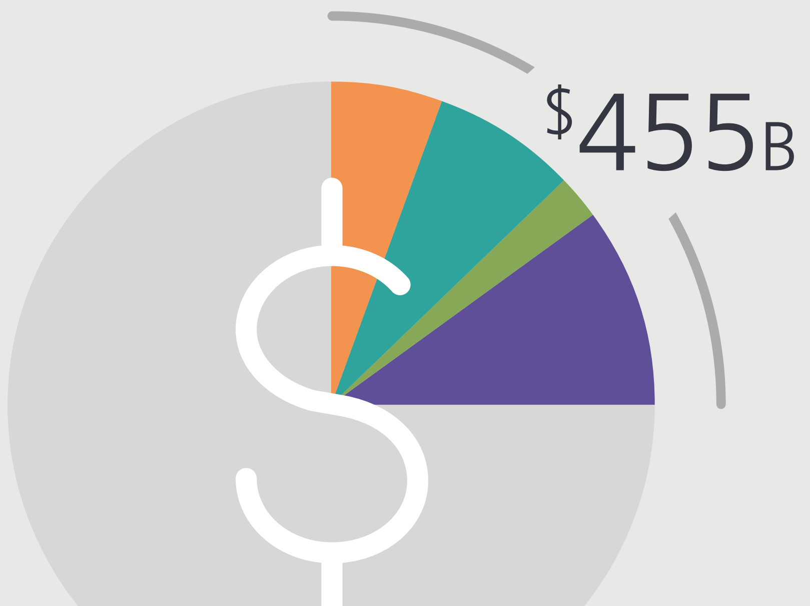
OPTUM®

Insights:

COMPLEX, COSTLY CONDITIONS

Just four condition categories drive **25% of health care spending.**[1]



Oncology

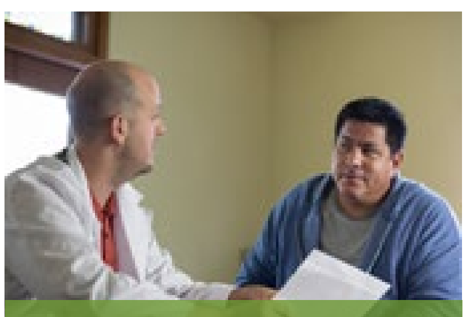
The number of cancer survivors will increase by nearly 70% through 2040. Very good news, but when combined with rising cancer incidence rates, it also means there will be a growing cancer population to manage.

Throughout the previous decade, costs for treating cancer have **increased by 62%**,[2] largely driven by new therapies — nearly **70 therapies** have been approved within the last five years alone.[3]

Musculoskeletal

Many musculoskeletal (MSK) procedures have shifted out of the inpatient setting, improving cost of care.

However, pharma spend in MSK conditions has **risen more than 60% in the last 12 years.**[4]



Kidney

One in every seven Americans has chronic kidney disease, and this is expected to grow. Most adults don't realize they are suffering in early, highly treatable stages.

The impact of renal disease, especially when it gets to the point of dialysis, is extreme. Patients on dialysis experience major life disruptions and can cost payers **more than a quarter-million dollars a year.**[5]

Cardiology

A decrease in outpatient utilization and smaller-than-average increases in inpatient and pharma costs have tempered spending growth in cardiovascular disease (CVD) treatment.

As prevalence grows across the CVD spectrum, **major heart-condition-based spending is expected to increase dramatically by 2035.**

Oncology	Musculoskeletal	Kidney	Cardiology

Top current cost drivers: Hospitalizations, pharma and surgery

Total spending

Oncology	Musculoskeletal	Kidney	Cardiology
Pharmaceuticals and outpatient services 48% of per person per year spending[6]	**Surgery utilization** 62% of MSK costs are due to inpatient or ambulatory procedures[7]	**Hospitalizations** 60% of CKD costs are due to inpatient care[8]	**Hospitalizations** 45% of CVD costs are due to inpatient care[9]

