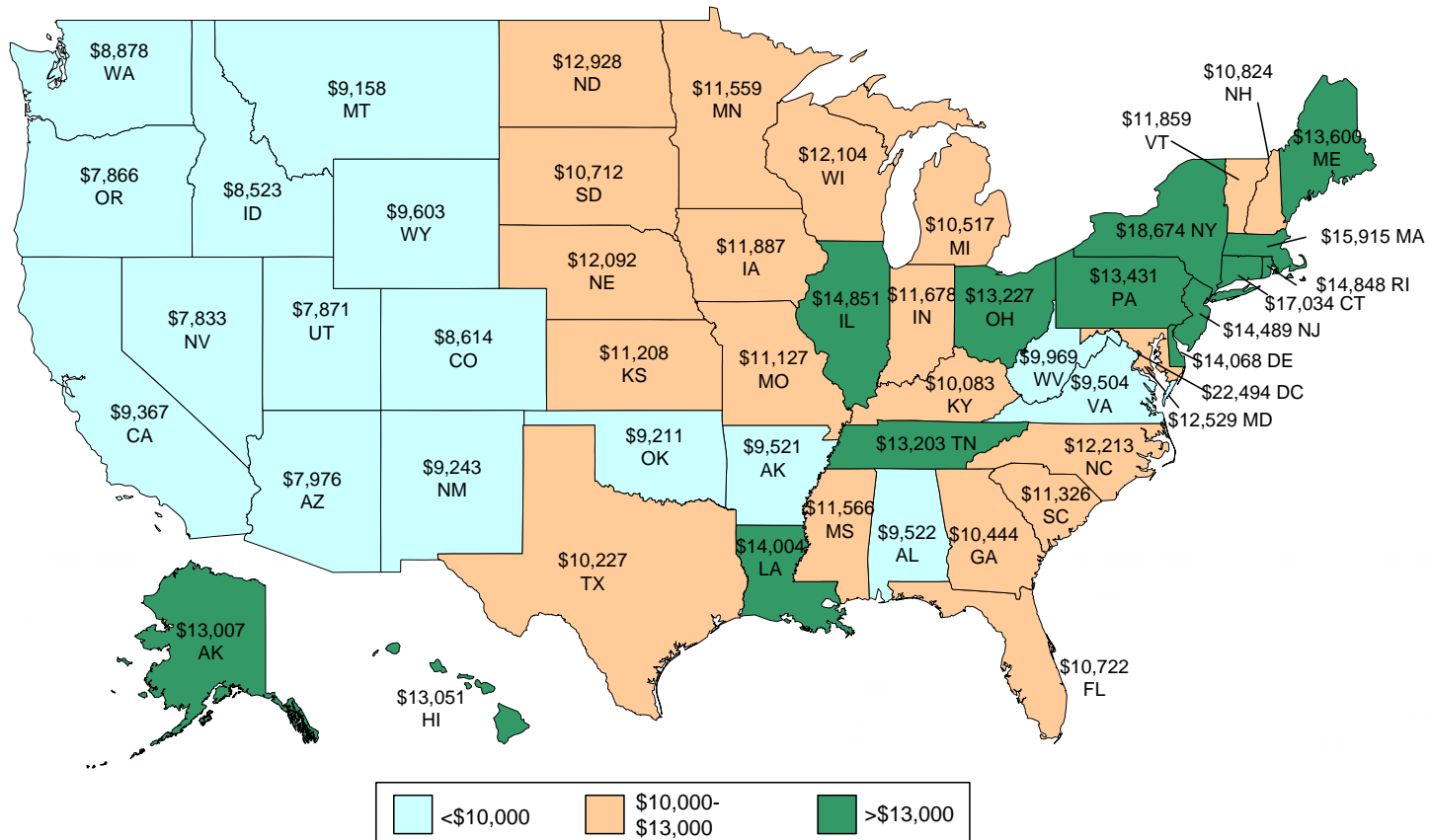
Disability Costs by Type of Care

Type of Care	Costs (\$ billions)	Percent of Each Type
Institutional	209.1	86.2
Inpatient	44.2	17.0
Outpatient	33.7	11.9
Prescription drug	31.2	18.0
Personal care services	31.2	100.0
Home health	24.3	63.6
Emergency room	2.5	10.1

