

## Chronic Conditions Pose Growing Health, Economic and Equity Challenges

Chronic health conditions impose significant burdens on the daily lives and economic well-being of those who live with them. These illnesses, defined by the Centers for Disease Control and Prevention (CDC) as those lasting a year or more and restricting daily life and/or requiring continuous medical attention, include heart disease, cancer, diabetes and Alzheimer's disease, among others. They also have a large impact on the country as a whole, creating sizeable health care costs and reducing economic productivity.

- Chronic conditions affect 6 in 10 adults and cause 7 in 10 deaths in the United States.
- Across the economy, care for chronic and mental health conditions accounts for 90% of U.S. health care spending.
- Lower-income workers and people of color have disproportionately high rates of chronic illness due to continuing structural barriers, worsening their overall health and creating larger economic costs.
- Chronic conditions can also reduce people's ability to work and earn income, decreasing productivity and creating wage gaps.

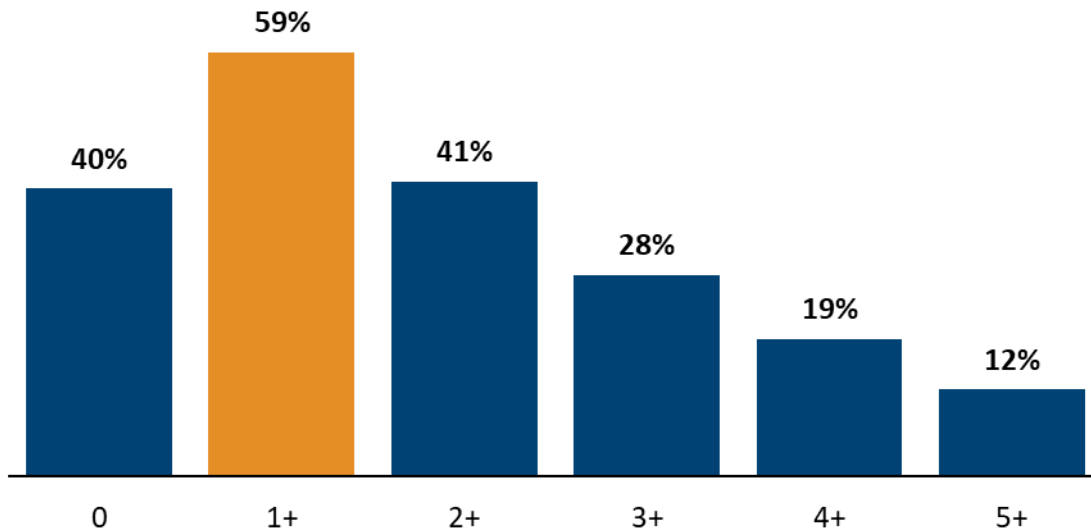
Addressing the prevalence of these conditions and ensuring that people have access to preventative, management and curative measures will both improve people's health and reduce economic strain. Congress can help by making health insurance more affordable, cutting medication costs and funding innovation-focused health care initiatives to ensure the better care, prevention and treatment of chronic illnesses.

### *Chronic conditions affect 6 in 10 adults and are responsible for 7 in 10 U.S. deaths*

In the United States, chronic conditions are already extremely common and their prevalence is growing. The CDC [reports](#) that nearly 6 out of every 10 adults has at least one chronic illness—led by heart disease, diabetes and cancer—and this number has been rapidly rising over the past few decades. Additionally, over 40% of Americans report that they experience two or more of these illnesses, which can lead to greater medical complexity and more difficult treatment as well as higher health care costs.

## Nearly 60% of Americans Live With a Chronic Condition

Percent of adults with chronic conditions, by number of conditions



Source: Rand Corporation, "Multiple Chronic Conditions in the United States"



Chronic conditions are now the leading cause of death and disability in the United States, [causing](#) 7 out of every 10 deaths in the country. Heart disease in particular is now the [leading cause of death](#) for Americans and is responsible for over 650,000 deaths each year. The aging of the U.S. population overall is expected to drive these numbers even higher. The prevalence of chronic illness [increases with age](#): 85% of adults over age 65 suffer from at least one. By 2060, nearly 25% of the U.S. population is [estimated](#) to be over the age of 65, nearly doubling the number of adults in this age group and likely greatly increasing the number of individuals living with a chronic illness. This creates an even more pressing need to address these conditions given their significant health and economic effects.

### *The majority of U.S. public and private health care spending goes to support people with chronic conditions*

Chronic conditions are considered some of the most expensive illnesses to treat due to their potential complexity and extended duration, which can create huge costs for individuals, their families and the economy as a whole. [In 2020](#), the latest year for which the CDC has calculations, 90% of the \$4.1 trillion spent on health care in the United States was used to treat chronic and mental health conditions. While the CDC does not differentiate between the costs contributed by chronic and mental illness treatments respectively, this gives a strong indication of the large scale of the costs generated by chronic conditions. For example, the annual direct health care [costs](#) of diabetes and heart disease alone sum to over \$450 billion.

