

**AHRQ STATE HEALTHCARE QUALITY IMPROVEMENT WORKSHOP:  
CHRONIC DISEASE COST CALCULATOR**

<b>WHAT DOES THIS TOOL DO?</b>	<p>The Chronic Disease Cost Calculator generates State-specific estimates of the economic burden of the following chronic diseases to Medicaid programs:</p> <ul style="list-style-type: none"> <li>• Heart disease</li> <li>• Congestive heart failure (CHF)</li> <li>• Hypertension</li> <li>• Stroke</li> <li>• Diabetes</li> <li>• Cancer</li> </ul> <p>Future iterations of the calculator will include more diseases, estimates of the medical costs to other payers, estimates of the indirect costs of lost productivity, and forecasts of future costs.</p>
<b>WHAT CAN THIS TOOL TELL STATES ABOUT THEIR PERFORMANCE?</b>	<p>The calculator is designed to help States identify the cost burden of chronic diseases to assist in decisionmaking about the value of investing in disease prevention and care management programs. The calculator provides the following estimates:</p> <ul style="list-style-type: none"> <li>• Prevalence of the chronic diseases in the Medicaid population</li> <li>• Per capita Medicaid expenditures attributed to the diseases</li> <li>• Proportion of the State's Medicaid budget that pays for these diseases</li> </ul>
<b>WHO SHOULD USE THIS TOOL?</b>	<p>This tool can be used by:</p> <ul style="list-style-type: none"> <li>• State health officials and executive branch officials (State health departments, Medicaid officials, budgeting offices, etc.).</li> <li>• State governors and legislators.</li> <li>• Nongovernmental State and local health care leaders (professional societies, provider associations, hospital associations, voluntary health organizations, health plans, business coalitions, community organizations, and consumer groups).</li> </ul>
<b>HOW DOES THE TOOL WORK?</b>	<p>The Chronic Disease Cost Calculator uses State-specific estimates of the prevalence and per capita cost of six chronic diseases in the Medicaid population to generate State-level estimates of the proportion of Medicaid expenditures attributable to these diseases. National estimates are provided for comparison.</p> <ul style="list-style-type: none"> <li>• The statistical analysis used to generate the cost estimates avoids double-counting (i.e., overlap of disease costs) of Medicaid dollars going to multiple diseases.</li> <li>• Users select which State they want to generate estimates for, which diseases, and which grouping they want (by age group or by gender).</li> <li>• Users have the option of using disease prevalence and per capita cost estimates provided by the toolkit or entering customized inputs to generate estimates of the economic burden of the chronic diseases.</li> </ul>
<b>WHAT DATA SOURCES ARE USED?</b>	<p>Data for the calculator are taken from AHRQ's Medical Expenditure Panel Survey (MEPS) and CMS's Medicaid Analytical eXtract (MAX) files.</p>
<b>WOULD THIS TOOL BE USEFUL FOR MY STATE?</b>	<p>This tool can be very useful for States interested in monitoring the burden that increasingly common chronic diseases place on their economy. States considering disease prevention and care management as strategies for controlling Medicaid spending will find it particularly worthwhile.</p>
<b>HOW CAN I OBTAIN THE TOOL?</b>	<p>The calculator is available from the Centers for Disease Control and Prevention Web site at: <a href="http://www.cdc.gov/nccdphp/resources/calculator.htm">www.cdc.gov/nccdphp/resources/calculator.htm</a>.</p> <p>Contact Person:</p> <p>Dr. Susan Haber Health, Social, and Economics Research RTI International 1440 Main Street, Suite 310 Waltham, MA 02451 <a href="mailto:shaber@rti.org">shaber@rti.org</a>.</p>