

A series of essays giving the research evidence behind Canadian healthcare debates



## Myth: The cost of dying is an increasing strain on the healthcare system

In the ongoing quest to identify the cause of growing healthcare budgets, fingers are pointed in a number of directions — the aging population and expensive new technology in particular.

There is a widespread belief that healthcare systems are spending more and more to provide intensive and aggressive care to older patients living out their final months. These “heroic efforts” to treat the dying are becoming a bigger spending factor than in the past, so the myth goes, due to the availability of more expensive technology.

The image of teams of doctors, nurses and other healthcare professionals gathered around elderly patients, with an arsenal of the best drugs and equipment at their side, is a convenient one — but how close is it to reality?

### Thirty years of evidence

The perception that the cost of treating the dying drives up healthcare budgets is not new, but it has also been debunked by more than 30 years’ worth of evidence. Research on healthcare spending shows that end-of-life costs tend to account for a minority of total costs to healthcare systems; research from both North America and Europe shows that acute healthcare costs during the last year of life account for only about 10 to 12 percent of total healthcare budgets.<sup>i, ii</sup>

The American Medicare plan, which covers only healthcare for seniors, has been particularly well-researched. Studies dating back to the 1970s have shown that the five to six percent of seniors who die each year account for about 27 to 30 percent of that program’s costs for treating the elderly.<sup>iii-vi</sup>



### Spending steady since 1960s

This myth stays alive for a couple of significant reasons. First, the increasing number of seniors in the population has led to the belief that the costs of treating them will overwhelm the system — a myth refuted by another *Mythbuster* on the aging population.<sup>vii</sup> Second, improvements in care in recent years, largely due to new and more expensive technology, have led to the belief that these resources are too often being used in last-ditch efforts to keep patients alive — and causing increases in healthcare budgets.

Despite these developments, the data appear to show that the proportion of healthcare spending going to care for those at the end of life has largely remained stable over time.<sup>iii</sup> In the United States, for example, the money being spent in the last year of life has remained steady since the late 1960s, when their Medicare program was first introduced to provide hospital and physician coverage to seniors older than age 65.<sup>iv, viii, ix</sup>

And despite changes to the technology available, the fact is most people still die without an expensive, high-tech struggle.<sup>i</sup> Indeed, a major study of Manitoba patients found that 38 percent of seniors in that province died after only two weeks or less in a hospital,<sup>x</sup> and 46 percent of Medicare recipients in the United States received no hospital treatment at all in the year before they died.<sup>xi</sup>

## Nursing homes affect costs

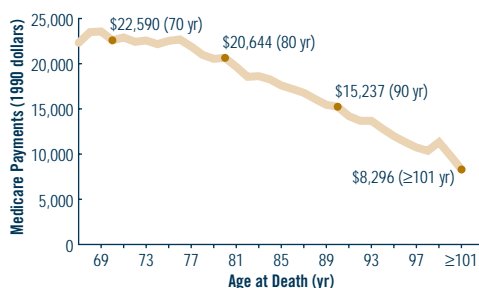
Research shows that the older people are when they die, the lower the medical costs incurred during the final year.<sup>v, xii-xiv</sup> Instead, these individuals appear to be using nursing home services to a much greater degree.<sup>x</sup> American research has shown nursing home costs make up 62 percent of spending in the last 18 months of life for people who were older than 85 when they died, and 24 percent of spending for those who were between the ages of 65 and 74 when they died.<sup>xi</sup>

In addition, recent studies of Manitoba's nursing homes show that because individuals being admitted to nursing homes are spending more time living in the community before they go into a care home, they are older and frailer when they enter a facility, and they die after a shorter stay.<sup>xv, xvi</sup> The Manitoba research shows that while admission rates have remained stable

in that province, the average number of days spent in a care home declined by about 20 percent between 1985 and 1999.<sup>xvi</sup>

### American Medicare payments on hospitals and physicians in the last two years of life decline with increasing age at death

Data from Lubitz et al, 1995



## Research can't do everything

Clearly, research has debunked the myth that the cost of dying is growing and overwhelming the healthcare system. The question that research will never answer, however, is whether that spending is *too high* — that's a question of values, which number-crunching will never answer.

Even if society does decide that spending at the end of life is too high, it is unclear what could be done about it. Research has shown some likelihood of reducing costs with increased use of hospice and advance directives,<sup>ii</sup> but there are other critical and possibly disturbing policy implications that will emerge as people try to decide how aggressive medical care at the end of life should be and how costs can be reduced.

In the end, it is difficult to predict which patients receiving treatment will live and which will die (with the exception of some forms of terminal cancer). In other words, care in the last year of life is not so much "spending on the dying" as it is just providing regular medical care for people who have serious health problems.<sup>iv, v, xvii</sup>

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