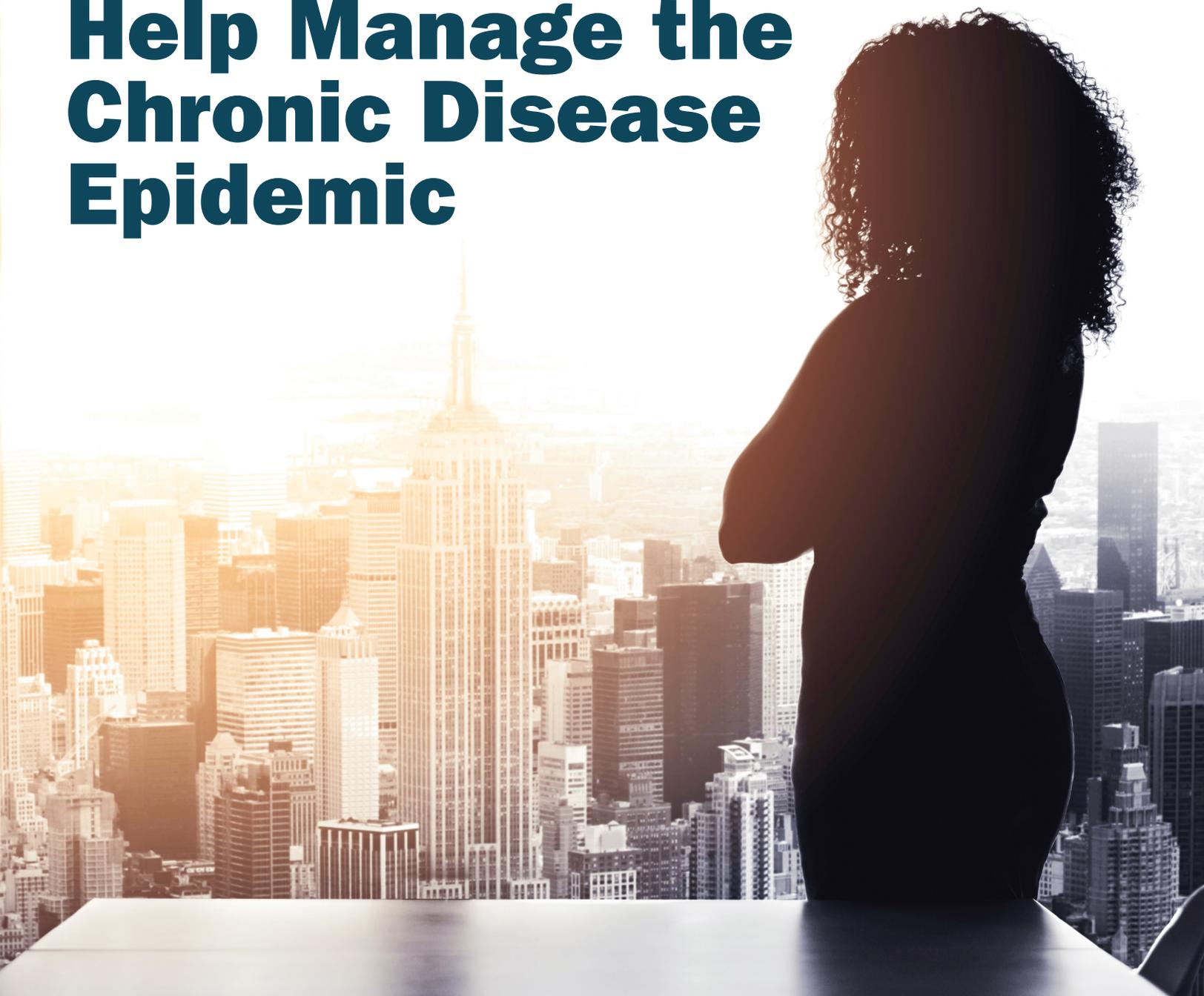


How Employers Can Help Manage the Chronic Disease Epidemic



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HEALTH SOLUTIONS

Chronic disease is a major expense for America's healthcare system. According to the Centers for Disease Control, 90 percent of the \$3.3 trillion in U.S. healthcare spend is for chronic diseases. If appropriate steps aren't taken to improve both prevention and treatment of such diseases, the Partnership to Fight Chronic Disease predicts that the projected total cost of chronic disease in America could tip the scales at \$42 trillion by 2030. The most expensive conditions in terms of direct healthcare costs are diabetes, Alzheimer's and osteoarthritis, and the three most common chronic conditions are hypertension, dyslipidemia and osteoarthritis.

