

# Increase in medical treatment caused greatest increase in US health care costs

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The increasing proportion of the population that received treatment for a specific medical condition – called "treated disease prevalence"—along with higher spending per treated case accounted for most of the rise in health care spending in the U.S. between 1987 and 2009, according to a recent analysis.

In the analysis, published in the May edition of *Health Affairs*, Kenneth E. Thorpe, PhD, chair of the Department of [Health Policy](#) and Management at Emory's Rollins School of Public Health, analyzed data from the National Medical Expenditure Survey and the Medical Expenditure Panel Surveys from 1987-2009 to investigate the roles that the rise in treated [disease prevalence](#), spending per treated case, obesity, and increased treatment intensity played in the increase in [health care spending](#).

The complete report titled, "Treated Disease Prevalence and Spending per Treated Case Drove Most of the Growth in Health Care Spending in 1987-2009," will be part of a discussion at the [Health Affairs](#) briefing on Tuesday, May 7, 2013 from 9 a.m. – 12:30 p.m. at the National Press Club in Washington, DC.

The paper examined surveys that included detailed information on self-reported [medical conditions](#), monthly markers of [health insurance coverage](#), patients' [demographic characteristics](#), spending, respondent data, [medical information](#), and use of service.

Thorpe determined that 50.8 percent of the rise in health care spending among adults ages 18 years and older was associated with rising rates of treated disease prevalence, while 39.0 percent of that rise was associated with rising spending per treated case.

"In order to determine ways to reduce the rate of growth in health care spending, we must first have a clear understanding of what factors account for the increase," says Thorpe. "Though there have been few attempts to identify these factors, they are important due to the differences from the main drivers of cost growth during previous decades."

According to the examination of studies, Thorpe concluded three major findings that account for the rise in health care spending in the past 20 years:

- The rising prevalence of treated disease accounted for 50.8 percent of growth in overall spending among adults and 77 percent in the case of Medicare spending. Higher spending per treated case accounted for a 39 percent increase and joint effects of the two accounted for the remaining 10.2 percent.
- The doubling of obesity since 1987 contributed to 10.4 percent of the overall rise in spending.
- Increasing treatment intensity accounted for 11.9 percent of the growth spending between 1987-2009.

"The current findings strongly suggest that most of the recent discussion about ways to control increases in spending, particularly among Medicare beneficiaries, may be focused on the wrong set of issues," explains Thorpe.

"What is needed is a broader set of policy options focused on reducing

the incidence of disease; and a better understanding of how much of the rise in treated prevalence is the result of a more aggressive treatment of chronic conditions. We also have to look at whether the more intensive treatments yield improvements in morbidity and mortality."

Provided by Emory University

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