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**NEW COMMONWEALTH FUND REPORT PROFILES THE 12 MILLION
SICKEST PATIENTS; FINDS HEALTH CARE SYSTEM NOT MEETING
THEIR NEEDS**

***Health Care Improvement Efforts Should Focus On Needs Of Those With Multiple
Chronic Illnesses And Limited Ability To Care For Themselves***

New York, NY, August 29, 2016—Twelve million people living at home in the United States have three or more chronic illnesses in addition to a functional limitation that makes it hard for them to perform basic daily tasks such as getting around the house or talking on the phone, according to a new Commonwealth Fund report. These adults, who face medical problems that are among the most complicated in the U.S. health care system, are older and less educated than U.S. adults overall and more likely to be female, white, low-income, and publicly insured. In fact, more than half of high-need adults are over 65, and nearly two-thirds are women. Among these sickest adults, more than one of four did not finish high school, compared with about one in six in the total adult population.

The report, *High-Need, High-Cost Patients: Who Are They and How Do They Use Health Care?*, was released together with *Health System Performance for the High-Need Patient: A Look at Access to Care and Patient Care Experiences*. Together, the analyses present the most detailed look to date at the group of patients that health system reformers are currently spending much of their time focusing on: the small percentage of the U.S. population that accounts for a large share of health care expenditures.

“We have known for a long time that there are very sick patients facing challenges in daily living and that our health care system has to do a better job of caring for them,” said Melinda Abrams, Vice President for Delivery System Reform at The Commonwealth Fund and a coauthor of the reports. “This research shows us who they are, what their needs are, and how the system is, or isn’t, working for them right now. This gives us a clearer picture of how to help them get and afford the care they need, so they’re able to live their lives to the fullest extent possible.”

The Sickest Patients Have Greater Unmet Needs, Lower Incomes, and Higher Spending

According to the new research, the sickest adults struggle to get the health care they need but still spend more out-of-pocket and have higher medical costs than other adults:

- Twenty percent of the sickest adults reported going without or delaying needed medical care or prescription medication in the past year, compared to 8 percent of all U.S. adults.
- Out-of-pocket expenses for adults with high needs were more than twice those of the average adult (\$1,669 vs. \$702). At the same time, the annual median household income for high-need adults was less than half that for the overall adult population.
- Average annual per-person spending on health care was \$21,021 for the sickest adults—nearly three times the average for adults with multiple chronic diseases but no functional limitations (\$7,526), and more than four times that for the average U.S. adult (\$4,845).

Although 96 percent of high-need adults have health insurance, that coverage does not guarantee they are able to get the care they require. High-need adults with private insurance are the most likely to have unmet medical needs (32%), followed by those with Medicaid (28%), Medicare (15%), and both Medicare and Medicaid (14%). In addition, high-need Medicaid beneficiaries have greater difficulties obtaining referrals to specialists compared to high-need Medicare beneficiaries or individuals with private insurance.

“We are asking the sickest people to pay the most, when they have the lowest incomes,” said Gerard Anderson, a professor at Johns Hopkins Bloomberg School of Public Health and a coauthor of the studies.

Improving Care for High-Need Patients

As health system leaders and policymakers look for ways to improve health care and reduce costs, they have focused to a great extent on patients with multiple chronic illnesses. This research finds that even more priority should be given to people with the greatest needs: chronically ill patients who struggle with limitations that impair their ability to function on a daily basis. Specifically, the reports recommend that:

- Private insurers should consider how benefits and provider networks can be improved to help high-need enrollees, who fare far worse than typical enrollees when it comes to getting needed care.
- State policymakers should consider how to ensure that high-need adults enrolled in Medicaid are able to access needed specialty care.
- Initiatives that seek to improve care for high-need patients should target the patients most likely to benefit and tailor programs to their unique characteristics and needs.

“The sickest patients have the highest medical spending but cannot reliably get the health care they need, even though they have insurance,” said Commonwealth Fund President David Blumenthal, M.D. “This is a sign that our health care system is failing its most vulnerable patients. Helping patients with the greatest needs should be among the very highest priorities for efforts to improve our current system.”

When the embargo lifts, the reports will be available at <http://www.commonwealthfund.org/Publications/Issue-Briefs/2016/Aug/High-Need-High-Cost-Patients-MEPS1> and <http://www.commonwealthfund.org/Publications/Issue-Briefs/2016/Aug/High-Need-High-Cost-Patients-MEPS2>.

Methodology

Both reports are based on a retrospective cohort analysis of the 2009–2011 Medical Expenditure Panel Survey (MEPS)–Household Component. MEPS is representative of the noninstitutionalized civilian U.S. population; this analysis focused on adults age 18 and older. Chronic diseases were identified using ICD-9 diagnosis codes assigned to AHRQ’s Clinical Classification System. Functional status was based on respondents’ self-reported limitations in activities of daily living (basic personal care tasks such as dressing or bathing) or instrumental activities of daily living (such as shopping, preparing food, managing medications, and performing routine household tasks). Health care spending includes expenditures for services provided by hospitals, physicians, and other health care providers, as well as for prescribed medicines, dental care, and medical equipment.

The Commonwealth Fund is a private, nonprofit foundation supporting independent research on health policy reform and a high performance health system.