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Preventing, managing chronic illnesses can save states money and improve care

People with chronic conditions are the largest, highest-cost and fastest-growing group requiring health care services.

State lawmakers are facing many pressing health policy issues today, and most deal in large part with concerns about skyrocketing costs. So as they go about the business of trimming budgets and reallocating precious health care dollars, policymakers are increasingly being urged to consider the impact of the changing nature of health care. That is, there has been a fundamental shift from acute to chronic care. Many health advocates and researchers argue that recognizing this change, and adapting policy accordingly, holds the key to managing future health care cost and quality concerns.

Chronic illness may be defined as any health condition that requires ongoing care for more than a year and which limits a person's activities. People with chronic conditions — such as heart disease, mental illness, asthma, arthritis and diabetes — are the largest, highest-cost and fastest-growing group requiring health care services.

According to the Centers for Disease Control and Prevention, care for chronic illness accounts for more than $750 billion of the $1 trillion spent on health care in the United States each year. Close to 80 percent of Medicaid spending goes toward care for chronic diseases, particularly those suffered by the elderly, blind and disabled. (These enrollees account for less than a third of most states' Medicaid beneficiaries.) With state Medicaid expenditures increasing at unsustainable rates and breaking state budgets, policymakers are increasingly considering strategies to better manage, if not prevent, these debilitating and costly conditions.

States have adopted new initiatives targeting particular chronic conditions in an attempt to increase awareness among the general population about how these health problems may be prevented.

For patients who already have chronic conditions, states can assist with care coordination to help improve outcomes or may work to educate the health care community about best practices. Disease management, which includes identifying patients with certain conditions, creating coordinated interventions, educating patients on self management, and closely monitoring the quality and outcomes of care, has been embraced by numerous states as a way to reduce costs and improve the health status of Medicaid or high-risk pool enrollees.

Next month:

Prospects of gambling expansion

A look at the extent of legalized gambling in the Midwest, along with some possible expansions planned in 2004

The Midwestern Office of The Council of State Governments supports several groups of state officials, including the Midwestern Governors' Conference and the Midwestern Legislative Conference, an association of all legislators in the region's 11 states. The Canadian provinces of Ontario and Saskatchewan are affiliate members of the MLC.

States examine ways to curb incidences of diabetes, obesity

Chronic diseases are the leading causes of death and disability in the United States. While they are among the most prevalent and costly of medical conditions, chronic illnesses also are among the most preventable. Programs to promote healthy behaviors and educate citizens about how to control their illnesses can be an effective way of mitigating the impact of chronic disease.

Diabetes affects more than 17 million Americans — and the numbers are climbing rapidly. According to the U.S. Centers for Disease Control and Prevention, 29 million U.S. residents will be diagnosed with the disease by 2050. Diabetes, the sixth leading cause of death, is the No. 1 cause of kidney failure and new blindness in adults. Along with being a major cause of heart disease and stroke, it accounts for more than 60 percent of leg and foot amputations unrelated to injury.

States have recognized that helping to control and prevent this debilitating condition is a powerful investment. In 2002, the estimated economic cost of diabetes was $132 billion, with $91.8 billion due to direct medical costs and the rest due to lost workdays, restricted activity and disability. Last year, 11 percent of national health care expenditures went toward diabetes care.

MINNESOTA has a long-established Diabetes Control Program in which the state partners with a large health plan to improve the quality of diabetes care at primary care clinics. The effort has resulted in improved blood glucose tests, reduced cholesterol levels (which reduce heart complications) and increases in preventive care medical exams.

In October, MICHIGAN officials unveiled a new Diabetes Strategic Plan. A first for the state, the draft contains 12 recommendations and establishes a "unified course of action" for health care providers, state health officials, researchers, business and community groups, and individuals with diabetes.

Under this new initiative, the state will convene a statewide diabetes consumer advisory group to oversee the low-cost, low-tech strategies called for in the plan. Through an ongoing public awareness campaign and an expansion of primary prevention activities, officials especially hope to reduce the diabetes-related health disparities that currently exist among minority populations in the state. Diabetes affects more than 750,000 Michigan residents and costs the state almost $6 billion annually.

Health experts point to the rapidly increasing rate of obesity in this country as a key factor in the rise of diabetes cases. The CDC, citing statistics that show obesity rates among adults increasing more than 60 percent over the last 10 years, is calling obesity a national epidemic. Physical inactivity and poor nutrition are the key contributing factors to this problem, which cost the United States $117 billion in 2000 ($61 billion of which went for direct medical costs).

Earlier this fall, a joint hearing of the health committees in both chambers of the WISCONSIN Legislature focused on providing lawmakers with a better understanding of the prevalence and impact of obesity. A report from the Wisconsin Public Health and Public Policy Institute concludes that 59 percent of the state's population is overweight or obese. Several ideas to bring these numbers down were discussed at the meeting. One called for improved community education efforts and an increase in school-based physical education requirements. Some attendees said more consideration should be given to how communities are constructed, suggesting the need for more bike paths and pedestrian-friendly streets that encourage physical activity.

A national study released in August linked for the first time people living in areas with the greatest amount of urban sprawl and the likelihood of being overweight and having high blood pressure. In measuring the effects of sprawl, researchers concluded that many developments are engineering physical activity out of people's lives. To address such concerns, a committee convened by the Minnesota Health Department is studying land and transportation planning strategies that promote good health.

