



Breaking down the conditions raising employer health care costs

Employers are struggling to cover health care costs for those employees who have serious health conditions.

Today, 60% of U.S. adults are living with at least 1 chronic condition and 40% are living with 2 or more.¹

As Millennials—**who now represent the majority of the workforce**—age, employers are more likely to have employees who are at-risk of, or receive treatment for, chronic conditions. In fact, 41% of employers 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, often requiring:

- Costly treatments
- Specialty medications—which can account for nearly half of an employer’s health care spend³
- Hospitalizations
- Higher utilization of medical 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.

55%

of surveyed employers ranked chronic condition management as the No. 1 area they felt could benefit most from health care innovation⁴

3 costliest chronic conditions

Looking at UnitedHealthcare data,⁵ chronic conditions account for 29% of total employer health care spend, with 3 illnesses costing employers the most per member per month (PMPM):

- 1 Musculoskeletal conditions** affecting the bones, muscles, joints and certain connective tissues—such as back problems, arthritis and osteoporosis—cost employers \$52 PMPM on average
- 2 Neoplasms**, abnormal tissue growths like benign or cancerous moles and tumors, cost employers \$43 PMPM on average
- 3 Circulatory disorders** affecting the heart and blood vessels—such as an abnormal or irregular heartbeat, heart disease or other chest pain—cost employers \$43 PMPM on average

Employees who have metabolic conditions—which can lead to more serious disease down the road—drive the majority of costs associated with those chronic illnesses. Examples include obesity, hypertension and diabetes. In fact, 86% of what employers spend on circulatory disorders can be attributed to metabolic conditions, such as congestive heart failure, which costs approximately \$80,000 per claimant, according to UnitedHealthcare data.⁵

Perhaps more alarming is that 28% of UnitedHealthcare members have a metabolic condition yet drive 56% of total health care spend. This averages to \$12,000 per member, which is 4 times more than those without metabolic conditions.⁵ Additionally, chronic diseases and their associated risk factors cost employers \$36.4B annually in lost productivity and missed work.⁶

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.⁵



Worth noting

Top trend drivers that account for the highest year-over-year cost increases for employers with UnitedHealthcare health plans are respiratory conditions, mental health and pregnancy.⁵



“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 that can help.

“Our goal is to help employees adhere to treatment plans, identify social determinants of health risks and enroll them in clinical programs when available,” Randall says.

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 to reduce costs associated with chronic conditions. Here’s more:



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 PCP to direct their care may also help prevent later-stage diagnoses.



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.



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** like **UnitedHealthcare Rewards** may encourage employees to complete healthy activities, so they can earn rewards that can help them get on a path to better health.



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 with **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

United Healthcare

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¹ About Chronic Diseases. Centers for Disease Control and Prevention, July 21, 2022. Available: <https://www.cdc.gov/chronicdisease/about/index.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 Jeremias, S. The Age of Adalimumab Is Upon Us: How Stakeholders Can Prepare. AJMC: The Center for Biosimilars, June 28, 2023. Available: <https://www.centerforbiosimilars.com/view/the-age-of-adalimumab-is-upon-us-how-stakeholders-can-prepare>.

⁴ The future of health care: What matters to employers. Advisory Board, 2023. Available: <https://www.uhc.com/content/dam/uhcdotcom/en/e+articles/pdfs/ei232546305-trimester-innovation-summary-advisory-board-report-1r.pdf>.

⁵ UnitedHealthcare Employer & Individual book of business data, Dec. 2023. Excludes Alaska, Hawaii, Puerto Rico and the U.S. Virgin Islands.

⁶ Workplace Health Promotion. CDC. Available: <https://www.cdc.gov/chronicdisease/resources/publications/factsheets/workplace-health.htm#>. Accessed: Jan. 9, 2023.

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.

UnitedHealthcare Rewards is a voluntary program. The information provided under this program is for general informational purposes only and is not intended to be construed as medical advice. You should consult an appropriate health care professional before beginning any exercise program and/or to determine what may be right for you. Receiving an activity tracker, certain credits and/or rewards and/or purchasing an activity tracker with earnings may have tax implications. You should consult with an appropriate tax professional to determine if you have any tax obligations under this program, as applicable. If any fraudulent activity is detected (e.g., misrepresented physical activity), you may be suspended and/or terminated from the program. If you are unable to meet a standard related to health factor to receive a reward under this program, you might qualify for an opportunity to receive the reward by different means. You may call us toll-free at 1-866-230-2505 or at the number on your health plan ID card, and we will work with you (and, if necessary, your doctor) to find another way for you to earn the same reward. Rewards may be limited due to incentive limits under applicable law. Components subject to change. This program is not available for fully insured members in Hawaii, Vermont and Puerto Rico nor available to level funded members in District of Columbia, Hawaii, Vermont and Puerto Rico.

Insurance coverage provided by or through UnitedHealthcare Insurance Company or its affiliates. Administrative services provided by United HealthCare Services, Inc. or their affiliates.