HEART FAILURE IS THE #1 COST DRIVER FOR MEDICARE

- 43% of Medicare spending
- $30.7 billion was the annual cost of HF in 2012
- 80% of direct costs for HF are due to hospitalizations

MEDICARE PATIENTS HAVE HIGH PER MEMBER PER MONTH (PMPM) COSTS

- Medicare patients without HF: $798
- Medicare patients with HF: $3421

HF IS THE #1 CAUSE OF HOSPITALIZATION IN PEOPLE AGE ≥65 YEARS

- ~25% of patients hospitalized for HF are readmitted within 30 days after initial hospitalization
- 50% of patients hospitalized for HF are readmitted within 6 months of discharge

PATIENTS WITH HF ARE AT A SIGNIFICANT RISK OF DEATH AFTER INITIAL HF HOSPITALIZATION

- Risk of mortality after initial HF hospitalization:
  - 10% at 30 days
  - 22% at 1 year
  - 42% at 5 years

*Annual costs are total (direct and indirect) costs.
†Based on an actuarial cost analysis of HF in the Medicare population.
‡Medicare data evaluated using information from beneficiaries age ≥65 years between 2005 and 2008.
§Based on data from Connecticut Medicare beneficiaries.
║Based on data from the National Heart, Lung, and Blood Institute’s ARIC study.
HF HAS A HIGHER MORTALITY RATE THAN BREAST AND COLON CANCERS

Approximate 5-Year Mortality Rates

-50%

~1 in 2 patients with HF dies within 5 years of diagnosis

MORTALITY\(9,10\)

\*Data from a community-based study of 4537 patients with HF, 375 years, between 1979 and 2000.

\(\dagger\) Data based on SEER data from 2003-2009, including patients from San Francisco, Connecticut, Detroit, Hawaii, Iowa, New Mexico, Seattle, Utah, Atlanta, San Jose-Monterey, Los Angeles, Alaska Native Registry, Rural Georgia, California (excluding San Francisco/San Jose-Monterey/Los Angeles), Kentucky, Louisiana, New Jersey, and Georgia (excluding Atlanta/Rural Georgia).

HF AND ITS IMPACT ON ALL-CAUSE READMISSIONS AND 5-STAR RATINGS

PLANS NEED TO ACHIEVE AT LEAST A 4-STAR RATING FOR THE HIGHEST QUALITY BONUS PAYMENTS\(12\)

- The Plan All-Cause Readmissions measure is weighted a 3—one of the highest-weighted penalties\(13\)
- HF is a key driver of the plan all-cause readmissions measure\(5\)

PLANS UNABLE TO LOWER ALL-CAUSE READMISSIONS AND ACHIEVE 4 STARS RISK RECEIVING REDUCED BONUS PAYMENTS.

THE PREVALENCE OF HF IN THE UNITED STATES CONTINUES TO RISE

- ~870,000 new HF cases are diagnosed annually\(8\)
- The number of Medicare patients with HF is predicted to grow about 26%, from an estimated 3.7 to 4.8 million by 2022\(14\)

IN LESS THAN 2 DECADES IT IS PROJECTED THAT NEARLY 50% MORE AMERICANS WILL HAVE HF\(3\)