

# The Five Pillars of Health Risk Management

## KEY STATISTICS

- 97% of Americans don't meet the basic criteria of a healthy lifestyle.
- 75% of family cancer histories contain errors.
- Medical errors may be the third leading cause of death in the U.S.
- Average annual out-of-pocket costs per patient have risen nearly 230% between 2006 and 2015.

## Introduction

While financial risk assessment and planning are common tools employed to build a more secure future, health risk assessment and planning are also of growing importance. Health issues and health-related expenditures are moving into place as top personal and financial concerns for many individuals, retirees, and families with aging parents. If not properly planned, the management of ongoing health issues can be costly and expose individuals to increased risks that can threaten not only health and quality of life, but also financial security.

The financial impact of healthcare has a number of drivers including health insurance costs and the rising cost of healthcare services and medications:

- Out-of-pocket healthcare costs have increased approximately 230% between 2006 and 2015.<sup>1</sup>
- The average of annual health care expenses for a couple aged 65 will increase 175.6% in 20 years of retirement.
- In addition, those costs increase significantly as individuals get older, with average out-of-pocket costs for a couple doubling from \$6,996 per year at age 65 to \$15,530 by age 85.<sup>2</sup>
- Health insurance deductibles are another factor and can range from \$2,600 to \$8,000 or more per family per year.
- The skyrocketing cost of medications is also a contributor to the economic impact of healthcare, with newer anti-cancer medications, for example, costing an average of \$11,325 per month.<sup>3</sup>

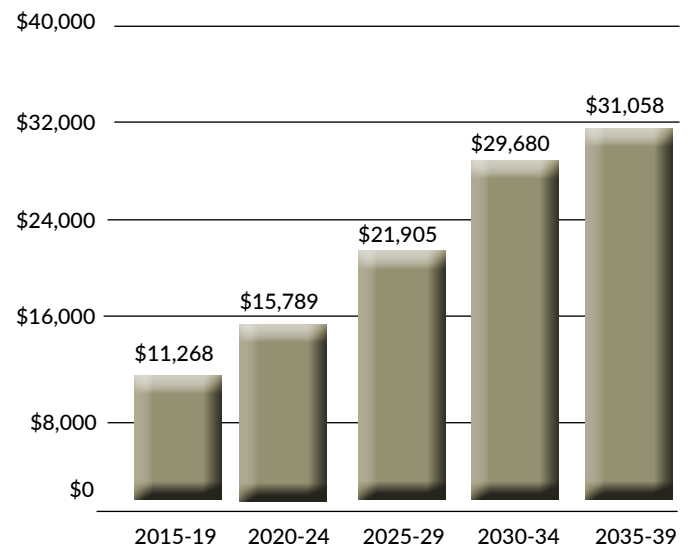
A diversified financial portfolio tailored to an individual's goals and needs can help mitigate the impact of market swings. Similarly, a comprehensive, personalized approach to health risk management and planning can help mitigate health risks and potentially lower costs by reducing the need for treatment of preventable health problems,

improve wellbeing and longevity, and achieve better outcomes. The most effective strategy incorporates proactive planning, regular reassessment, and revision over time as needs evolve. It should address the five key factors that affect health risk: family history, lifestyle, misdiagnosis, inappropriate treatment, and access to quality care to address medical issues that might arise while traveling.

This paper details those five key health risk factors and the proactive components that should be included in an effective health risk management strategy.

Figure 1: Average Annual Healthcare Expenses<sup>1</sup>

A 65-year-old couple's average annual health care expense (in future dollars) for five-year periods in retirement.



Average Annual Health Care Expenses (excluding long term care)

## The Key Factors that Affect Health Risk

### Factor 1: Family History

The first factor that can have a significant impact on an individual's health risk is family history. Family history is the foundation for building a personalized, proactive risk mitigation plan for a wide range of diseases, including cardiovascular disease, diabetes, some cancers, Alzheimer's disease and other types of dementia, depression, birth defects, and a range of genetic disorders. A report from the Centers for Disease Control and Prevention, however, found that only 33% of Americans have actively gathered their family health history.<sup>4</sup> Even when family history is known and reported, the information often contains errors. One study found that 75% of family histories provided by patients who were asked about the incidence of cancer among relatives contained errors.<sup>5</sup>

### Factor 2: Lifestyle

Medical research has shown conclusively that lifestyle factors also have a substantial effect on health risk. For example, people who are overweight have a two- to three-fold higher risk of coronary artery disease and high blood pressure, a ten-fold increase in risk for type 2 diabetes, and increased mortality risk from colon, breast, kidney, and other cancers.<sup>6</sup> Lifestyle factors, including diet, exercise, weight, alcohol and tobacco use, stress, and sleep quality can all affect the risk of developing a range of health problems, including cardiovascular disease and stroke, diabetes, certain cancers, back and joint pain, and lung diseases such as chronic obstructive pulmonary disease (COPD).

Choosing to follow a healthy diet, getting regular exercise, maintaining a healthy weight, practicing stress management, getting adequate sleep, and avoiding the use of tobacco and the misuse of alcohol, can lower the the risk of developing these conditions. A study by researchers at the Mayo Clinic found, however, that less than 3% of Americans meet even the most basic qualifications for a healthy lifestyle<sup>7</sup>, which include 150 minutes of moderate exercise per week, a diet that scores in the top 40% on the USDA Healthy Eating Index, being a non-smoker, and having less than 20% body fat for men or 30% for women.

