

Healthcare costs in America continue to rise

Studies show that improving access to better nutrition, especially for medically vulnerable patients and senior citizens, is an effective way to cut medical costs and improve overall health. That's why organizations are developing and funding innovative initiatives, such as mobile growers' markets, community gardens, prescription food pharmacies, and home delivery of medically tailored meals.

Together, better education about nutrition and improved access to healthier foods can help move the needle when it comes to cutting healthcare costs while helping Americans achieve better health.

Challenge: High healthcare costs, low health status

Organizations working on cutting healthcare spending and improving health outcomes via nutrition face a complex challenge that has been decades in the making. In general, Americans are unhealthy, and our healthcare costs are the highest in the world. A study for *JAMA* by the London School of Economics and the Harvard T.H. Chan School of Public Health in Boston shows that:

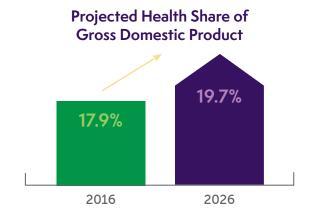
The U.S. spends twice the amount on health care that other high-income nations do, but comparatively has the lowest life expectancy and the highest infant mortality rates.¹

According to a 2019 Commonwealth Fund report, the U.S. spends substantially more than any other wealthy nation on health care, yet it has a lower life expectancy—78.6 years, a full two years lower than the average for other wealthy nations.

The U.S. also has one of the highest rates of hospitalizations for preventable conditions and the highest rate of avoidable deaths. It continues to have the highest rates of premature deaths from causes such as diabetes, hypertensive diseases, and certain cancers—all considered preventable with timely access to primary care and good chronic disease management.²

Change isn't on the horizon

A report published by the Office of the Actuary at the Centers for Medicare & Medicaid Services (CMS) said U.S. healthcare spending is expected to continue growing more quickly than the rest of the economy. It projects the health share of gross domestic product (GDP) to rise from 17.9 percent in 2016 to 19.7 percent by 2026.³



What's driving the increases in healthcare costs?

Health care in America is unquestionably complex, so the reasons for increases are complex, too. Some of the biggest drivers of spiking healthcare costs include:

1

PRESCRIPTION DRUGS

According to the Organization for Economic Cooperation and Development (OECD), the average American spent about \$1,200 per year on prescription drugs in 2018. This per capita cost is significantly higher than other developed countries.⁴ These costs could increase along with prescription drug spending. Prescription drug spending in the U.S. will grow by 6.1 percent each year through 2027, according to CMS estimates.⁵

2

TECHNOLOGICAL ADVANCEMENTS

New technologies and innovative treatments are hallmarks of American health care. But it's a double-edged sword. While technological advancements deliver better outcomes and more satisfied patients and clinicians, it's also a big cost driver. Healthcare economists estimate that new or increased use of medical technology accounts for 40-50 percent of annual healthcare cost increases.⁴

3

A "GRAYING" AMERICA

The current growth of the population ages 65 and older, driven largely by the baby boomer generation, is unprecedented in U.S. history. The number of Americans ages 65 and older is projected to nearly double from 52 million in 2018 to 95 million by 2060, and the 65-and-older age group's share of the total population will rise from 16 percent to 23 percent.⁶

4

LIFESTYLE CHOICES

Most Americans are sedentary, with the Centers for Disease Control and Prevention (CDC) reporting that 50 percent of adults don't get enough physical activity.⁷ That fact, combined with poor dietary habits full of processed foods and sugary drinks, has resulted in 70 percent of adults in the U.S. being overweight or obese.⁷ Obesity-related medical care costs in the U.S. in 2008 were an estimated \$147 billion.⁸

Opportunity: Use nutrition to lower costs and improve outcomes among targeted populations

While legislators debate ways to fix our healthcare system, many government programs, health plans and employers are addressing the problem by focusing on diet and nutrition.

Numerous studies show that basic shifts in what we eat would dramatically cut medical costs and save lives. But, it's not just a question about the daily choices individuals make—a burger or a salad—it's also about the systems that make it easier and less expensive to eat poorly and harder for many people to access and afford nutritious food that promotes better health.

