

### Did you know...

In 2006, 26% of seniors with five or more chronic conditions also had functional impairment?

### About the data:

This analysis is based on the 2006 Medicare Current Beneficiary Survey (MCBS) Cost and Use file, an annual, longitudinal survey of a representative sample of all Medicare enrollees. The MCBS collects information on Activities of Daily Living (ADLs), Instrumental Activities of Daily Living (IADLs), health services utilization, and health spending.

In this analysis, individuals who indicated that they had ever been diagnosed with any of the following conditions, were considered to have chronic conditions: arthritis, Alzheimer's Disease, broken hip, cancer (excluding skin), congestive heart failure, depression, diabetes, hypertension, mental illnesses (excluding depression), myocardial infarction and other heart conditions, osteoporosis, Parkinson's Disease, pulmonary diseases such as emphysema, asthma and Chronic Obstructive Pulmonary Disease, and stroke.

Individuals who indicated that they received help or standby assistance with one or more ADLs and/or three or more IADLs were considered to have functional impairment.

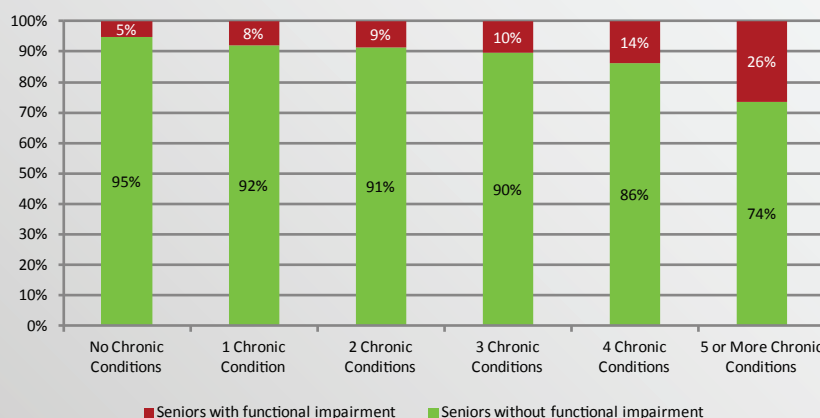
This analysis is limited to individuals age 65 or older who are enrolled in the fee-for-service, or traditional, Medicare program. It excludes beneficiaries who had any Medicare Advantage spending and those who died during the year.

Analytics powered by Avalere Health LLC

- In 2006, approximately 93% of Medicare beneficiaries age 65 and older had one or more chronic conditions, and 21% of beneficiaries had five or more chronic conditions.<sup>1</sup>
- The prevalence of chronic conditions rises as individuals age. The more chronic conditions an individual has, the higher that individual's risk of having unnecessary hospitalizations, adverse drug events, and death.<sup>2</sup> In addition, average Medicare spending per beneficiary increases with the number of chronic conditions.<sup>3</sup>
- A subset of people with chronic conditions also have functional impairment. People with functional impairment require long-term services and supports (LTSS) to assist with daily activities such as bathing, eating, and meal preparation.
- The prevalence of functional impairment among seniors also increases with the number of chronic conditions.<sup>1</sup>
  - 13% of seniors had one or more chronic conditions and functional impairment in 2006.<sup>1</sup>
  - While 8% of seniors with one chronic condition in 2006 also had functional impairment, over 26% of seniors with five or more chronic conditions additionally had functional impairment.<sup>1</sup>

### The Prevalence of Functional Impairment Among Seniors Increases with Multiple Chronic Conditions

Medicare Beneficiaries Age 65 and Over by Functional Impairment and Number of Chronic Conditions, 2006\*



\* N = 2,074,561 with no chronic conditions, N = 3,892,430 with 1 chronic condition, N = 5,836,109 with 2 chronic conditions, N = 5,831,374 with 3 chronic conditions, N = 4,289,659 with 4 chronic conditions, N = 5,817,468 with 5 or more chronic conditions. Excludes beneficiaries who died during 2006.

### A Clear Policy Connection

Seniors with multiple chronic conditions often have complex health care needs that can lead to high health service utilization. A subset of seniors with multiple chronic conditions also have functional impairment, and need LTSS in addition to acute care services. Medicare spending for these beneficiaries is considerably higher than for those with chronic conditions alone, suggesting that the presence of functional impairment is driving the high cost of care.<sup>3</sup>

Medicare only covers acute care services and some post-acute care services, such as inpatient rehabilitation and limited skilled nursing facility stays, but does not cover the LTSS that seniors with functional impairment often need. Seniors with functional impairment often rely on unpaid family caregivers, and to a more limited extent on private long-term care insurance (LTCi), out-of-pocket spending, or Medicaid to cover their LTSS needs. The result is a highly fragmented system of health and supportive services, which can lead to gaps in coverage and care coordination for seniors with chronic conditions and functional impairment.

In December 2010, the U.S. Department of Health and Human Services released its strategic framework for ensuring optimal health and quality of life for individuals with multiple chronic conditions.<sup>2</sup> Additionally, policymakers at the federal and state level are implementing initiatives to better coordinate care for Medicare beneficiaries in an attempt to improve the quality and efficiency of health service delivery. As policymakers explore care coordination models such as medical/health homes and accountable care organizations (ACOs), they should examine ways to integrate LTSS with acute care to ensure the seamless delivery of services for seniors with functional impairment.<sup>2</sup>

<sup>1</sup> Avalere Health, LLC. Analysis of the 2006 Medicare Current Beneficiary Survey, Cost and Use file. Excludes beneficiaries who died during 2006.

<sup>2</sup> U.S. Department of Health and Human Services. Multiple Chronic Conditions: A Strategic Framework. December 2010. Accessed on June 29, 2011 at: [http://www.hhs.gov/ash/initiatives/mcc/mcc\\_framework.pdf](http://www.hhs.gov/ash/initiatives/mcc/mcc_framework.pdf).

<sup>3</sup> The SCAN Foundation. DataBrief No. 22: Medicare Spending by Functional Impairment and Number of Chronic Conditions. 2011. Accessed on September 28, 2011 at: <http://www.thescanfoundation.org/foundation-publications/databrief-no-22-medicare-spending-functional-impairment-and-chronic-conditions>.