Additionally, patient treatment costs increase with every additional diagnosis. Despite comprising only 12% of the population, people with five or more chronic conditions [account](#) for

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41% of total annual health care spending. By contrast, the 40% of the population without a chronic illness accounts for just 10% of total health care spending.

For those living with chronic conditions, the high costs of health care can present a substantial economic burden, particularly for individuals who do not have access to health insurance. Even for those with health insurance, these illnesses can generate large out-of-pocket costs, straining household budgets.

Chronic conditions also create significant costs for the public sector through public health insurance programs. In total, 99% of Medicare [spending](#) and 83% of Medicaid spending goes towards recipients with at least one chronic illness. Improved preventative care and effective treatment of these illnesses would reduce public outlays for Medicare and Medicaid, while extending the solvency of the Medicare Hospital Insurance Trust Fund.

### *Chronic conditions reduce earnings and increase financial insecurity for both patients and informal caregivers*

Health care costs are not the only source of financial burden for those impacted by chronic conditions. A [study](#) of the effects of chronic illness on working-age men found that the onset of a chronic condition, such as a stroke or a cancer diagnosis, causes earnings to fall by an average of 12%. In the long-run, wages are 18% lower on average, driven in large part by the need to cut back working hours to manage an illness. The probability of employment also declines, decreasing by nearly 6 percentage points six or more years after diagnosis, contributing to lost potential earnings.

The impact of a diagnosis is even greater for women as they are more likely to experience negative [financial effects](#) from a chronic illness than their male counterparts. These reductions in earnings leave people more financially insecure; less able to pay for care, medicine and health insurance and can cause higher costs down the road.

Additionally, when family or friends take on informal caregiving responsibilities for someone with a chronic illness, they spend more time providing uncompensated care which can have negative implications for the broader economy. Care obligations mean that many informal caregivers [experience](#) reduced working hours or increased absenteeism, leading to lost productivity and wages. Estimates show that informal caregiving has resulted in the loss of more than 650,000 jobs, amounting to nearly \$44 billion in lost income and productivity—a significant loss for the overall economy. In addition, informal caregivers are also frequently at higher risk of developing their own health issues, which further reduces incomes and exacerbates the economy-wide impacts.

### *Lower-income Americans experience higher rates of chronic illness but face significant gaps in health insurance coverage*

Common chronic conditions such as diabetes and heart disease are more prevalent among Americans with lower incomes than those higher on the income scale. Lower-income adults are more than three times as likely as their higher-income counterparts to report having a [limitation](#)

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on their activity because of a chronic condition. These illnesses often limit patients' ability to perform daily tasks or care for themselves and can hinder their ability to work and fully participate in the economy. This exacerbates economic insecurity and reduces well-being for those directly impacted and the economy as a whole.

Lower-income individuals also face gaps in health insurance coverage, making chronic illness care and prevention more costly. Nearly a [quarter](#) of those under age 65 who live in poverty are uninsured, leaving them to either pay for the medical care themselves or avoid care altogether. Failure to expand Medicaid by 11 Republican-controlled states has [widened](#) this insurance gap, as approximately 2.2 million Americans below the poverty line do not have access to Medicaid coverage or other federal subsidies. [Expanding](#) access to Medicaid would reduce debt and decrease the number of deaths from chronic conditions, demonstrating the effectiveness of Medicaid coverage in shrinking the economic toll of these illnesses.

### ***Systemic barriers have made chronic conditions more prevalent and costly for Black, Hispanic and American Indian/Alaskan Native communities***

While chronic conditions are prevalent across races and ethnic groups, Black and Hispanic Americans are up to 2 times [more likely](#) to develop major chronic illnesses than their white counterparts. For example, they are nearly [twice](#) as likely to have diabetes, one of the [leading](#) causes of death globally, than non-Hispanic white Americans. This is primarily the result of [systemic barriers](#)—such as lower wages, unequal employment opportunities and decreased access to education and health care—which increase the likelihood of developing a chronic condition and often limit access to adequate treatment.

In particular, unequal access to affordable health insurance leads to large disparities in health outcomes and creates financial burdens for patients and their families. In 2019, 7.8% of white adults under age 65 were [uninsured](#), compared to 11.4% among Black adults, 20.0% among Hispanic adults and 21.7% among American Indian and Alaskan Native (AIAN) adults. Lack of access to affordable health insurance reduces the availability of preventative care and can lead to higher rates of chronic conditions. It can also cause people who already suffer from these illnesses to either avoid treatment or take on mounting levels of debt to maintain access to essential care.