More than two-thirds of all deaths in the U.S. are caused by one or more of the following five chronic diseases: heart disease, cancer, stroke, chronic obstructive pulmonary disease and diabetes. Overall, chronic diseases kill more than 1.7 million Americans every year. Current research estimates that 150 million Americans currently live with one chronic illness, 100 million have more than one and 30 million live with five or more chronic conditions (see Table 1). The latter accounts for about 12 percent of the U.S. population—but 40 percent of U.S. healthcare spend.

**TABLE 1:
Chronic Diseases and Their Prevalence**

Disease	Prevalence (as of 2016)
Alzheimer's and dementia	5,619,500
Asthma and COPD	21,801,046
Back pain	31,573,940
Cancer*	10,343,758
Congestive heart failure	6,597,583
Coronary heart disease	16,747,711
Diabetes	26,673,135
Dyslipidemia	94,698,620
End-stage renal disease	700,969
Gallbladder disease	20,298,477
Hypertension	78,619,781
Osteoarthritis	55,688,453
Stroke	8,794,418

Source: Waters H and Graf M. The Cost of Chronic Diseases in the U.S. 2018. <https://www.milkeninstitute.org/publications/view/910>.

Note: While this is a thorough list of chronic conditions, it isn't exhaustive. Mental-health conditions, hepatitis and HIV are just a few examples of chronic diseases not listed in the Milken Institute's analysis.

* Only certain cancers are considered chronic: breast (3,669,600), colorectal (1,346,586), endometrial (726,047), esophageal (46,561), gallbladder (10,057), stomach (95,746), liver (66,771), lung (527,228), ovarian (222,060), pancreatic (64,668), prostate (3,085,209) and renal (483,225).

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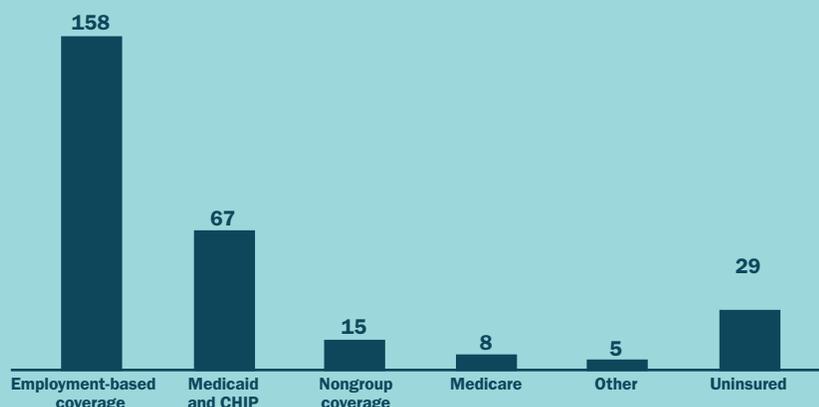
These stark statistics are made worse when you consider the consistent, increasing healthcare costs in the U.S. Since 2013, healthcare costs have risen by 27 percent. In comparison, full-time wages have barely budged. Another factor in the chronic-condition outlook is the rapidly aging population. Adults 65 and older are much more likely than their younger counterparts to have multiple chronic diseases.

These data illustrate the severity of chronic disease in

America. Something needs to happen to control costs and, ultimately, promote and prolong the healthy lives of millions of Americans. Arguably, one of the best places to start the prevention and treatment process is at work. Approximately 158 million Americans receive employer-based healthcare coverage, which is significantly greater than any other insured (or non-insured) population (see *Figure 1*).

FIGURE 1:
Health Insurance Coverage in 2018 for People Under Age 65

Millions of People



Source: Congressional Budget Office; Staff of the Joint Committee on Taxation (2018)

Employers are in the driver's seat when it comes to managing chronic illness. They are responsible for choosing the plans, which provide the basis for care. And they're increasingly interested in improving the health of their employees and their families.

"Employers are the payers of health coverage for employees and their dependents; therefore, they must have an interest in managing chronic health conditions," says Ron Leopold, chief medical officer at Lockton Benefits Group.

"What they're able to do is create incentives, identify and pay for programs by the carrier, or identify and implement third-party vendor solutions that help with chronic-condition management."

