

Healthcare IT News

## IT could help reduce healthcare's trillion-dollar impact on U.S. economy

By [Eric Wicklund, Managing Editor](#) | 10/03/07 |

Efforts to improve adoption of healthcare information technology could reduce clinical and administrative components of healthcare costs, according to the Milken Institute, which pegs the impact of chronic disease on the U.S. economy at \$1 trillion – and growing.

The impact could balloon to \$6 trillion by the middle of the century, the Milken report released Tuesday says.

The Milken Institute study, "An Unhealthy America: The Economic Burden of Chronic Disease," indicates that seven chronic disease – cancer, diabetes, hypertension, stroke, heart disease, pulmonary conditions and mental illness – have a total impact on the economy of \$1.3 trillion annually. Of that amount, the report said, about \$1.1 trillion represents the cost of lost productivity.

"By investing in good health, we can add billions of dollars in economic growth in the coming decades," said Ross DeVol, director of health economics and regional economics at the Milken Institute and principal author of the report. "The good news is that with moderate improvements in prevention and early intervention such as reducing the rate of obesity, the savings to the economy would be enormous."

The report also recommends additional development and adoption of information technology and medical technology to help achieve better health and also drive down healthcare costs.

The Milken Institute conclusions come one day after U.S. Preventive Medicine announced its acquisition of Specialty Disease Management Services, Inc., a national provider of chronic condition and health management services based in Jacksonville, Fla.

Specialty Disease Management Services contracts with employers, health plans, self insured organizations, third party administration organizations, integrated delivery organizations, physician practices and others to provide services for complex diseases that include asthma, diabetes, coronary artery disease, chronic obstructive pulmonary disease, HIV/AIDS, hypertension, heart failure, obesity, depression and schizophrenia.

U.S. Preventive Medicine, formed several years ago, made public its plan earlier this year to provide a "consistent suite of services" to hospitals and healthcare providers that emphasizes a prevention-based approach to healthcare. It launched a program to enroll physicians, health systems, academic medical centers, government agencies and employers in its "U.S. Prevention Network," which provides branded clinical content and services to members through "Centers for Preventive Medicine."

Monday's announcement of the acquisition of Specialty Disease Management Services fits neatly into that program.

"We believe that current outcomes can be enhanced through the implementation of clinically proven preventive and care management solutions. Specialty Disease Management has developed a unique model for disease management that complements U.S. Preventive Medicine's prevention delivery capabilities," said Brian Baum, president and COO of U.S. Preventive Medicine. "We have a strong history and working relationship with Specialty Disease Management's team in achieving successful healthcare solutions. The combination of a proven team along with the delivery of personalized preventive health and comprehensive care management will allow us to offer the highest level of value."

In an interview earlier this year, Baum said the U.S. healthcare system lacks an organization based on prevention – or dealing with healthcare issues before they require more urgent medical care. He and company chairman and CEO Christopher T. Fey estimated that only about 4 percent of America's estimated \$2.2 trillion in annual healthcare spending is devoted to prevention.

Specialty Disease Management Services' business model incorporates clinical staff working with patients and their physicians over the phone and in the community. Programs include patient and physician education, individualized care plans, clinical data gathering and analysis and outcomes reporting.

"Specialty Disease Management has proven that it can reduce health expenditures and improve clinical outcomes for people with chronic diseases – our intent is to cover the full spectrum of care management," said Fred Goldstein, founder, president and CEO of Specialty Disease Management, in a press release. "With the national brand presence of U.S. Preventive Medicine, we can expand the scope and value of our services to a larger percent of the U.S. and international populations."