



Breaking down the conditions raising employer health care costs



Employers are struggling to cover health care costs for employees with serious health conditions.

About 129M Americans are currently managing a chronic condition, such as heart disease or diabetes.¹

As the **workforce ages**, employers may be more likely to have employees who are at risk of, or are receiving treatment for, chronic conditions. In fact, 4 in 10 employers surveyed said they expect to see higher chronic condition management needs in the future due to more occurrences of these conditions and a higher level of severity.²

Anticipating a higher prevalence of serious or chronic disease diagnoses matters because the management of these conditions can be complex and expensive.

55%

of surveyed employers ranked chronic condition management as the No. 1 area they felt could benefit most from health care innovation³



Average portion of total employer health care spend on chronic conditions,⁴ mainly due to:

- Costly treatments
- Specialty medications
- Hospitalizations
- Higher utilization of health care services

Because of this, it's not surprising that many employers are seeking strategies to help employees and their families more effectively manage their health and reduce their overall cost of care.

United Healthcare

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3 costliest chronic conditions

Looking at UnitedHealthcare data, 3 illnesses cost employers the most per member per month (PMPM).⁴

1

Musculoskeletal conditions

Affecting the bones, muscles, joints and certain connective tissues

2

Neoplasms

Abnormal tissue growths, such as moles and tumors

3

Circulatory disorders

Affecting the heart and blood vessels

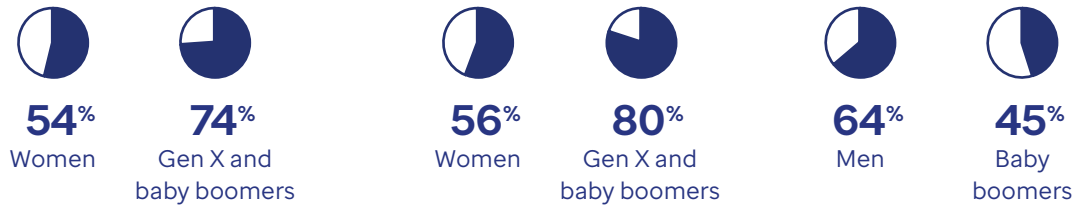
Top diagnoses

1	Spinal arthritis	Benign tumors	Cardiac dysrhythmias
2	Osteoarthritis	Breast cancer	Other heart diseases
3	Musculoskeletal pain	Secondary malignancies	Non-specific chest pain

Average PMPM cost



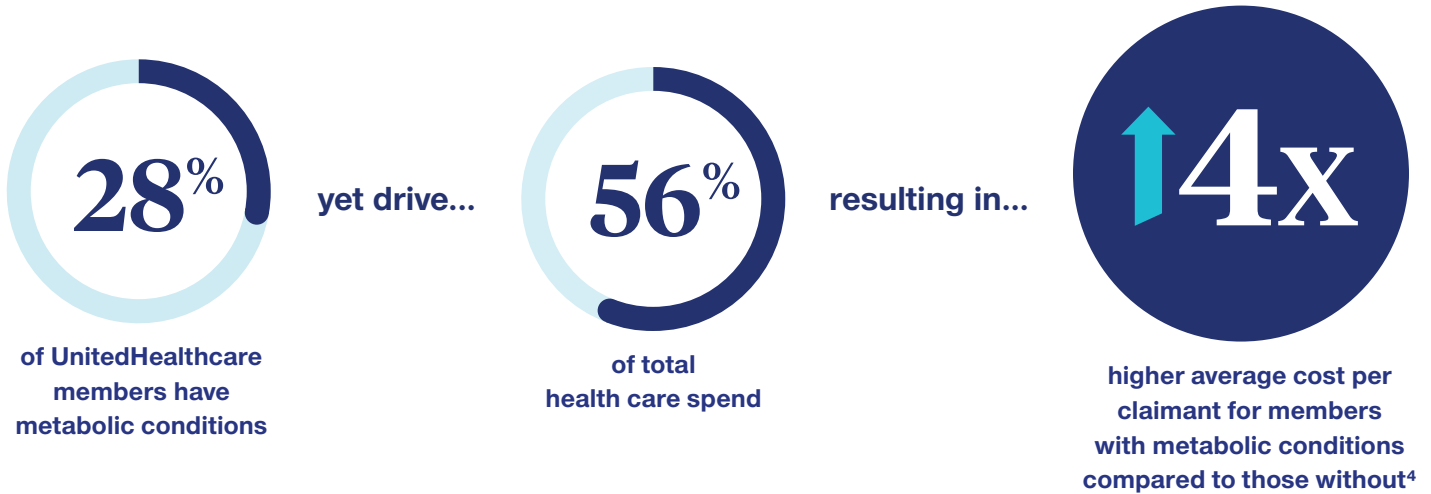
Highest % of total spend by demographic



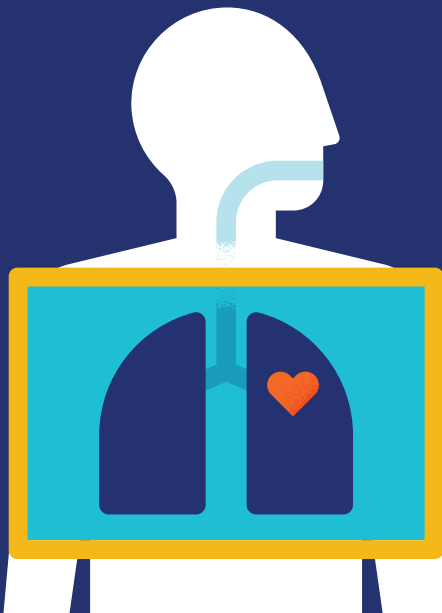
While **respiratory conditions, mental disorders** and **pregnancy** don't fall in the top 3 costliest conditions, they are the top trend drivers—accounting for the highest year-over-year cost increases for employers.