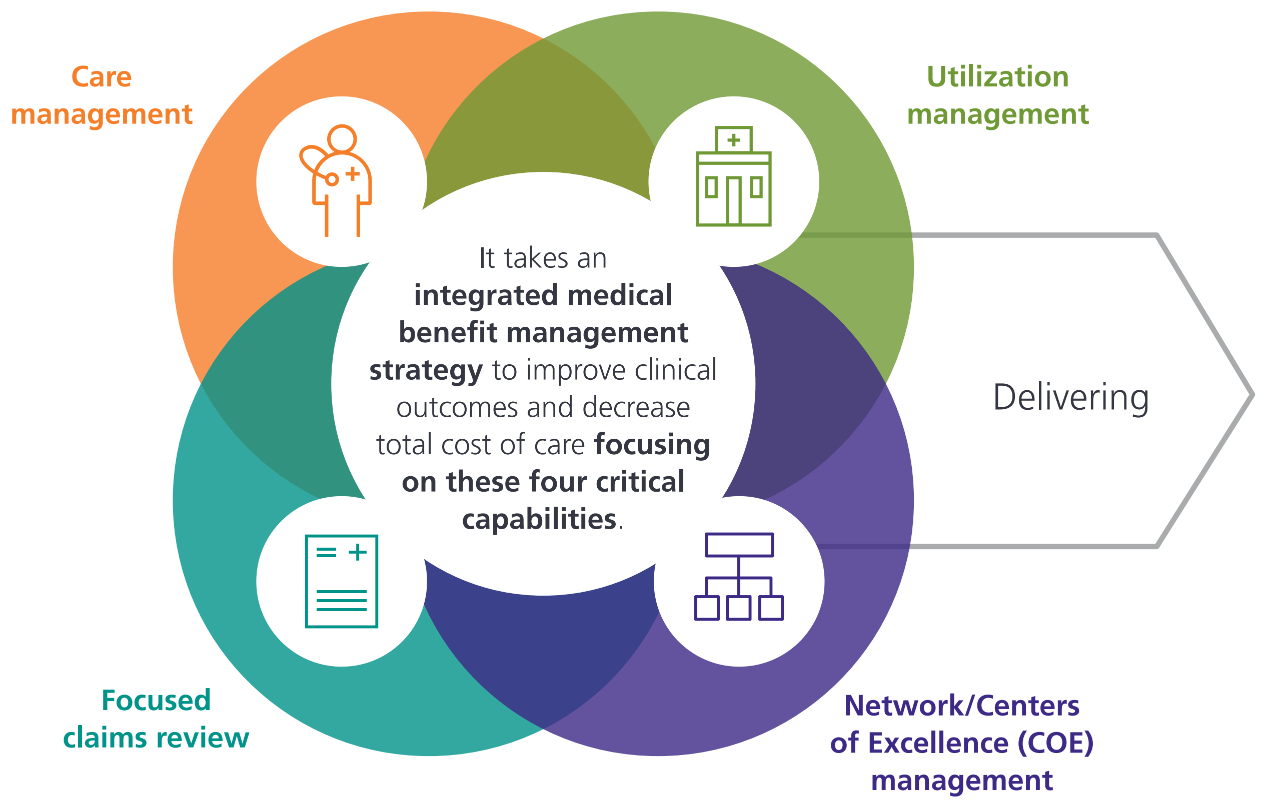
Greatest future growth in spending: Patient complexity and pharma

Spending growth

Oncology	Musculoskeletal	Kidney	Cardiology
Pharmaceuticals 125% price growth in chemotherapy and other drugs[6]	**Pharmaceuticals** 60% increase in cost of MSK medications[10]	**Patient complexity** 11% increase in end-stage renal disease (ESRD) prevalence[11]	**Patient complexity** 53% of hypertensive adults have 2+ comorbidities[12]

The way forward to create value for payers, employers and patients:

Thoughtful integration strategy › Maximize clinical outcomes › Decrease total cost of care



Superior care experience

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Lower total cost of care

A fully integrated strategy is necessary to address the cost drivers of complex and high-cost conditions.

Learn more now.

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[1]Bureau of Economic Analysis. Blended account, 2000–2014. Retrieved from https://www.bea.gov/data/special-topics/health-care (updated August 2017).

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[3]QuintilesIMS Institute. Global Oncology Trends. May 2017.

[4]Bone and Joint Initiative USA. (2014). Overall change in musculoskeletal diseases health care cost. 1996–2011. Retrieved from http://www.boneandjointburden.org/2014-report/xf1/overall-change-musculoskeletal-diseases-health-care-cost.

[5]Colestaneh L, Alvarez PJ, Reaven NL, et. al. All-cause costs increase exponentially with increased chronic kidney disease stage. *AJMC*. June 21, 2017. ajmc.com/journals/supplement/2017/all-cause-costs-increase-exponentially-with-increased-chronic-kidney-disease-stage/all-cause-costs-increase-exponentially-with-increased-chronic-kidney-disease-stage-article?p=8.

[6]Milliman. "Cost Drivers of Cancer Care: A Retrospective Analysis of Medicare and Commercially Insured Population Claim Data 2004–2014." Milliman, Apr. 14, 2016, www.milliman.com/insight/2016/Cost-drivers-of-cancer-care-A-retrospective-analysis-of-Medicare-and-commercially-insured-population-claim-data-2004-2014/.

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[8]Colestaneh L, et. al. (June 2017). All-Cause Costs Increase Exponentially with Increased Chronic Kidney Disease Stage. Retrieved from https://www.ajmc.com/journals/supplement/2017/all-cause-costs-increase-exponentially-with-increased-chronic-kidney-disease-stage/all-cause-costs-increase-exponentially-with-increased-chronic-kidney-disease-stage-article?p=8.

[9]AHA. "Heart Disease and Stroke Statistics — 2018 Update: A Report from the American Heart Association." *Circulation*, vol. 137, no. 12, 2018, doi:10.1161/cir.0000000000000573.

[10]Bone and Joint Initiative USA. (2014). Overall change in musculoskeletal diseases health care cost. 1996–2011. Retrieved from http://www.boneandjointburden.org/2014-report/xf1/overall-change-musculoskeletal-diseases-health-care-cost.

[11]United States Renal Data System. (2018). USRDS Annual Data Report: Epidemiology of Kidney Disease in the United States. 2009–2016. National Institutes of Health. Retrieved from https://www.usrds.org/2018/view/Default.aspx.

[12]Park C, Fang J, Hawkins NA, and Wang G. (2017). Comorbidity Status and Annual Total Medical Expenditures in U.S. Hypertensive Adults. *American Journal of Preventive Medicine*, 53(6). doi:10.1016/j.amepre.2017.07.014.