



## **Sleep Apnea and The Surprising Cost to U.S. Employers Quantifiable and Avoidable**

June 28, 2023

Everyone knows what an employer is, but do you know what a payor is? Typically, payors are commercial or public health insurance companies like UnitedHealth Group, CVS Health, or Medicare/Medicaid, that cover medical services for their plan members and beneficiaries. Many large employers self-fund their health insurance plans for employees, technically making them payors also. However, employers typically contract with third-party commercial payors such as UnitedHealth Group, to administer their health plan through the employer's HR department and service employee/plan members directly.

What's interesting is that commercial payors are also employers and many are large ones, too. For example, UnitedHealth employs approximately 325,000 people, with CVS Health close behind with 290,000 employees.

Also of interest is that most employers' health plans do not encourage early screening, diagnosis, and treatment for sleep apnea. A big reason is not only the expense associated with doing so but also the reality that existing FDA-approved treatments are difficult to adopt and adhere to. It is well documented that the gold standard of care, continuous positive air pressure (CPAP) treatment, and other secondary alternatives are so uncomfortable that [50% quit treatment within 2 years](#). And many patients **refuse to get diagnosed** because they don't want 'non-compliant with treatment' on their medical records. But the scary truth is that the [cost of untreated sleep apnea](#) is shockingly high and the diagnosis and treatment rates are shockingly low at only 10% and 5% respectively considering the serious health consequences and economic costs.

Unfortunately, many employers and payors wait until their employees and plan members not only show symptoms of sleep apnea such as excessive daytime fatigue, but are suffering [AFib](#) by age 40 – 50 from the cumulative heart damage caused by about 100 apneas per night for the last 20 years. Doing the math this equals about 730,000 cumulative heart rate spikes while asleep from the panic attacks associated with the repeated sense of suffocation caused by sleep apnea. At this point under the current standard of care, patients are routinely prescribed CPAP therapy - which, as mentioned, is a treatment that is difficult to adopt and adhere to.

This must change because the damage to the heart - and every other organ in the body from untreated apneas - is cumulative, [often beginning in adolescence](#) and manifesting as Type II diabetes and ADHD-like symptoms. And the costs to employers, payors, and the public associated with delaying diagnosis and treatment are astronomical and avoidable. According to a landmark 2010 Harvard Medical School and McKinsey & Company study entitled, "[The Price of Fatigue](#): The surprising economic costs of unmanaged sleep apnea", the quantifiable costs to employers are estimated at **\$5,000 per year**, and another **\$2,000 for workplace accidents and absenteeism**. Additionally, by the time an employee with untreated sleep apnea reaches 65 years of age, that individual can cost Medicare an extra **\$19,000 per year** according to a 2020 study by Dr.

Wickwire, et. al. from the University of Maryland School of Medicine entitled, "[Older adult US Medicare beneficiaries with untreated obstructive sleep apnea](#) are heavier users of health care than matched control patients."

### Changing the Status Quo

There are a few steps employers and payors can take today to lower the high costs and severe long-term health issues that are known to arise because of untreated sleep apnea including:

- Require annual screening of employees and covered family members.
- Educate employees about what happens each time they have an apnea and help them understand how many spikes in heart rate they may have had last night, last week, last year, and in total by now in order to help them act to prevent the serious consequences, and increase adoption of and adherence to treatment.
- Send the [STOPBang](#) online and [Epworth Sleepiness Scale](#) sleep apnea screening tests to employees by email.
- Pay for home sleep tests, treatment, adoption and adherence coaching.
- Invest in the development of more comfortable treatment options.
- Design and test cost-effective ways to *at least* double the current diagnosis and treatment rates of 10% and 5% respectively, within 5 years.

Bottom line: it is estimated that unmanaged sleep apnea is costing employers and payors **hundreds of millions of dollars per day**. These statistics make a strong case from a shareholder's perspective that it is worthwhile for CEOs to become proactive and serious about disrupting the [costly status quo](#). After all, employees are a CEO's most valuable asset and the ROI for treating sleep apnea is off the charts.

#SleepApnea #STOPBang #EpworthSleepinessScale #HumanResources  
#ThirdPartyAdministrator #Medicare #Medicaid #HealthEquity

About the Author – Michael Nathans is the CEO and one of four Co-Founders of WhisperSom Corporation, a medical device and informatics company. He holds a degree in biology and Pre-healing Arts from Franklin & Marshall College and has a 35-year business background that includes 5 years at PwC, two U.S. patents, and two grants from the Ford Foundation. Visit WhisperSom on [LinkedIn](#) and [Facebook](#) to follow more discussions about sleep apnea and raising the current 5% treatment rate through education and new technology.