Health literacy and Increased Health Care Costs

National health care spending

- In 2007, total health care spending was $2.3 trillion or $7600 per person and represented 16% of the gross domestic product (GDP)\(^1\)
- The annual premium for an employer health plan covering a family of four averaged nearly $12,100. The annual premium for single coverage averaged over $4,400\(^2\)
- Despite 47 million uninsured Americans, the U.S. spends more on health care than other industrialized nations providing some type of universal coverage\(^3\)
- Ten percent of people account for 60% of health care spending\(^4\)

Factors driving health care costs

- Hospital care
- Physician services
- Outpatient prescription and over-the-counter drugs
- Nursing home and home health services
- Technology advances
- Increase of chronic conditions, particularly obesity-related conditions

Health literacy costs in Missouri

- 1.6 million adults in Missouri have Basic or Below Basic health literacy
- The annual cost of low health literacy to the state of Missouri is between $3.3 billion and $7.5 billion\(^6\)
- Improving health literacy could save St. Louis County $880 million and Jackson County $586 million each year \(^6\)
Elevated levels of health literacy affect costs and quality of life

- Persons with inadequate health literacy incur higher medical costs and use an inefficient mix of services\(^3\)
- In-patient spending increased by approximately $993 for patients with limited health literacy\(^3\)
- Lower health literacy scores were associated with higher mortality rates within a Medicare managed care setting\(^8\)
- Individuals with low levels of health literacy were more likely to be hospitalized and have bad disease outcomes\(^7\)

References