In beginning to address these complex underlying issues, many stakeholders are focusing on several higher-risk populations:

- Individuals with food insecurity
- ✓ Individuals who are "medically vulnerable"





Individuals with food insecurity

Food insecurity is a national concern.

The U.S. Department of Agriculture reported that 10.5 percent (13.7 million) of U.S. households were food insecure at some time during 2019. At times during the year, these households were uncertain of having, or were unable to acquire, enough food to meet the needs of all their members because they had insufficient money or other resources for food.9 Food insecurity may be influenced by a number of factors, including income, employment, race/ ethnicity, and disability.

Improving access to healthier food is critical. Making nutritious options more available, especially to food insecure populations including people in low-income neighborhoods and senior citizens, is the first step in making it easier for people to choose them.

Addressing food insecurity issues would have an impact on health care costs. A study by America's Health Insurance Plans (AHIP) shows that food-insecure households spend 45 percent more on medical care than people in food-secure households.¹⁰

According to Feeding America, senior citizens are the fastest growing food insecure population in the country, and they face specific challenges getting the nutrition they need. Seniors living on fixed or limited incomes often skip meals or eat lower quality, less expensive foods to balance the costs of medical care and housing. Mobility is an issue, too. Many senior citizens don't have easy access to transportation or aren't physically able to shop for or prepare the nutritious foods they need.

The problem of nutrition has a near immediate impact on both health and healthcare costs. An American Geriatrics study shows that malnutrition in older adults can increase the length of a hospital stay by four to six days.¹²



Individuals who are "medically vulnerable"

Access to good nutrition is particularly important for the "medically vulnerable"—people with chronic disease and/or who have recently been hospitalized. Studies show that just improving nutrition for these groups can have a dramatic impact on medical costs and outcomes.



Better nutrition manages chronic illness

The CDC reports that six in ten adults in the U.S. have a chronic condition, and four in ten have two or more, such as diabetes, chronic kidney disease, heart disease and cancer.¹⁰

Ensuring healthy nutrition in these populations is particularly critical. One recent study found, for example, that Medicare beneficiaries with diabetes and malnutrition had a 69 percent increased likelihood of death and a 74 percent higher cost of care compared to beneficiaries with diabetes alone.¹⁴

Many chronic conditions, particularly diabetes and hypertension, can be managed through improved nutrition.

Cases of Uncontrolled Diabetes

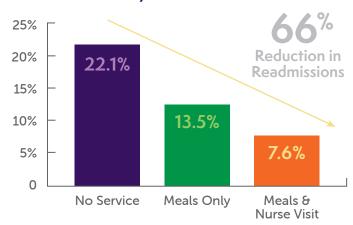


Fewer cases with access to nutritious meals through home delivery¹⁵

Better nutrition reduces hospitalization and readmissions

Research shows that nutrition plays a key role in the likelihood of hospital admission, length of stay and readmission. According to one study in the *Journal of Primary Care and Community Health*, better nutrition reduced hospital admissions by seven percent for people with diabetes and 50 percent for people with multiple conditions. ¹⁶ Once the patient is discharged from the hospital, access to good nutrition can cut readmission rates.

