

# Five percent of Ontario residents account for majority of health care costs

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Five percent of Ontarians account for 65% of provincial health care costs for individual care, with the top 1% accounting for one-third of these costs, according to new research published in *CMAJ* (*Canadian Medical Association Journal*).

"Our study provides a comprehensive, but still incomplete picture of [health care](#) spending," writes lead author Dr. Walter Wodchis, a senior scientist at the Institute for Clinical Evaluative Sciences (ICES) and a researcher at the Institute for Health Policy Management and Evaluation, University of Toronto, with coauthors. "The [costs](#) included in our study amounted to \$30.5 billion, or about 75% of total government health expenditures."

The study, using data from ICES, consisted of all residents of Ontario—almost 15 million people under 105 years of age—who were eligible for health care funding between 2009 and 2011. Researchers from the University of Toronto and ICES looked at patterns in health care usage and costs of provincial health care services such as prescription drugs, laboratory tests, physician visits, home care, hospitalization and more.

## Key findings:

- One percent of Ontarians accounted for 33% of all costs, with \$44 906 or more spent per person.
- Ten percent of the population accounted for more than 75% of

all provincial health care costs.

- Spending for high-cost users was for hospitalization or long-term care, in contrast with lower-cost users, whose costs were mainly for physician visits as well as prescriptions and laboratory tests.
- Children accounted for higher costs than adults, with the top 1% accounting for 38% of costs.
- The top five reasons for hospitalization of children in the top 1% were for low birth weight or prematurity, depression, chemotherapy and acute bronchiolitis.
- The most common reasons for hospital admissions of high-cost adult users were chronic diseases such as congestive heart failure and chronic obstructive pulmonary disease, infections and palliative care.
- High-cost users continued to use health care services at high levels over time.

The researchers suggest that focusing on this group may help reduce costs and provide better care.

"People who have high health care needs over multiple years are frequently hospitalized, which is the most expensive type of care," explains Wodchis. "We suggest that it is likely that at least some of these patients are not receiving adequate community-based care that could prevent such repeat hospitalizations. By finding ways to better support the care needs of this small but needs-intensive segment of the population in the community when appropriate, we could substantially lower costs for the health care system overall."

Total health care spending in Ontario in 2009 was \$42 billion. This study tracked the 75% of these costs that were spent on individual services, with the remaining 25% spent on public health, community service agencies and other programs as well as government administrative costs.

The researchers suggest that there is no uniform solution for decreasing health care costs.

"Finding efficiencies does not necessitate reducing necessary care or total health care spending," write the authors. "Appropriate and high-value care must not be reduced or compromised. Results from our study suggest that causes and solutions vary by age."

**More information:** *Canadian Medical Association Journal*,  
[www.cmaj.ca/lookup/doi/10.1503/cmaj.150064](http://www.cmaj.ca/lookup/doi/10.1503/cmaj.150064)

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