

The average health cost of an Aussie's final year of life is \$24,000

July 21 2022



Credit: Unsplash/CC0 Public Domain

Spending on key health services is 14 times higher for Australians in their last year of life than for other Australians, according to a new report by the Australian Institute of Health and Welfare (AIHW).

The report, "The last year of life: patterns in [health](#) service use and expenditure," is the first ever comprehensive examination of health services used by Australians in the final 12 months of life and the cost of those services to the health system. Deidentified data in the National Integrated Health Services Information Analyses Asset (NIHSI AA) was used to look at hospital admissions, emergency department presentations, services provided under the Medicare Benefits Schedule and prescriptions supplied under the Pharmaceutical Benefits Scheme and Repatriation Pharmaceutical Benefits Scheme for people in their final 12 months of life.

Over 161,000 people died in Australia in 2020, and each death has wide-reaching impacts on families, friends, and communities. Understanding how people interact with the Australian health system in the period leading up to death provides vital information on health care provision. This information is essential to assess and evaluate health service planning and policy.

"Of the 1.14 million people who died between 1 July 2010 and 31 December 2016, 97% used at least one of the studied health services in their last year of life. A total estimated cost of \$296.1 billion was spent on these services during this time with 8.0% (\$23.6 billion) of the total cost being for people in their last year of life," said AIHW spokesperson Richard Juckes.

"Overall, the average annual health service cost per person for people in their last year of life was 14 times as high as for those not in the last year of life (\$24,000 and \$1,700 respectively)."

"On average, people who died used more of these health services in their last year of life than the rest of the population used over a 12-month period. The largest difference was for [hospital admissions](#), with an average of 2.6 admissions per person in their last year of life compared

with 0.1 admissions per person per year among those not in the last year of life. Overall, expenditure on these admissions was 30 times as high for people in their last year of life compared with those not in their last year."

"Some people have no contact with the health system in the 12 months before their death. These tend to be [young people](#) and people who die suddenly from causes such as injury, including self-inflicted injury," Mr. Jukes said.

The highest proportion was among people who died by suicide, where 10% of people had not used one of these services in the previous 12 months, compared with the overall figure of 2.7%.

The average annual cost for the 4 health services combined for a person in their last year of life was \$24,000. However, the average cost ranged from \$16,600 per person aged 20–29 to \$37,100 per person aged 60–69. Average costs per person fell after the age of 70, down to \$17,000 per person aged 80 and over. This coincides with when people most often enter permanent residential aged care.

For people aged 85 and over, the average annual cost for the health services combined was 27% lower for people who used residential aged care (permanent residential and/or respite care) in their last year of life than those who did not use such care in their final year (\$12,500 and \$17,000 per person). However, given that costs of a range of health-care services provided in residential aged care were not included in this study, total health-care costs for people using residential aged care are likely to be underestimated. Further work is needed to examine what proportion of aged care costs are for people in their last year of life. Total health service costs were highest among people who died from cancer, followed by those who died from cardiovascular diseases. These two disease groups had the highest number of deaths over the period.

"By bringing together different sources of data to tell a more complete story, the study provides an opportunity to address gaps in our understanding of the impacts of population growth, aging, increased longevity, a growing economy and increased spending on health," Mr. Jukes said.

More information: The last year of life: patterns in health service use and expenditure. [www.aihw.gov.au/reports/life-e ... terns/contents/about](http://www.aihw.gov.au/reports/life-expectancy/contents/about)

Provided by Australian Institute of Health and Welfare (AIHW)

Citation: The average health cost of an Aussie's final year of life is \$24,000 (2022, July 21) retrieved 24 April 2024 from <https://medicalxpress.com/news/2022-07-average-health-aussie-year-life.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.