LuAnn Heinen, vice president of wellbeing and productivity at the National Business Group on Health, says that employers need to consider factoring in chronic-care options as they design their plans and choice benefits.

"Even if an employer is self-insured, they're choosing one or more third-party administrators that then deliver a network and a customer experience that enables, or doesn't enable, people to utilize their healthcare," Heinen says. "They're choosing benefits, plans and programs, and helping employees navigate the complex healthcare system. Employers are responsible for supporting their employees' physical, emotional and financial wellbeing."

In the 23rd annual *Best Practices in Healthcare Employer Survey* from Willis Towers Watson, employers cited chronic illness as a No. 1 priority to address over the next three years; however, only 19 percent said their current wellbeing policies effectively reduce the impact of chronic illness on their employees.

Heidi Guezkow, health risk solution national program manager at Lockton Benefits Solutions, says that the employer focus on chronic illness is an emerging trend, but a positive one. Many employers are doing more physical step-tracking programs and embracing point-based rewards systems for meeting a step or exercise goal, she says. But to have an impact, she adds, they must start focusing more on actual chronic health conditions.

Like Guezkow, Heinen reports she's seen an increased interest in employers addressing chronic disease.

"They care about it because it's their goal to attract and retain the best talent they can, to be an employer of choice and to support employees to be their best at work and at home," says Heinen. "We're seeing a connection between wellbeing and business performance."



Methods for Managing Chronic Illness

Before employers can jump into chronic-condition management, company leaders need to first understand the employee and family population that they serve so that they can choose personalized programs.

"There needs to be a cultural fit," Heinen says. "Choose programs well and implement them appropriately so that employees can easily navigate the offerings."

Anne Richter, North American co-leader of Willis Towers Watson's health

management practice, agrees, adding that employers should review employee health data to create an evidence-based strategy and to define solutions that address cost drivers. After gathering the necessary data, Richter says, it's key to remember that not all solutions have to come from vendors or be extremely costly.

"I also think sometimes a solution may not be a vendor; it may just include adjustments in the way an employer looks at things," she says. "There may be simpler solutions that are available that they haven't thought about like implementing flexible scheduling."

Something else employers tend to overlook is manager training. By helping managers understand how to effectively cope with employees who are struggling with chronic conditions, employers will be able to raise awareness and demonstrate empathy, which creates a better work environment for all employees.

Other options emerging in chronic-condition management are specialized medical devices designed to help control specific diseases. In recent years, there's been an increase in availability of medical devices with diagnostic capabilities, particularly for diabetes. Employees are given mobile glucose meters that are connected to an app on their smart phone so that, when they test their blood glucose, they can see the results immediately, and so can their primary-care physician. If blood-glucose levels are out of range, the PCP will contact the patient within minutes to discuss what to do.

Telemedicine is also on the rise as a way to address chronic conditions, Leopold adds, while some companies are now utilizing kiosks where employees can measure their own blood pressure (just like in local pharmacies), temperature and other peripheral diagnostics.

There has also been an uptick in wearable technology for managing chronic disease. Smart watches, activity trackers, sleep trackers and heart-rate monitors have saturated the market. Consumers can purchase these devices themselves, but many employers are now providing them to their workers. Willis Towers Watson predicts that by 2020, 39 percent of all organizations will offer employees wearable devices to monitor activity.

Wearable activity trackers are useful for managing certain chronic illnesses, such as metabolic syndrome, diabetes and even cancer, when sustained activity can be beneficial.

“Activity trackers are helpful and build confidence and reward people,” Richter says. “You can set a goal, and when you achieve it, you're building confidence that you can actually achieve and sustain your goals.”

Richter adds that sleep trackers are also extremely important for people with chronic diseases. Determining how much sleep you're getting and how well you're resting is just as critical as maintaining activity.



A report in *Becker's Hospital Review* recommends that activity tracker data be part of a two-step health-management approach. What's needed is a combination of health trackers and coaching for people who need help on their wellness journey.

Experts agree that health coaching is going to be more valuable for employers looking to manage chronic conditions than activity trackers. In recent years, there's been an emergence of digital, self-directed coaching and cognitive-behavioral therapy techniques to help people with emotional wellness.

Leopold says that the ideal chronic-condition-coaching program offers a mix of high-touch and low-touch.

“You can't beat the high-touch experience of speaking with a coach, especially when just starting a chronic-condition-management program,” he says. “This time is best spent asking any and all questions—nothing is off-limits or stupid. From there, low-touch includes sending your coach photos of your grocery list so they can guide you to make the best nutrition decisions.”