Nutrition Post-Discharge Reduced Readmissions 30-day Readmission Rates





Solution: Better nutrition at the doorstep

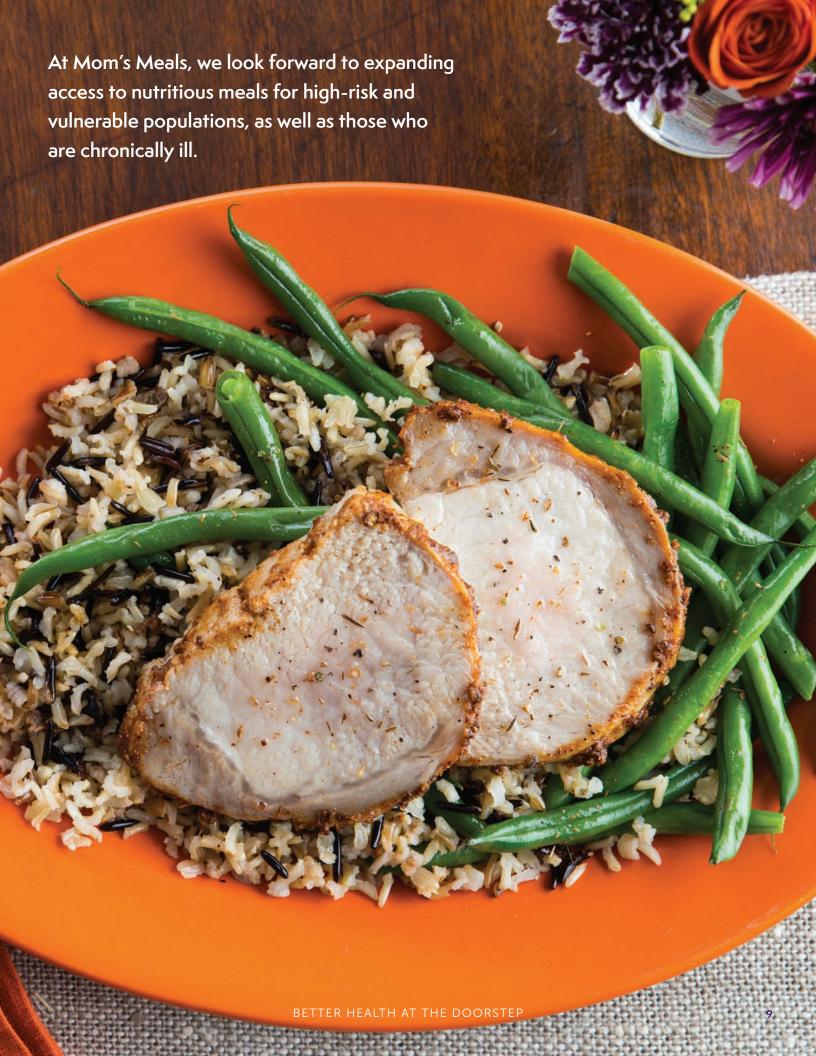
America's aging population and food insecurity problem are two big reasons that meal delivery programs are gaining favor with many healthcare organizations and governmental agencies. Although multiple platforms exist—such as food pharmacies, community gardens and nutritional counseling—providing ready-to-eat, home-delivered meals is a prime option because of its proven ability to drive impact in target populations.

Some organizations, such as Mom's Meals®, are offering medically tailored or condition-appropriate meals designed to support patients with certain chronic conditions, such as diabetes, chronic kidney disease or hypertension. These meals are planned by dietitians and chefs to be low fat, heart friendly, lower sodium, diabetes friendly, gluten free, lower carb, renal friendly or a combination thereof.

Studies show that medically tailored meal programs make a difference.

A Health Affairs study of Massachusetts
Medicaid recipients showed that patients
who received customized meals for six
months had fewer ER visits, reduced
hospital admissions and lower healthcare
spending than those who did not receive
the meals.

Interestingly, hospital admissions were unchanged for patients who received home-delivered meals that were not tailored to their medical condition, suggesting patients receive greater benefits when meals take into account their specific dietary needs.¹⁷





The clear path forward

Many stakeholders within the state and national governments, managed care and community-based organizations have recognized the key role nutrition plays in overall health.

Former Secretary of the Department of Health & Human Services Alex Azar indicated in 2018 that addressing social determinants of health, like nutrition, housing and transportation, is critical to increasing quality of care, improving patient health outcomes and lowering costs.¹⁸

The Creating High-Quality Results and Outcomes Necessary to Improve Chronic (CHRONIC) Care Act of 2018 gave Medicare Advantage (MA) plans new flexibility to offer Special Supplemental Benefits for the Chronically Ill (SSBCI), which address needs that aren't primarily healthcare-related—such as transportation, home safety, and meal delivery. A final rule issued by CMS on May 22, 2020 announced SSBCI-eligible MA plan members would no longer be limited to a specific list of chronic conditions originally outlined in 2018. Beginning 2021, CMS allowed plans to target other chronic conditions.¹¹

The path forward is a significant step toward providing more comprehensive, personalized and coordinated care that can lead to improved health outcomes at lower costs for these unique patient populations.

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To learn more about our medically tailored meal programs, contact John Phillips at Mom's Meals.

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