Another consideration raised during the Wisconsin hearing was whether the state should adopt a junk-food tax. The idea has already caught on in some states. While some levy special taxes on soft drinks, more than 15 states exempt foods of low nutritional value from the standard sales tax exclusion for

food. ILLINOIS, INDIANA, Minnesota and NORTH DAKOTA have each specified nonexempt foods that are taxed anywhere from 5 percent to 6.5 percent. Health advocates point out, however, that in none of the states where such taxes are collected are the proceeds specifically earmarked for nutrition and health promotion programs.

Targeting specific foods can be tough for policymakers who are likely to run into opposition from manufacturers who argue there are no bad foods, just bad diets. Still, with the rate of obesity in children ages 6-11 doubling since 1980 and teen-agers three times as likely to be overweight as they were 20 years ago, some lawmakers have targeted the food available to youngsters at school, especially through vending machines. Legislative proposals have included turning off vending machines during class time or removing unhealthy food as a vending machine choice. School districts, though, have become increasingly dependent on vending machine proceeds. *The Washington Post* reports that, through contracts with soft drink companies and other vendors, some schools are raising as much as $100,000 a year.

When thinking about chronic disease prevention, tobacco use is surely an ideal target. Tobacco use is the leading preventable cause of death in the United States. In addition, Medicaid recipients have approximately 50 percent greater smoking prevalence rates than the overall U.S. adult population and are disproportionately affected by tobacco-related disease and disability, the CDC reports.

A 2001 survey by the CDC shows that 15 states' Medicaid programs did not provide insurance coverage for any of the tobacco-dependence treatments recommended by the Public Health Service on its 2000 clinical practice guidelines. In the Midwest, IOWA and NEBRASKA are the only Midwestern states that did not cover any such treatments. To help states implement such treatment and improve Medicaid service contracts, the CDC is collaborating with George Washington University to develop model purchasing specifications (a sample is available at *www.gwhealthpolicy.org/newsps/tobacco*). States also are being encouraged to cover all recommended drug therapies and counseling under Medicaid and to actively promote their use among recipients.

Tobacco is just one of the factors that increase a person's cancer risk. The state of Iowa is looking at the contributing factors for the disease and, as a result of legislation signed into law in 2001, has developed a comprehensive state plan to combat it. A study committee of experts from around the state produced a report this summer that summarizes the burden cancer places on Iowans and lays out a two-year strategy that encompasses prevention, early detection, treatment, quality-of- life improvement and research.

As the Iowa plan rightly recognizes, preventing chronic disease through promoting healthy behaviors is just one part of a complex formula for addressing chronic illnesses. For people already suffering from debilitating conditions, managing the impact of these diseases is critical.

Borrowing from the experience of the private sector, some states are implementing disease management plans within their state-sponsored health programs. States outside the Midwest — such as Florida and Virginia — have had more experience with such initiatives in their Medicaid programs and have seen some cost savings and improved patient outcomes. In this region, Indiana has embarked on the most comprehensive Medicaid disease management plan ever attempted.

The state received federal approval to launch an initiative designed to effectively change the way care is delivered. New nurse care managers teach self management and customize health plans to meet individual Medicaid recipients' needs, while also building on the strength of existing public health care infrastructure. The strategy targets 50,000 Medicaid enrollees. It combines approaches from models in which states either buy services from outside vendors or construct a plan from the ground up in order to improve patient outcomes and achieve cost savings.

Expenditures on chronic disease control, promotion of healthy behavior, fiscal year 2001 ($ in millions)

State	General fund	Other state funds	Federal funds	Total funds
Illinois	$205.2	$33.8	$102.6	$341.6
Indiana	$0.0	$3.4	$12.6	$16.0
Iowa	$0.9	$11.0	$13.3	$25.2
Kansas	$0.1	$1.8	$5.2	$7.1
Michigan	$25.2	$39.5	$301.4	$366.1
Minnesota	$27.9	$1,533.0	$20.6	$1,581.5
Nebraska	$1.9	$0.4	$63.8	$66.1
North Dakota	$1.5	$0.5	$11.7	$13.7
Ohio	$45.2	$10.5	$86.3	$142.0
South Dakota	$1.0	$2.9	$14.7	$18.6
Wisconsin	$15.4	$1.7	$36.8	$53.9

Source: Milbank Memorial Fund, 2000-2001 (State Health Care Expenditure Report)

Source Guide

For further information on chronic disease management and prevention:

Association of State and Territorial Chronic Disease Program Directors
www.chronicdisease.org

Association of State and Territorial Directors of Health Promotion and Public Health Education
www.astdhpphe.org

Disease Management Association of America
www.dmaa.org

National Center for Chronic Disease Prevention and Health Promotion
www.cdc.gov/nccdphp

National Governors Association — "Disease Management: The New Tool for Cost Containment and Quality Care"
www.nga.org

The Council of State Governments' "State Official's Guide to Chronic Illness"
www.csg.org

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- The state fiscal crisis in historical perspective (Part III of a three-part series)
- Legislative Attempts to Boost Revenues (Part II of a three-part series)
- Efforts to Cut State Expenditures (Part I of a three-part series)

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