### Factor 3: Misdiagnosis and Medical Errors

Additional factors that increase personal health risk are the high incidence of misdiagnosis and medical errors. According to the Institute of Medicine most Americans will experience at least one inaccurate or delayed diagnosis in their lifetime. Approximately 12 million people in the U.S. who seek outpatient medical care will experience some form of diagnostic error each year.<sup>8</sup> The effects of these misdiagnoses and medical errors can

be devastating. A recent published analysis by researchers at the Johns Hopkins University School of Medicine suggests that these problems may be the third leading cause of death in the U.S. after heart disease and cancer.<sup>9</sup>

*Most Americans will experience at least one inaccurate or delayed diagnosis in their lifetime.*

### Factor 4: Inappropriate or Unnecessary Treatment

Inappropriate or unnecessary treatment present additional risks to health. These can take several forms:

- Inadequate treatment despite clinical evidence or guidelines that support specific treatment benefit to the patient
- Inappropriate treatments that have no clinical evidence or proven benefit and which can pose potential harm to the patient
- Unnecessary treatments for stable conditions that do not pose a serious threat to the patient's health

One study found that 30% of common medical procedures, including cardiac bypass and hysterectomy, are performed for reasons not supported by clinical evidence and may be harmful for the patient.<sup>10</sup> For several common diseases including ovarian cancer, back pain, and heart disease, a significant percentage of patients do not receive the gold standard of care supported by clinical evidence, which increases the complication rate and in some cases lowers the survival rate.<sup>11 12 13</sup>

### Factor 5: Medically-Related Travel Emergencies

The final factor that affects health risk is medically-related travel emergencies. Problems can include sudden illness, accidents, injuries, a recurrence of a serious or chronic health problem, and lost or forgotten medications. The key to achieving better outcomes in an emergency is access to quality care and resources. However, both in the U.S. and even more markedly abroad, it is difficult to know which physicians and healthcare facilities provide the highest quality care for a specific medical issue. In case of an emergency, care is usually provided at the nearest hospital or physician's office. Treatment in facilities with limited experience or expertise increases the risk of receiving inappropriate care, which in turn increases the risk of suboptimal outcomes. In addition, lack of quick access to the patient's complete medical history and records during an emergency can also put the patient at risk.

## The Five Pillars of an Effective Health Risk Management Strategy

To effectively manage health risk, individuals need to build a personalized risk management strategy. The support and resources that a professional health advisor offers can help individuals assess risk, build an effective risk management strategy, review changing risks, and adjust the strategy over the course of a lifetime.

To appropriately address the factors outlined above, there are five pillars that should be included in any health risk management strategy:

### **Pillar 1: Screening and preventive care**

The foundation of a health risk management strategy should include assessing and monitoring family history and lifestyle-based risk factors, administering and updating immunizations, biometric screening for high blood pressure, cholesterol, blood sugar, BMI, and waist circumference, as well as personalized screening for breast, colon, and other cancers. Enacting and following through with a screening and preventive care plan tailored to each individual's risks can effectively lower the risk of developing a number of preventable diseases, such as cardiovascular disease, osteoarthritis, and diabetes. It can also increase the likelihood that diseases that are not preventable, including some types of cancer, are detected at the earliest stage when they may be more treatable.

### **Pillar 2: Access to reliable medical intelligence**

In order to make sound decisions, patients need to be fully informed about treatment options and their potential risks and benefits. They also need help finding the right specialists for complex health problems. Friends and family may be well meaning, but are not always the most objective source of information. Internet resources can be both overwhelming and misleading. Even an experienced family physician may not know about the most current innovative treatment approaches or the best specialists or centers of excellence for specific complex medical issues.

### **Pillar 3: Access to expert, experienced physicians**

Quality of care and outcomes are directly affected by the experience and expertise of the treating physician or health system. Receiving care from less experienced, less skilled medical professionals in a health system with limited resources can have a negative impact on health outcomes. For example, one study found that surgeons who performed at least 50 surgeries a year had no complications over a five-year period<sup>14</sup>. Training is another important consideration. A study found that American Board of Surgery Certified physicians achieved better cancer surgery outcomes than non-certified surgeons.<sup>15</sup>

### **Pillar 4: Personalized care planning and support**

Medical care is not "one-size-fits-all." For the best preventive strategies and outcomes, individuals need a proactive, personalized strategy focused on their specific needs and risk factors. The strategy should take into consideration family history, lifestyle, specific genetic risk factors, and health and wellness goals. Care also needs to be coordinated amongst all treating physicians in order to avoid inappropriate or redundant testing and treatment and to reduce the risk of misdiagnosis. When a complex issue arises, individuals need intelligence and support so that the necessary medical information gets to the right specialist efficiently. They also need assistance accessing the proper specialist in a timely manner.

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### **Pillar 5: Planning and access to medical travel support**

A proactive travel plan that provides information about the most qualified physicians and hospitals at the traveler's destination can lower the risk of inappropriate care in an emergency. Medical intelligence about disease risks at the destination and appropriate pre-trip preventive measures are critical elements of a well-designed plan. Travel support should also include medical travel insurance to help pay for care and provide access to medical evacuation when appropriate. Having a skilled professional to remotely coordinate emergency care and provide treating physicians with rapid access to the patient's comprehensive medical record are also key.

## Conclusion

Effective financial and health risk management both require an engaged team of professional advisors who can provide the objective information and resources needed to guide informed decision making. A health advisor's professional support can ensure that individuals gain better control of health risk factors and build, monitor, and revise a comprehensive, lifelong health risk management strategy. A proactive, patient-centered approach to health risk management can not only mitigate the risks presented by disease, it can also make personal health and wellness goals easier to achieve, leading to a better quality of life.

To access professional healthcare advisors who can help formulate strategies and a plan for managing health risks, please contact PinnacleCare at [www.pinnaclecare.com/contact](http://www.pinnaclecare.com/contact).

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