Per-capita end-of-life spending is decreasing rapidly, according to new study

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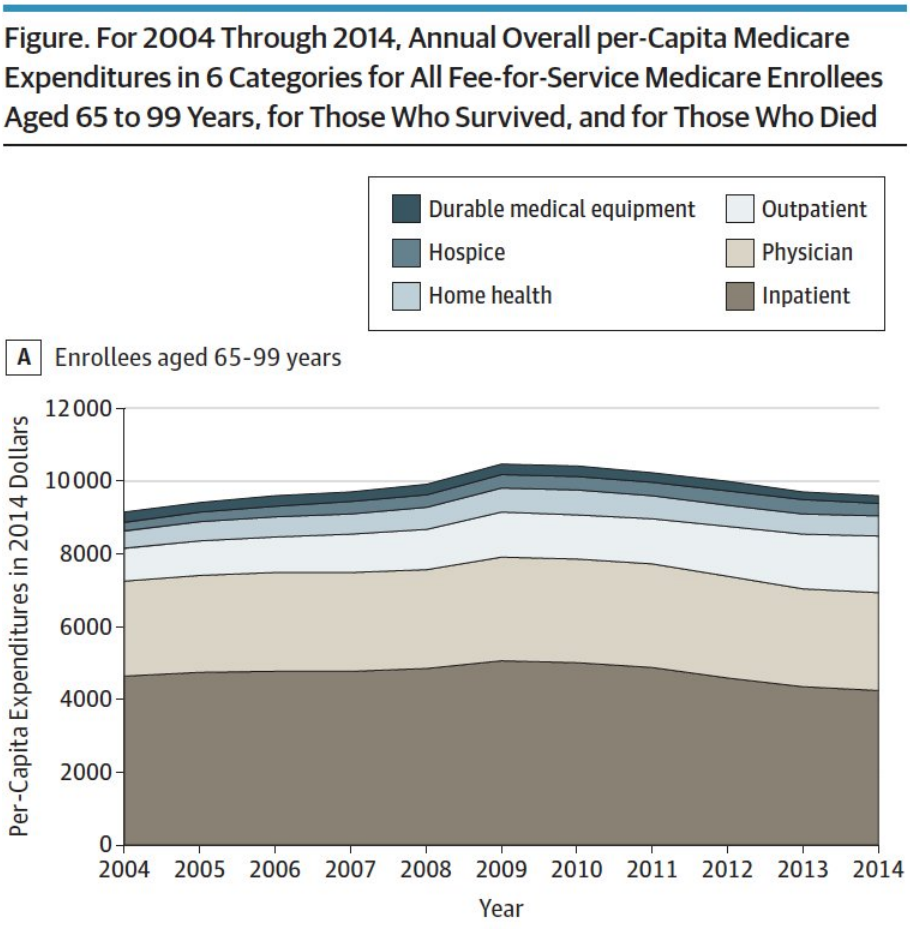

Figure. For 2004 through 2014, annual overall per-capita medicare expenditures in 6 categories for all fee-for-service medicare enrollees. Aged 65 to 99 years, for those who survived, and for those who died. Credit: via *JAMA IM*

Health economists have long considered end-of-life spending to be one of the major contributors to the overall increase in health spending in the United States. That narrative has been supported by recent research findings that increased use of hospice care costs more than it saves, that end-of-life care intensity has been increasing, and end-of-life intensive care unit has accelerated.

While those factors contributed to an overall rise in end-of-life costs through the mid-2000's, a new study by healthcare researchers from The Dartmouth Institute for Health Policy and Clinical Practice and Dartmouth-Hitchcock Medical Center found that, since 2008, per-capita end-of-life care costs have been declining rather dramatically. What's more, the decrease in end-of-life spending significantly contributed to the moderation in growth of overall per-capita Medicare spending.

Reductions in end-of-life spending were driven by substantially lower inpatient care expenditures as well as modestly lower physician and home health expenditures, without commensurate increases in other care areas, according to their findings recently reported in *JAMA Internal Medicine*.

"Using the data that are currently available to us, we couldn't pinpoint the cause of the decline in per-capita end-of-life care costs," says lead author and Dartmouth Institute Professor William Weeks, MD, Ph.D., MBA. "Potential explanations include changes in supply—meaning doctors' efforts may have been redistributed from end-of-life care to care of patients newly insured under the ACA—or decreased demand for end-of-life care: patients and their families may have adapted a more conservative approach in end-of-life decision making."

The researchers also say that "even financial constraints caused by the Great Recession of 2008" could be a factor in reduced end-of-life spending.

To calculate changes in end-of-life Medicare expenditures in the recent past, the researchers obtained publicly available data on Medicare enrollees aged 65 to 99. Using the consumer price index to convert expenditures to 2014 dollars, for decedents and survivors, they calculated per-capita expenditures in six categories: inpatient (including hospital and skilled nursing facility expenditures), physician, outpatient, home health, hospice, and durable medical equipment. They then calculated year-to-year changes in Medicare expenditures attributable to changes in the numbers of survivors or decedents and changes in practice intensity.

The researchers say that while their findings are limited because they examined only the fee-for-service Medicare population, there is an urgent need to understand why end-of-life care intensity is changing.

"Because the U.S. population is aging rapidly while we're grappling with how to lower health care spending, it's very important for us to understand how and why end-of-life care spending has fallen so dramatically since 2008 and how those changes are affecting care quality at the end-of-life," Weeks says.

More information: William B. Weeks et al, Proportion of Decedents' Expenditures Among Recent Reductions in Medicare Expenditures, *JAMA Internal Medicine* (2018). DOI: 10.1001/jamainternmed.2017.8213

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