The health care costs of treating chronic disease rise exponentially as the numbers of diagnosed chronic conditions increase according to data just released by the U.S. Department of Health and Human Services. This is the bad news. The 2011 per capita cost for a Medicare beneficiary with six or more chronic conditions (from a list of 15 that varied from stroke and asthma to Alzheimer's and diabetes) was $31,543.

The good news is that the annual costs have not changed much over the five year period, 2007-2011. At the low end of expenses and chronic conditions, per capita costs increased 9.8 percent over the five year period. At the high end, for those with six or more diagnosed chronic conditions, the cost increase was 10.3 percent.

While these data reflect Medicare costs for persons over 65 or with certain disabilities, the trends reflect the realities of Medicaid budgets as well. Generally states are seeing health care cost increases moderating but among the Medicaid population chronic diseases are also a cost driver. Increasing rates of obesity and diabetes among individuals of all ages are likely to increase.