High quality, cost effective health care delivery is all about targeting – the right care, by the right provider, at the right time, in the right place, and for the right cost. It sounds straightforward, almost easy. The challenge to getting it right is understanding the range of variables in a person’s life that drive health care use and costs.

Over the last two decades, significant dollars have been spent tackling the assumption that chronic illness alone drives use. At first glance, this frame seems to fit the bill of how to best care for people: overall small percentages of the population affected, large financial and human capital expenditures, creation and use of evidence-based guidelines on what good care could/should look like by disease, and disease-specific patient activation strategies. National demonstrations have been mounted (public and privately funded) to address this targeting challenge. Whole industries have been created to deliver disease-specific solutions. There is, however, one big problem with this approach. While some tangible improvements have been achieved, there is little evidence that “fixing” the disease will directly result in better care and health outcomes at a lower cost. Why might this be? I believe that targeting efforts have not been refined enough. The missing piece of this equation is how chronic disease (and often multiple diseases) impacts a person’s daily living, which requires a more robust discussion of functional status.
Our health care system is built for “patients” – those people who are vessels for illness ideally on the road to wellness under the care of the medical system. This approach works well for a relatively healthy person facing an acute illness where a cure is almost always achievable. This model is fundamentally flawed however for individuals with serious chronic health conditions, as many will never be fully “well” the way a healthy 20-year old recovers from pneumonia. As a result, people with chronic conditions risk getting stamped as “patients” for life. They get “patient-centered care” for their list of chronic illnesses as opposed to “person-centered care,” focused on their desires to retain choice and independence in their lives inclusive of health conditions and functional status.

It turns out that addressing both the patient and the underlying person – the illness and its functional impact – is the key to more effective targeting. About 110 million people in the United States live with chronic illness and nearly 32 million have serious functional limitations. Of key interest to The SCAN Foundation is the overlap in these two populations, accounting for 27 million people. Earlier this year, the Foundation commissioned an analysis of this cross-section between chronic illness and functional status from a federal payer perspective and found powerful results. Over 30 percent of older Medicare beneficiaries in the top spending quintile have both chronic conditions and functional limitations. On average, Medicare spends almost three times more per capita on seniors who live with chronic health conditions and functional impairment compared to seniors with chronic conditions alone. They were nearly twice as likely to have a hospital stay than those with chronic conditions alone. While roughly half of seniors with chronic conditions and functional limitations qualify for Medicaid (dually eligible), more importantly the other half do not. When a senior with chronic conditions and functional limitations has a daily living crisis, even if not primarily medical in nature, the medical system and particularly hospitals are often the backstop. The light is always on for this “last house on the block.”

These new data clarify that a chronic disease, “patient-only” perspective to care delivery is simply too broad an assumption for good targeting. To adequately address the challenges of improving health care quality and reigning in rising costs, providers need to target the right needs with the right intervention, while always considering a person’s health and functional status. The solution is hiding in plain sight. Seeing the patient first as a person and focusing on their daily function in light of existing health conditions are the keys to a more cost effective and humane system of care.