A word about metabolic conditions

Metabolic conditions like obesity, hypertension and diabetes can lead to more serious chronic illness down the road. Employees who have metabolic conditions drive the majority of costs associated with those chronic illnesses. For example, 86% of what employers spend on circulatory disorders such as congestive heart failure – approximately \$80,000 per claimant – can be attributed to metabolic conditions, according to UnitedHealthcare data.⁴



It's important to note that UnitedHealthcare data indicates that some of these conditions impact different demographics more than others. For instance, circulatory disorders disproportionately affect men, who account for 64% of spend, and baby boomers, who make up 45% of spend.⁴



“At UnitedHealthcare, we’re striving to reach members newly diagnosed with a chronic disease sooner in order to make a difference earlier.”

Dr. Rhonda Randall

Chief Medical Officer
UnitedHealthcare Employer & Individual

Strategies for better chronic condition management and lower costs

Managing chronic conditions can be a long and costly road for both employees and employers, but there are strategies designed to help.

“Our goal is to help employees adhere to treatment plans, identify social drivers of health risks and enroll them in clinical programs when available,” says Dr. Rhonda Randall, chief medical officer for UnitedHealthcare Employer & Individual.

Employers can also play a role in helping their employees manage or prevent chronic conditions by promoting a healthier workplace and providing support, which can help reduce costs associated with chronic conditions.



Encourage preventive care

Consider **health plans** designed to encourage employees to engage in preventive care via **employee communications** and wellness programs with incentives or rewards. Selecting a health plan that requires employees to see a primary care provider (PCP) to direct their care may also help prevent later-stage diagnoses.



Promote health and wellness

Unhealthy habits or behaviors, such as tobacco and alcohol use, poor nutrition and physical inactivity, can increase the risk of chronic disease. Developing or investing in **health and wellness programs** with incentives may encourage employees to engage in healthy activities that can help them get on a path to better health.



Offer benefits designed to provide financial support

Along with medical and wellness benefits, employers also have the option to include **financial benefits** in their health plans. These resources can include 1-on-1 financial coaching, online educational sessions, budgeting tools and more. Employers can also help alleviate the financial stress that can come with managing a chronic condition by choosing health plans that offer \$0 copays for services like primary care, virtual care and urgent care visits or condition-specific coverage for necessary treatments, devices or procedures.



Invest in care management and clinical programs

Programs designed to step in and help employees and their families navigate care with a combination of timely outreach, clinical support and personal guidance can make a big difference for those managing chronic conditions. The goal of **these programs** is to get employees and their families the most appropriate care and treatment for their condition at the lowest possible cost.

Learn more

Contact your broker, consultant or UnitedHealthcare representative or visit uhc.com/broker-consultant or uhc.com/employer

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¹ Chronic disease prevalence in the U.S.: Sociodemographic and geographic variations by zip code tabulation area. Centers for Disease Control and Prevention. Feb. 24, 2024. Available: https://www.cdc.gov/pod/issues/2024/23_0267.htm.

² Trends to Watch in 2024. Business Group on Health, Nov. 28, 2023. Available: <https://www.businessgrouphealth.org/resources/trends-to-watch-in-2024>.

³ The future of health care: What matters to employers. Advisory Board, 2023. Available: <https://www.uhc.com/employer/news-strategies/2023-employer-innovation-survey-report>.

⁴ UnitedHealthcare Employer & Individual book of business data, Dec. 2023. Excludes Alaska, Hawaii, Puerto Rico and the U.S. Virgin Islands.

Certain preventive care items and services, including immunizations, are provided as specified by applicable law, including the Patient Protection and Affordable Care Act (ACA), with no cost-sharing to you. These services may be based on your age and other health factors. Other routine services may be covered under your plan, and some plans may require copayments, coinsurance or deductibles for these benefits. Always review your benefit plan documents to determine your specific coverage details.

Disease Management programs and services may vary on a location-by-location basis and are subject to change with written notice. UnitedHealthcare does not guarantee availability of programs in all service areas and provider participation may vary. Certain items may be excluded from coverage and other requirements or restrictions may apply. If you select a new provider or are assigned to a provider who does not participate in the Disease Management program, your participation in the program will be terminated. Self-Funded or Self-Insured Plans (ASO) covered persons may have an additional premium cost. Please check with your employer.

Employee benefits including group health plan benefits may be taxable benefits unless they fit into specific exception categories. Please consult with your tax specialist to determine taxability of these offerings.

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