

Myth: The aging population will overwhelm the healthcare system.

Fact: the proportion of Canadians over 65 is increasing. Another fact: the elderly need more medical services than younger people. Put together, these snippets of reality conjure up a familiar image, where healthcare costs of the aging population in Canada balloon until the system gets blown away.

Despite that intuitive assumption, things don't quite work that way. Healthcare costs don't go through the roof just because there are more seniors. The real issue is with changes in the number and nature of medical services for elderly patients.ⁱ

The price of aging

Nobody disputes healthcare costs increase with more old people. But — provided use rates of the different age groups stay constant — this increase will happen along a gradual slope, easily cushioned by the economy. It won't swamp the system. In fact, the impact of the aging population will actually be quite small, says Morris Barer, a health economist at the University of British Columbia: about one per cent each year in total healthcare costs for the whole population.ⁱⁱ

Where do all the costs come from?

The most dramatic role in the aging "crisis" isn't played out in the numbers of the elderly but in changing patterns of health services utilization. Namely, heavier, more intense treatment for those over 65.

Researchers studying the use of health services found that in 1995/96 (figuring in hospital downsizing effects), almost one-third of all inpatient days in British Columbia hospitals were provided to the young and the middle aged. The remaining two-thirds went to patients over 65.ⁱⁱⁱ That seems like the expected norm — but it's the flip side of what was happening about 25 years before, when young and middle-aged patients used about two-thirds of all inpatient days in hospitals, and seniors only used one-third.

In Quebec, between 1982 and 1992, the proportion of seniors grew from 8.9 to 11.2 per cent, while their costs of physician services more than doubled. Some of that increase can be attributed to higher physician fees and the growing numbers of seniors. However, the main reason was that seniors had radically upped their visits to the doctor within the 10 years.^{iv}

In other words, it isn't the number of the elderly driving the increase in healthcare costs — it's that they're using healthcare services more and





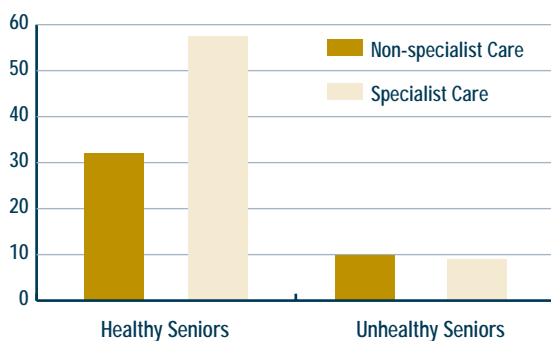
more. But why? Are the elderly now much sicker than they used to be? Or, is the system treating geriatric health needs very differently than before?

The elderly: healthy and unhealthy

At first glance, the former scenario seems to explain it all. It's true people are living longer, but they spend a greater proportion of their years after 65 in ill health.^v Manitoba researchers found that not only did the number of elderly people in the province increase between the early 1970s and 1980s, more of them were living in poor health.^{vi} More sick seniors: that seems to justify the need for more services...but the big picture tells a different story.

Despite the rising numbers of the elderly in ill health, it's actually healthy seniors who have driven the most significant increases in healthcare use — their visits to the doctor went up by 57.5 per cent, far more than unhealthy seniors increased theirs. The fact that there were more sick seniors played only a small role in the drastic increase in healthcare use among the elderly, the researchers conclude.^{vii}

Increase in medical use by seniors in good and bad health



Why are healthcare costs for the elderly rising so rapidly? Between 1971 and 1983 in Manitoba, seniors in good health got many more medical services than unhealthy seniors. Healthy seniors accounted for a 57.5 per cent increase in specialist care and a 32 per cent increase in non-specialist care, while elderly individuals in bad health accounted for 10 and nine per cent respectively.

Data from Black C et al. 1995. "Rising use of physician services by the elderly: The contribution of morbidity" *Canadian Journal on Aging*; 14(2): 225-244.

The question at large

Why are seniors given so much more treatment than they used to get? It's a question that needs to be asked, especially since this increase is even more striking compared to the healthcare use of other age groups, which may have been growing — but certainly at a much lower rate. Is intensified care for healthy elderly people appropriate and necessary? William Dalziel, the head of geriatrics at the University of Ottawa, notes the value in routinely giving the elderly procedures such as flu vaccinations, cataract surgeries and hip replacements.^{viii} But more research needs to be done, he says, to identify procedures that truly improve living standards for the elderly.

- i McGrail K et al. 2000. "Age, costs of acute and long-term care and proximity to death: evidence for 1987-88 and 1994-95 in British Columbia." *Age and Ageing*; 29: 249-253.
- ii Barer ML et al. 1995. "Avalanche or glacier? Health care and the demographic rhetoric." *Canadian Journal on Aging*; 14(2): 193-224.
- iii McGrail, KM et al. 1998. "The quick and the dead: The utilization of hospital services in British Columbia, 1969 to 1995/96." University of British Columbia, Centre for Health Services and Policy Research; HPRU 98:3D.
- iv Demers, M. 1996. "Factors explaining the increase in cost for physician care in Quebec's elderly population." *Canadian Medical Association Journal*; 155(11): 1555-1560.
- v Hébert, R. 1997. "Functional decline in old age." *Canadian Medical Association Journal*; 157(8): 1037-1045.
- vi Roos, NP et al. 1993. "Living longer but doing worse: Assessing health status in elderly persons at two points in time in Manitoba, Canada, 1971 and 1983." *Social Science and Medicine*; 36(3): 273-282.
- vii Black, C et al. "Rising use of physician services by the elderly: The contribution of morbidity." *Canadian Journal on Aging*; 14(2): 225-244.
- viii Dalziel, W. 1996. "Demographics, aging and health care: Is there a crisis?" *Canadian Medical Association Journal*; 155 (11): 1584-1586.