

Concentrated Health Care Spending Over Time — and Its Ramifications

Employers offer health plans that in large part look and feel the same to plan enrollees whether they are high users, moderate users, or low users of health care services, even though health spending is skewed toward high users. It is a well-known fact that about 20 percent of the population account for 80 percent of total spending on health care services. Similarly, 10 percent of the population account for 70 percent of total spending. High users, especially those with persistently high claims, are one of the most challenging populations to address.

The Employee Benefit Research Institute's (EBRI) recent *Issue Brief* on “Persistency in High-Cost Health Care Claims: ‘It’s Where the Spending Is, Stupid’” found that the characteristics of individuals who are persistently high-cost claimants are different from the characteristics of the individuals who have never been in the top 10 percent of claimants. Individuals temporarily in the top 10 percent of claimants had characteristics similar to those in the top 10 percent for all five years studied. Sixty-three percent of those persistently in the top 10 percent of claimants, as well as 59 percent of those in the top 10 percent three or four years, were ages 50–64, compared with 30 percent among those never in the top 10 percent. Persistently high-cost claimants were also much more likely to be the spouse of the policyholder. We found that 32 percent of those in the top 10 percent of claimants all five years were the spouse of the policyholder, compared with only 16 percent among those never in the top 10 percent of claimants.

Thirty-five percent of those persistently in the top 10 percent of claimants had hypertension or high blood pressure; 34 percent had dyslipidemia or high cholesterol, and 33 percent had diabetes (Figure 1). They were also much more likely to be treated for back problems, respiratory disease, connective tissue disease, mental health conditions, and other conditions.

There is a strong correlation between diabetes and other health conditions. Among individuals in the top 10 percent of claimants for five years, 51 percent of those with diabetes also had hypertension, and about one-quarter of those with diabetes also had respiratory disease (27 percent), back problems (26 percent), and/or connective tissue disease (24 percent), among other less prevalent conditions (Figure 2).

Our findings have implications for employers, namely that, in order to address large claims, they will need to focus on disease prevention and care management. For example, a focus on prevention may reduce spending on not just hypertension and diabetes in the long term but on other conditions as well since hypertension and diabetes are often associated with other diseases. Our findings also have policy implications, namely that individuals ages 50–64 accounting for a disproportionate share of high-cost claimants suggests that employers may support a Medicare buy-in proposal, especially if they are able to pay premiums on behalf of those opting out of employment-based coverage for Medicare.

Figure 1
Health Conditions Among Individuals in Top 10 Percent of Health Care Spending All Five Years From 2013–2017

