

Impact of COPD on Health Care Costs



WHAT ARE THE COSTS OF COPD?

While COPD receives less attention among employers compared to other chronic diseases, it is the third leading cause of death in the U.S. and seventy percent of the 24 million individuals with COPD are under age 65. COPD is one of the most burdensome diseases for employers but with half of the 24 million not properly diagnosed, the cost burden may be greater than the data reveals.

- ✦ In 2010, COPD resulted in \$49.9 billion in direct and indirect costs . ²
- ✦ Commercially-insured COPD patients cost more per patient annually than those with Medicare.³
- ✦ Total costs incurred by COPD patients are approximately \$6000 higher than non-COPD patients. ⁴
- ✦ 13-14% of COPD patients had a hospital readmission; 41-49% had a readmission within 60 days.³
- ✦ The average direct per patient costs for commercially insured increased 6% per year between 2006 and 2009.³
- ✦ Treatments that reduce frequency of COPD-related exacerbations are associated with lower COPD-related medical costs.³
- ✦ 40% of COPD costs could be avoided by preventing complications and hospitalizations.⁵
- ✦ Individuals with COPD had more days of lost productivity than any other chronic condition. ¹⁰

The majority of COPD expenditures are due to complications and hospitalizations, many of which are preventable. As with other chronic diseases, improved health care management can reduce poor outcomes and decrease costs related to COPD. ⁶ Better care and staying on treatment can lower the avoidable costs and make patients feel better, which increases productivity and decreases absenteeism. Thus, effective management of COPD patients can result in decreased costs, increased productivity, and decreased absenteeism.

To estimate the impact of COPD on costs in your own population, please use the COPD Cost Calculator available in this toolkit

WHY CONDUCT A CLAIMS ANALYSIS?

Claims analysis does not by itself reduce health care costs; however, it identifies members with current high health care costs. Risk stratification will also help identify members who may have increased healthcare costs in the future and provide the data to flag those members that have chronic diseases (such as COPD) or gaps in care. Workplace interventions, guided by the findings of the claims analysis and risk stratification, will ultimately reduce health care costs and improve outcomes.⁹

ICD9_CODE	ICD9_DESC	NET_PAID	CLAIMANT	VISITS
496	CHR AIRWAY OBSTRUCT NEC	38632.43	40	39
4910	SIMPLE CHR BRONCHITIS	822.08	6	5
4911	MUCOPURUL CHR BRONCHITIS	261.16	1	1

WHAT TO EXPECT FROM CLAIMS DATA?

Claims data from your insurance provider or plan administrator will supply information regarding the disease and costs associated with COPD claims. "Health claims data can be used to identify major sources for health care expenditures by estimating (1) frequency and (2) cost per person treated for various diseases."⁷ Above is an example of extracted claims data⁸. Keep in mind that half of COPD is misdiagnosed or undiagnosed so additional COPD costs may be hidden in other codes.

WHAT IS MY ROLE AS AN EMPLOYER?

An employer can develop targeted programs to manage COPD supported by the results of the claims analysis. Such programs include health management or wellness programs, like screening and smoking cessation efforts. The "Employer Action Plan", included as part of this toolkit, provides a detailed list of resources to support your efforts to manage the impact of COPD in your workforce.

¹Lethbridge-Cejku M, Rose D, Vickerie J. Summary health statistics for U.S. Adults: National Health Interview Survey, 2004. National Center for Health Statistics. Vital Health Stat. 2006;10 (228)
²http://www.nhlbi.nih.gov/resources/docs/2009_ChartBook.pdf
³<http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3206770/?tool=pubmed>
⁴<http://www.ncbi.nlm.nih.gov/pubmed/17361502>
⁵<http://www.google.com/url?sa=t&rc=tj&q=&esrc=s&frm=1&source=web&cd=10&ved=0CGMQFIJ&url=http%3A%2F%2Fwww.alabamahfma.org%2FPresentations%2F2011%2F1%2F1%2F520Promethheus.pptx&ei=1KQZT5aRL6rt0gHU6KzQCw&usq=AFQjCNEzonzrtowC0rP4j-a0NpNCK1vQQ>

⁶<http://www.copdfoundation.org/COPDersCaregivers/AboutCOPD/tabid/81/language/en-US/Default.aspx>
⁷http://www.cdc.gov/workplacehealthpromotion/assessment/claims_assessment/index.html
⁸http://www.tcyh.org/employers/downloads/Southwest_COPD.pdf
⁹<http://www.staywellhealthmanagement.com/LinkClick.aspx?fileticket=IRGCYqoTopo%3D&tabid=175>
¹⁰Darkow et al. Disability Among Employees with COPD. J Occup Environ Med. 2007; 49:22-30