

High-Cost Health Care Claimants: Health Spending and Chronic Condition Prevalence in 2021

Examining the health care claims of 8.6 million individuals enrolled in a group policy in 2021, our research shows that:

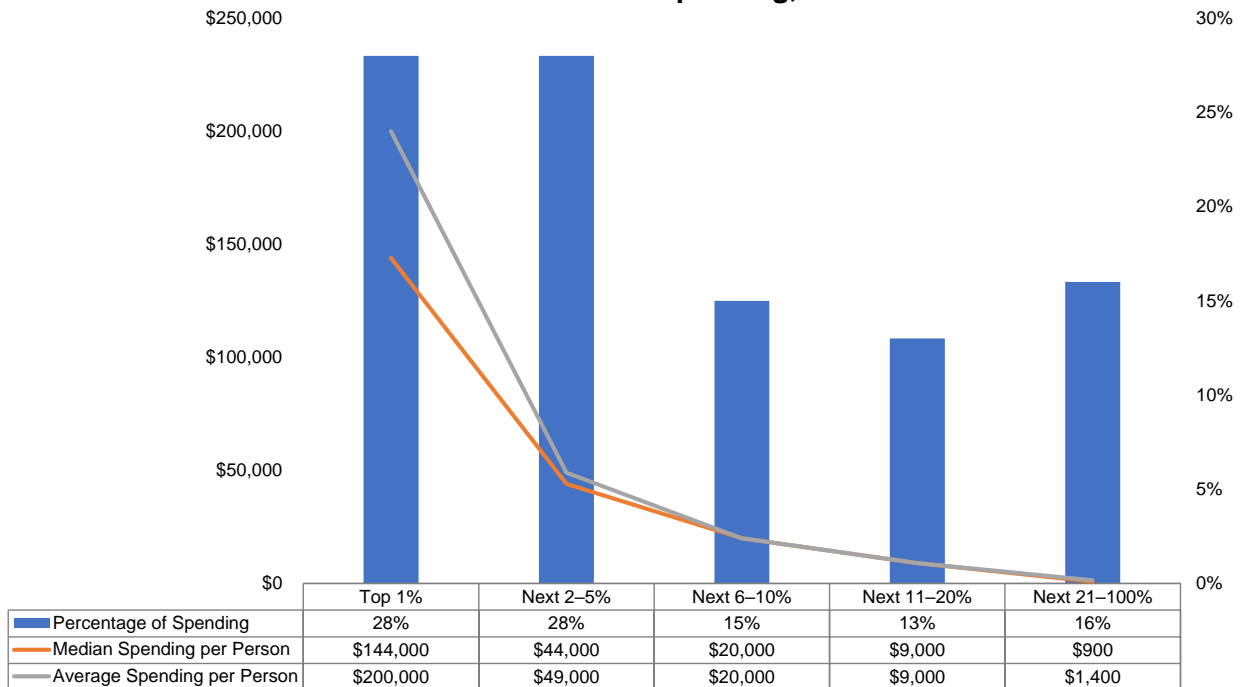
- The top 1 percent of spenders accounted for 28 percent of spending, the top 5 percent accounted for 56 percent of spending, the top 10 percent accounted for 71 percent of spending, and the top 20 percent accounted for 84 percent of total health spending (Figure 1).
- The medical spending distribution is highly skewed. The top 1 percent of spenders accounted for 28 percent of spending, the next 2–5 percent accounted for 28 percent of spending, the next 6–10 percent accounted for 15 percent of spending, the next 11–20 percent accounted for 13 percent of spending, and the remaining 21–100 percent accounted for 16 percent of spending (Figure 2).
- The average spending for an enrollee in the top 1 percent of spending was \$200,000 a year, and for someone in the top 20 percent, the average was \$30,000 (Figure 2).

Figure 1
Distribution of Health Spending, Among Individuals
With Employment-Based Health Coverage, 2021

Percentage of Enrollees	Percentage of Spending	Median Spending per Person	Average Spending per Person	Minimum Spending per Person
1%	28%	\$144,000	\$200,000	\$93,000
5%	56%	\$50,000	\$79,000	\$29,000
10%	71%	\$29,000	\$50,000	\$15,000
20%	84%	\$15,000	\$30,000	\$6,000

Source: EBRI estimates using 2021 Merative™ MarketScan® Commercial Database.

Figure 2
Distribution of Health Spending, 2021



Source: EBRI estimates using 2021 Merative™ MarketScan® Commercial Database.

- About 3 million enrollees, or 54 percent, of all enrollees in group plans have at least one of the conditions in Figure 3. Total spending for these enrollees represents 90 percent of all health care spending in group plans in 2021. Average spending among these 3 million enrollees was \$11,629 per person.
- Among these 3 million enrollees, 29 percent have a respiratory disease, 28 percent have a musculoskeletal condition, 23 percent have a skin disorder, 22 percent have heart disease, 20 percent have a nervous system disorder, 20 percent have a mental disorder, 15 percent have hypertension, 13 percent have diabetes, 6 percent have connective tissue disease, 4 percent have cancer, 4 percent have some “other” condition, 4 percent have an endocrine disease, 2 percent have pneumonia, 2 percent have an infectious disease, 1 percent have cerebrovascular disease, and 1 percent have kidney disease.
- Individuals with any one of these conditions may and likely do have other health conditions, explaining their high health spending.
- Average spending for enrollees with any one of the 16 conditions in Figure 3 ranged from \$13,000 (those with respiratory conditions) to \$58,000 (those with kidney disease).

Figure 3
Prevalence of Health Conditions, Average Spending, and
Share of Total Spending Among Individuals With
Employment-Based Health Coverage, 2021

Condition	Share of Chronic Conditions Sample	Average Spending per Person	Percentage of Total Spending
Respiratory Conditions	29%	\$13,000	30%
Musculoskeletal Conditions	28%	\$17,000	36%
Skin Disorders	23%	\$15,000	28%
Heart Disease	22%	\$17,000	44%
Nervous System Disorders	20%	\$25,000	39%
Mental Disorders	20%	\$15,000	24%
Hypertension	15%	\$20,000	22%
Diabetes	13%	\$22,000	18%
Connective Tissue Disease	6%	\$20,000	9%
Cancer	4%	\$51,000	14%
Endocrine Disease	4%	\$20,000	6%
Pneumonia	2%	\$54,000	6%
Infectious Disease	2%	\$35,000	5%
Cerebrovascular Disease	1%	\$51,000	5%
Kidney Disease	1%	\$58,000	5%
Other	4%	\$40,000	13%

Source: EBRI estimates using 2021 Merative™ MarketScan® Commercial Database.

*Note: Chronic Conditions sample is enrollees who have at least one of the 14 medical conditions in this figure. It represents about 38 percent of all enrollees.

** Average spending for enrollees by condition includes spending on other health conditions.

*** "Other" category includes liver disease, hemiplegia/paraplegia, AIDS, regional enteritis, ulcerative colitis, and dementia.

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