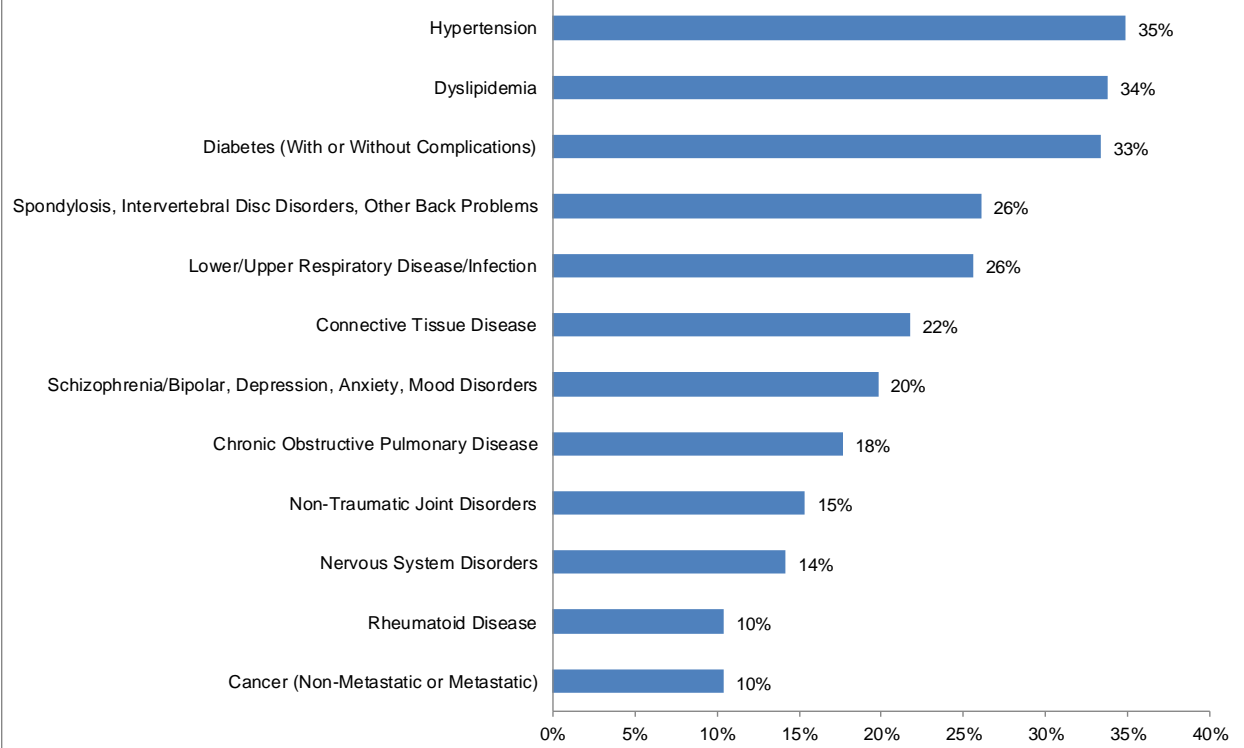
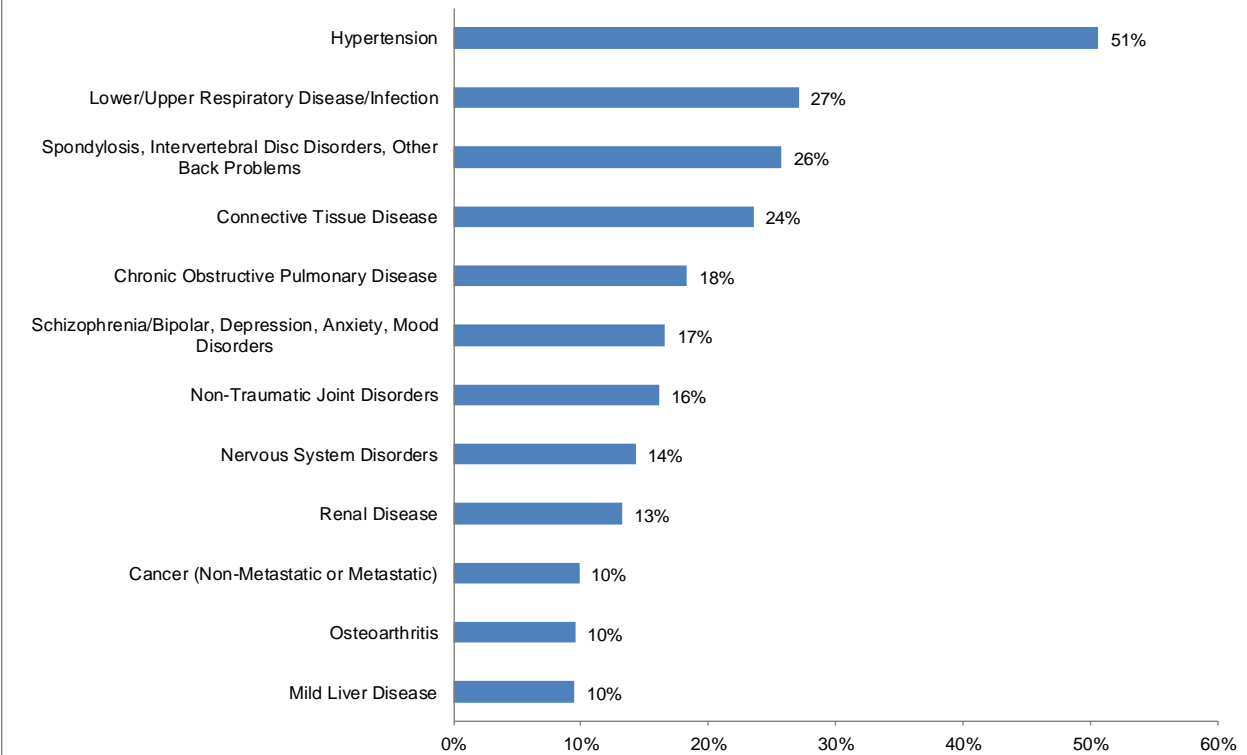


Figure 2
Comorbidities Among Diabetics in Top 10 Percent of Health Care Spending All Five Years From 2013–2017



The EBRI report, “Persistency in High-Cost Health Care Claims: ‘It’s Where the Spending Is, Stupid,’” is published as the October 24, 2019, *EBRI Issue Brief* and is available online [here](#).

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