State Estimates of Disability Costs

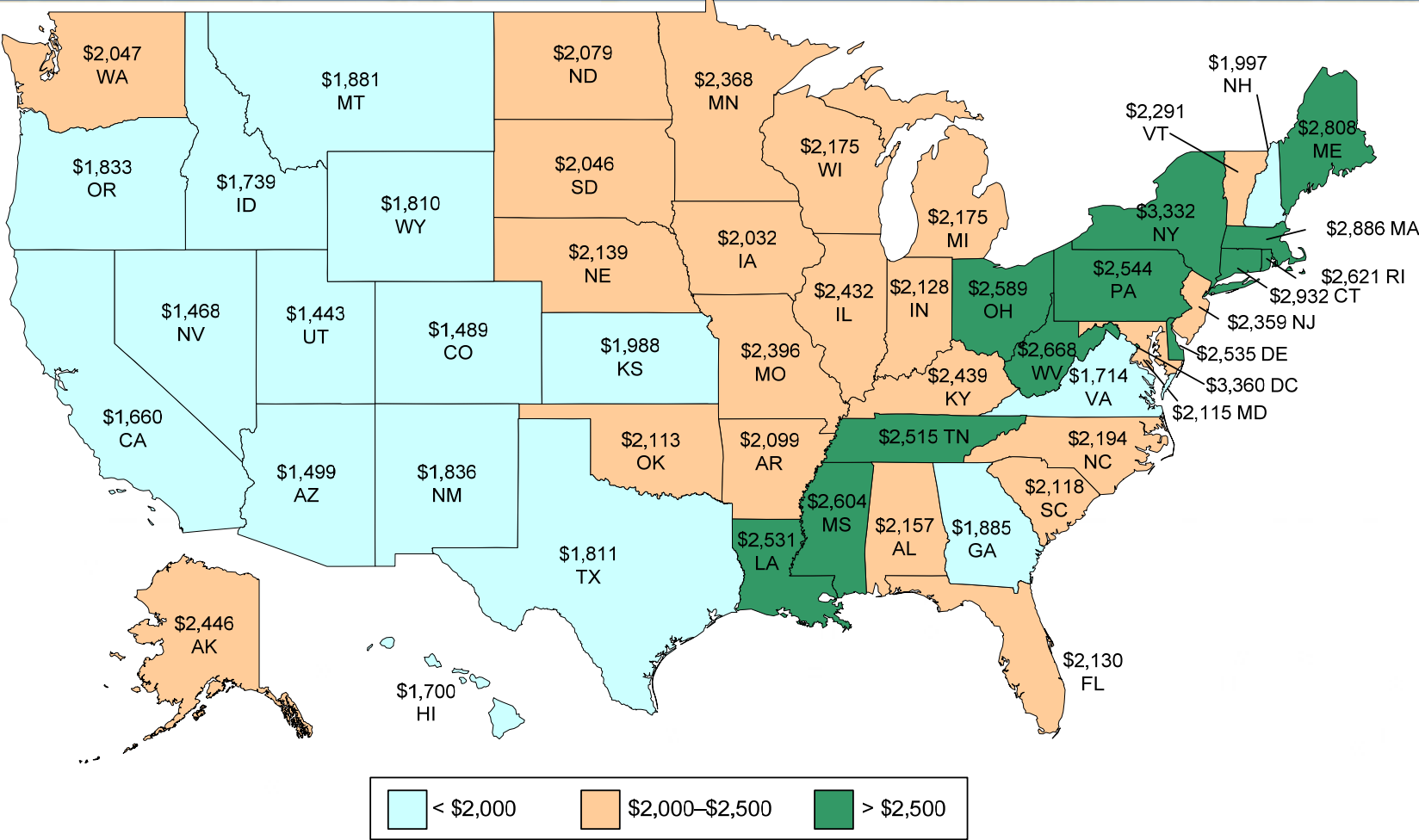
- For each state
- For each payer source within each state
- Analyzed distribution of costs by state by:
 - Per person with a disability
 - Per capita
 - Grouped states into highest, middle, and lowest cost groups

Estimated Mean Adult Disability-Associated Health Care Expenditures per Adult with Disabilities (2006 dollars)



United States = \$11,637

Estimated Mean Adult per Capita Disability-Associated Health Care Expenditures (2006 dollars)



United States = \$2,190

Implications for Policy

- Costs of disability vs. costs of chronic conditions
 - Hard to separate the two issues
 - Which occurs first?
- Added Year 2008 cost of any of following conditions
 - \$27,776 Renal failure
 - \$12,920 HIV/AIDS
 - \$10,715 Epilepsy
 - \$ 6,971 Chronic Heart Disease
 - \$ 6,484 **Disability** (independent of all other conditions)
 - \$ 5,074 Cancer
 - \$ 2,327 Diabetes

Implications for Policy (continued)

- Health care reform
 - Disability and long-term care services should be part of any approach to address prevalence/cost of chronic conditions
 - Persons with disability need insurance
 - Balance of costs between payers (public vs. nonpublic)
- Interventions needed to prevent/delay disability
 - Need to reduce inactivity, falls, depression
- Need to decrease disability/chronic condition costs
 - Preventive services / Health promotion
 - Coordinated care / Disease management programs