

# A Comparative Analysis of Chronic and Non-Chronic Insured Commercial Member Cost Trends

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## **Abstract**

### **Background**

Disease management (DM) is increasingly encountered in health plans and employer groups as a health care intervention targeted to individuals with chronic diseases (chronics). To justify the investment by payers in DM, it is important to demonstrate beneficial clinical and financial outcomes. In the absence of randomized control studies, financial results are often estimated in a pre/post study in which the cost of chronics in the absence of DM can be predicted by their pre-DM year cost (on a per-member-per-month (PMPM) basis) adjusted for the non-chronic population's cost trend. The assumption made, not previously tested, is that absent DM, the chronic and non-chronic trends are identical.