Even when care is available and accessible, Black, Hispanic and AIAN patients tend to receive worse care. Looking at numerous indicators of [care quality](#), Black and AIAN patients received worse care than their white counterparts on indicators like rate of hospitalization, communication upon discharge and feelings of respect from home health care providers. Hispanic individuals also received worse care in many of these areas. These disparities in treatment can increase morbidity and mortality from chronic conditions.

***Investments in health care access and innovation can reduce the prevalence of chronic conditions, save lives, narrow disparities and bolster economic growth***

Congress and the Biden administration are taking steps to reduce the prevalence of chronic conditions and ensure proper care and treatment are available. Additional investments are needed to improve health outcomes and increase access to affordable health insurance.

**Extending access to health insurance and health care**

Ensuring that individuals have affordable access to the care they need to prevent and treat chronic conditions is key to promoting health and minimizing the associated economic hardships. Increased access to health insurance and health care allows for better [detection](#) of chronic conditions, like cancer and diabetes, which would otherwise go undiagnosed, reducing downstream costs caused from elongated or worsening illness.

The American Rescue Plan (ARP) included several provisions to make health care more affordable and accessible for all Americans, including those with chronic conditions. To expand health insurance coverage, the ARP included [expanded premium tax credits](#) to help families afford plans purchased on the Affordable Care Act's insurance marketplaces. These credits [saved](#) Americans a total of \$537 million per month and led to millions of Americans newly enrolling in insurance. The ARP also expanded access to health care services, including for those impacted by chronic illnesses, by [investing](#) \$25 billion into Home and Community-Based Services to ensure patients can receive needed care in non-institutional settings. Additionally, the ARP [provided](#) increased funding for rural health care providers. Rural areas have [higher rates](#) of chronic illness and related mortality, making these investments important for combatting the rate of chronic conditions.

Medicaid expansion under the Affordable Care Act (ACA) has also broadened access to care by providing Americans with free or low-cost health care coverage, reducing the costs associated with chronic illness. Since the passage of the ACA, 38 states, D.C. and three U.S. territories have [enacted](#) this program, leading to an additional 21 million people gaining coverage. For those with chronic illnesses, Medicaid expansion has been [shown](#) to decrease cost-barriers to care, increase the number of wellness visits and reduce the number of days of poor health that they experience. The remaining non-expansion states could significantly improve the lives of people living with chronic conditions if they accepted the generous federal funding for Medicaid expansion.

**Reducing medication costs**

Prohibitively high costs for prescription medication place a significant financial strain on those who need medicine to manage their chronic condition(s). Diabetes, for example, is a leading driver of health care spending. In 2017, health care costs for diabetes reached [\\$327 billion](#) in medical care and lost productivity, costing patients thousands of dollars out-of-pocket. To reduce costs, the U.S. House recently passed the [Affordable Insulin Now Act](#), which would cap insulin prices at \$35 per month or 25% of the price negotiated by an insurance plan, whichever is less, improving affordable access to this lifesaving medication.

Diabetes is just one example, as many chronic illnesses like heart disease, high blood pressure, cancer, Alzheimer's disease and arthritis can require costly medication management. Programs

to help patients afford their medication and prevent manufacturers from setting artificially high prices would enable all individuals, including those with chronic conditions, to obtain the medication they need.

#### [Creating innovative health programs](#)

To address the growing rate of chronic conditions, Congress and the Biden administration have supported innovative health programs that could help develop detection and treatment measures. In February 2022, President Biden announced the revival of the [Cancer Moonshot](#) program, first started by President Obama in 2016, which aims to improve the experiences of those living with cancer and reduce cancer deaths by 50% in the next 25 years. Advances from this program could help patients living with cancer see increased remission rates and improved quality of life while also preventing future cancer cases. Total health care spending on cancer [costs](#) about \$200 billion annually, with patients paying \$5.6 billion out-of-pocket each year. That yearly total is expected to [jump](#) to \$246 billion by 2030, but actions through the moonshot program to cure cancer, reduce its occurrence or lessen its current impacts would have significant human and economic benefits.

The [Advanced Research Project Agency-Health \(ARPA-H\) Act](#), recently passed in the House, proposes the creation of a public health research agency by the same name to focus on health research, with a goal of creating breakthroughs in health care and illness cures. Included in the goals of this agency is research on chronic conditions to find critical therapies and cures to save lives and reduce their health and economic effects. While the Senate has not yet passed the ARPA-H Act, Congress [appropriated](#) \$1 billion for the new agency in fiscal year 2022, which the Biden administration has [begun](#) to set up.

#### *[By making key health investments, the U.S. can make strides in health and economic stability](#)*

With the number of chronic conditions expected to rise on its current trajectory, key investments that could improve care and discover cures for these illnesses can have a significant positive impact on the country's health and economic stability. Making needed care more accessible and affordable would save lives and reduce the prevalence of chronic conditions. This would help decrease the economic strain that these conditions cause for individuals, families and the broader economy and would help address racial-, ethnic- and income-based inequalities in the U.S. health care system.