Flexibility is also important when designing coaching programs. Some employees want text message or email coaching, while others prefer in-person meetings or phone calls. There's also the option of FaceTime and Skype meetings, but Heinen cautions that employers need to ensure that any and all information shared on any platform is HIPPA-compliant.

Barriers to Chronic-Condition Management

Prevention and treatment of chronic disease aren't without their own challenges. Two common obstacles that

the medical literature highlights are low adherence to treatment and/or medication regimens and low adoption of preventative behaviors—both of which can be caused by three types of cognitive bias: present, default or status quo, and optimism bias.

Present bias is favoring short-term benefits over long-term benefits. For instance, it's easier and more pleasurable to sit and binge-watch Netflix than to exercise for heart health that won't be most noticeable, say, for 20 years. This can make it difficult for people to invest in long-term preventative measures for chronic-

disease management. Status quo bias refers to default behaviors, such as ordering a burger with fries rather than just a burger (or salad).

“Few defaults in our environment promote health,” says Paul Cohen, vice president of strategy at One Medical. “You have to opt-in to most health behaviors.”

Optimism bias is self-explanatory—humans are naturally, unrealistically optimistic. An example from Cohen centers on smoking.

The Future of Chronic Disease

If employers and healthcare providers help the workforce with disease prevention and the medical community is able to advance treatment for certain chronic illnesses, by 2030 the United States could save \$6.3 trillion.

BEHAVIORAL CHANGES

- Improve treatment rates
- Increase physical activity
- Reduce smoking
- Reduce obesity

TREATMENT ADVANCES

- Delay Alzheimer’s onset
- Improve cancer survival
- Better treatment effectiveness
- Improve care delivery

If current trends continue, however, the cost per person in medical and productivity costs will reach **\$8,600/person by 2030.**

DATA FROM THE PARTNERSHIP TO FIGHT CHRONIC DISEASES.
[HTTP://FIGHTCHRONICDISEASE.ORG/](http://fightchronicdisease.org/pfcd-in-the-states)
 PFCD-IN-THE-STATES.

“We smoke cigarettes but believe we have a lower lung-cancer risk than other smokers,” he says. “[We believe] it won’t happen to me!”

These issues are only exacerbated if an employer, health coach or physician challenges the biases by highlighting statistical risks, such as family history. Cohen suggests that, instead, employees can be “counter-nudged” with other biases. He says there are five main counter-nudges: consistency, social norms, goal acceleration, implementation suggestions and identifiability. Such approaches, studies have shown, can increase rates of preventative-cancer screenings and immunizations.

Other barriers employers can face include costs, uncertainty about how to help, stigma that exists around behavioral health, challenges to safeguarding sensitive employee-health information, an inordinate number of vendors to weed through, and, as Leopold points out, getting employees to use the programs and solutions put in place.

“You could make available all the right things but, unless employees choose to participate in chronic-disease management or lifestyle changes, the solutions won’t work,” he says. “You have to get them engaged in the solutions, which may require incentives. But not just any incentive will do—you must consider your employee population.”

Incentives that appeal to younger workers may not appeal to older workers, and the same goes for blue-collar versus white-

collar employees or men versus women. One common incentive strategy is to offer prescriptions at a reduced price. Care groups or support groups can also be effective.

Ultimately, managing chronic disease at work should be a priority for all employers, first because chronic conditions are expensive. Leopold says that, once an employee is diagnosed with an already expensive chronic condition, if the employer doesn't help him or her manage it, year after year the condition will become more expensive.

“There’s a huge value in healthcare-cost reduction and cost mitigation,” he says. “On the productivity side, employees with poorly managed chronic conditions hurt your bottom line because of frequent absences and decreased performance.”

For example, [a recent study published in the *Journal of Occupational and Environmental Medicine*](#) found a significant increase in both absenteeism (6.34 times higher) and presenteeism (2.36 times higher) when comparing employees with and without chronic diseases. The loss in productivity from absenteeism alone [costs employers approximately \\$225.8 billion per year](#).

At the end of the day, helping employees be their best at work and at home is only going to support business performance.

“If employees feel that their employers care about them, they’re more engaged, happy and healthy at work,” says Guezkow. “As a result, there will be fewer cases of absenteeism, presenteeism and a decrease in healthcare expenses.”

