Perceptions of Rising Health Care Costs

NEW TECHNOLOGY
seen as driving cost

CONSUMERS OVERUSE SERVICES
since cost sharing is low
(moral hazard)

PRICES ARE TOO HIGH

Providers practicing
DEFENSIVE MEDICINE
Public Health Emergency in Slow Motion
Global Growth in Non Communicable Diseases

Cause 60% of all deaths globally (35 million a year)

1. Asthma
2. Cancer
3. Cardiovascular diseases
4. Chronic Obstructive Pulmonary Disease
5. Congenital conditions
6. Diabetes
7. Diseases of the digestive system
8. Eye conditions
9. Genitourinary conditions
10. Neuro-psychiatric conditions
11. Skin conditions and musculoskeletal conditions
12. Skin Diseases

- 80% of the world's NCD deaths will come from LMC
- Over the next 10 years, deaths from NCDs expected to increase 17%
- Affect almost 1 in 2 people in the U.S. and contribute to 7 out of 10 deaths
- Globally, 350 million diabetics by 2030

2.3 billion adults are overweight
700 million adults are obese
Chronic diseases still drive U.S. healthcare costs

The Current Trajectory of Obesity will Increase Obesity-Related Health Care Costs in 2030 to more than $230 Billion annually

Sources: Trust for America’s Health and Robert Wood Johnson Foundation, *F as in Fat: How Obesity Threatens America’s Future* 2012
Trends in the Prevalence and Incidence of Diagnosed Diabetes and in Prevalence of Obesity
The Contiguous United States
Visualized by distance to the nearest McDonald’s

The vast majority of cases of chronic disease could be better managed or prevented.
Healthcare cost growth is like a sink that’s overflowing...

...we’re so focused on mopping up the water, no one is reaching up to turn off the faucet.
Raise awareness of the global social and economic burden of NCDs
What is the impact of chronic disease in Wisconsin?
In 2015, 3.4 million people in Wisconsin had at least 1 chronic disease.

1.3 million had 2 or more.
5% of people account for 50% of health care spending in Wisconsin.

Chronic diseases could cost Wisconsin...

$13 billion annually in lost employee productivity

Average per year 2016-2030.
Chronic diseases could cost Wisconsin...

$37.2 billion in medical costs

Average per year 2016-2030.
Chronic diseases could cost Wisconsin...

$8,700 per Wisconsin resident

Projected per person medical and productivity cost of chronic disease in 2030 if current trends continue.
Chronic diseases could cost Wisconsin...

$768 billion

Projected total cost of chronic disease 2016-2030 in Wisconsin.
Now is our chance to make a difference.

Simple changes can prevent new cases of chronic disease and save money for Wisconsin.

**Behavioral Changes**
- Assuming modest changes in healthy behavior and care delivery:
  - Improve treatment rates
  - Increase physical activity
  - Reduce smoking
  - Reduce obesity

**Treatment Advances**
- Assuming optimistic changes and new treatment breakthroughs:
  - Delay Alzheimer’s onset
  - Improve cancer survival
  - Better treatment effectiveness
  - Improve care delivery

**Total Savings**

$124 BILLION in Wisconsin 2016-2030 if improvements are made in prevention and treatment.

- $3.6 billion saved a year
- $4.7 billion saved a year

× 15 YEARS
In Wisconsin, 28,600 lives could be saved annually through better prevention and treatment of chronic disease.
Questions?