

Spending Among Employment-Based Health Plan Enrollees With the Most Common Health Conditions

The use of health care services — and the spending associated with those services — is far from evenly distributed across the population. It has long been known that a small portion of the population accounts for a disproportionately large share of health care spending.

Yet, employers often offer health plans that look and feel largely the same to enrollees regardless of the extent to which they use health care services, despite differences in health status, health conditions, and underlying health care needs.

High users — often referred to as high-cost claimants, the costliest patients, or top spenders in the health system — are commonly individuals with significant, intensive, and complex medical needs. These individuals usually require ongoing or intensive care for one or more medical conditions. However, there is no agreed-upon definition for a high-cost claimant. Various definitions typically rely on annual health care spending thresholds or percentile-based cutoffs.

This is the second in a series of *EBRI Fast Facts* related to the concentration of health care spending. In this *Fast Fact*, we examine health care spending among individuals in employment-based health plans with the top medical conditions.

The health care claims of 13.1 million individuals with employment-based health benefits in 2022 were examined using the MarketScan[®] Commercial Database. It contains information on inpatient, outpatient, and pharmacy claims for workers and their dependents.

Key Findings:

- **Most High-Cost Claimants Have One of Five Conditions:** Over 80 percent of the highest health care spenders in employment-based health plans had at least one of five common medical conditions: skin disorders, respiratory conditions, musculoskeletal conditions, mental health conditions, or heart disease.
- **Top 1 Percent Drive Spending:** Among the top 1 percent of spenders, nearly nine out of 10 (87 percent) had one or more of these five common conditions. This group alone also accounted for 87 percent of total spending, averaging \$205,000 per person and \$149,000 for median spending.¹
- **The Top 5 Percent, 10 Percent, and 20 Percent Follow Similar Pattern:** For example, in the top 20 percent of spenders, 84 percent had one or more of the five conditions we examined, accounting for 86 percent of total spending. Average spending was \$31,000.

¹ Comparing median and mean findings is essential, especially in health care spending data. Because spending data are often highly skewed, the mean can be heavily influenced by a small number of high-cost individuals, overstating the experience of most enrollees. The median, by contrast, provides a clearer picture of what a typical person actually spends — making it essential for designing effective health policies.

Comorbidities Are Common:

- **Heart disease and at least one other condition** was the most common combination of comorbidities. Forty-two percent of the top spenders had heart disease and at least one of the other four conditions, accounting for 42 percent of total spending. Average spending was \$208,000.
- **Mental health conditions and at least one other condition** were the least common combination of comorbidities examined in this analysis. Twenty-one percent of the top spenders had heart disease and at least one other condition, accounting for 20 percent of total spending. Average spending was \$199,000. It is worth repeating that mental health conditions were one of the top five most common medical conditions.

Figure 1
Prevalence of Common Medical Conditions and Associated Spending Across High-Cost Claimant Tiers, 2022

Percentage of Enrollees	Share of Enrollees Diagnosed With at Least One of the Following: Skin Disorders, Respiratory Conditions, Musculoskeletal Conditions, Mental Health Conditions, or Heart Disease	Median Spending per Person	Average Spending per Person	Percentage of Total Spending
1%	87%	\$149,000	\$205,000	87%
5%	87%	\$52,000	\$81,000	87%
10%	85%	\$29,000	\$52,000	86%
20%	84%	\$15,000	\$31,000	85%

Source: EBRI estimates using 2022 Merative™ MarketScan® Commercial Database.

Note: ICD-10 codes were used to identify enrollees being treated for the various medical conditions. Claims data, while a valuable source of information for health care research, often undercounts the true prevalence of health conditions due to factors like undiagnosed cases, coding limitations, patient access issues, and a lack of detailed clinical information. Average spending reflects total health care expenditures, not just those related to the listed condition.

- **Comorbidity Matters:** A significant share of top spenders had multiple medical conditions — particularly combinations involving heart disease, respiratory conditions, and mental health conditions — which substantially contributed to overall health care spending. It is worth noting this analysis primarily focused on the patterns of one condition alongside at least one of the others to illustrate the general issue of comorbidities. The analysis was not a full examination of all possible comorbidity combinations. Employers could benefit from a more tailored analysis of the specific combinations most prevalent in their own populations.

Figure 2
Percentage of Enrollees with Heart Disease and Mental Health Comorbidities and Their Share of Total Spending, 2022

Percentage of Enrollees	Share of Enrollees Diagnosed With Heart Disease and Another Condition	Median Spending per Person	Average Spending per Person	Percentage of Total Spending Accounted for by Enrollee With the Condition
1%	42%	\$149,000	\$208,000	42%
5%	37%	\$55,000	\$86,000	40%
10%	33%	\$32,000	\$57,000	38%
20%	29%	\$17,000	\$37,000	36%

Percentage of Enrollees	Share of Enrollees Diagnosed With Mental Health and Another Condition	Median Spending per Person	Average Spending per Person	Percentage of Total Spending Accounted for by Enrollee With the Condition
1%	21%	\$146,000	\$199,000	20.1%
5%	21%	\$51,000	\$80,000	20.4%
10%	20%	\$30,000	\$52,000	20.1%
20%	18%	\$16,000	\$32,000	19.6%

Source: EBRI estimates using 2022 Merative™ MarketScan® Commercial Database.

Note: ICD-10 codes were used to identify enrollees being treated for the various medical conditions. Claims data, while a valuable source of information for health care research, often undercounts the true prevalence of health conditions due to factors like undiagnosed cases, coding limitations, patient access issues, and a lack of detailed clinical information. Average spending for enrollees by condition includes spending on other health conditions.

For simplicity, we chose to show data for enrollees with heart disease and another health condition separately from those who had mental health conditions alongside another health condition. These represented the highest and lowest shares of enrollees. The findings from the other health conditions are available upon request.

This *EBRI Fast Fact* illuminates the significant concentration of health care spending within employment-based health plans, revealing that a disproportionately small segment of the population drives the vast majority of costs. The analysis of 2022 claims data for 13.1 million individuals clearly demonstrates that over 80 percent of the highest spenders had at least one of five common medical conditions, with the top 1 percent alone accounting for 87 percent of total spending. While heart disease combined with other conditions represented the most common and costly comorbidity, the findings underscore the critical link between common conditions and high health care utilization. This insight suggests that employers, who often offer uniform health plans, may need to consider more tailored approaches to address the complex needs and associated costs of their high-cost claimants, acknowledging the limitations of claims data in fully capturing health prevalence.

Data and Methods

We analyzed the Merative™ MarketScan® Commercial Database, which contains pharmacy and medical claims data on a sample of 13.1 million enrollees in a non-capitated employment-based health plan in 2022. The study cohort included individuals under age 65, residing in all U.S. geographic regions, and enrolled in a variety of plan types. Using relevant ICD-10 codes from claims, we derived health condition indicators.

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