

# Report: Australia now spends more on mental health and substance use disorders than on injuries

December 2 2022

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Between 2018–19 and 2019–20, spending on mental and substance use

disorders grew to replace injuries as the fourth highest category of health spending.

The Australian Institute of Health and Welfare (AIHW) today released [Disease expenditure in Australia 2019–20](#), which analyzes health spending in terms of the age and sex of the people that were the focus of the spending, ranks the conditions and diseases in terms of how much spending they attract and identifies in what parts of the health system the spending occurred.

"Around 73% (\$140.4 billion) of recurrent health spending in 2019–20 could be attributed to specific disease groups through this work," said AIHW spokesperson Dr. Adrian Webster (Ph.D.).

Over one-third of health spending on disease groups goes towards musculoskeletal, cardiovascular, cancers and mental and substance use. However, there are distinct differences between the sexes\*.

For females, the reproductive and maternal condition group attracted the most [health spending](#) (\$8.6 billion), which includes supporting healthy child birth and maternal care. This was followed by [musculoskeletal disorders](#) (\$7.7 billion), cancers (\$5.5 billion) and mental and [substance use disorders](#) (\$5.5 billion).

For males, cardiovascular diseases have the highest spending (\$7.2 billion), followed by musculoskeletal disorders (\$6.4 billion), cancers (\$6.4 billion) and injury (\$5.4 billion).

The early stages of the pandemic likely contributed to mental and substance use moving from fifth to fourth in ranking, with the top three staying the same.

The bulk of spending tends to occur later in life, with the highest

spending for both males and females among those aged 70–74. However, spending for females between the ages of 20 to 44 is substantially higher than for males, largely due to birth and reproduction-related spending.

For people admitted to [public hospitals](#), cardiovascular diseases accounted for \$5 billion in spending, followed by injury (\$4.7 billion) and gastrointestinal disorders (\$4.2 billion).

In private hospitals, the disease groups with the highest spending were musculoskeletal disorders (\$4.9 billion), cardiovascular diseases (\$2.7 billion) and cancer and other neoplasms (\$2.6 billion).

Similarly, spending on medicines under the Pharmaceutical Benefits Scheme (PBS) was highest for cancer and other neoplasms (\$3 billion), musculoskeletal disorders (\$2.3 billion) and cardiovascular diseases (\$1.9 billion).

For the first time, the report contains initial figures on spending attributed to treating patients with COVID-19 in the first few months of the pandemic.

"In 2019–20, an estimated \$183 million was spent on treating COVID-19 patients in public hospitals (\$85 million), [private hospitals](#) (\$2 million) and through pathology testing (\$96 million), Dr. Webster said.

"Spending on COVID-19 was distributed across all age groups but was highest for both males and females in the 30–39 age groups."

Dr. Webster said that while the analysis does not include direct and [indirect costs](#) outside of the [health sector](#), it's important to note that the cost of disease is not just financial, as being unwell or experiencing a [health condition](#) can affect a person's quality of life, their ability to work

or participate in activities they enjoy.

Today's update accompanies a recent release from the AIHW, "[Health expenditure Australia 2020–21](#)," which provides insights into the impact of COVID-19 across the entire health sector. Further information on COVID-19 specific spending will be explored in future updates to Disease expenditure in Australia, including a separate in-depth exploration of COVID-19 expenditure.

Provided by Australian Institute of Health and Welfare (AIHW)

Citation: Report: Australia now spends more on mental health and substance use disorders than on injuries (2022, December 2) retrieved 10 May 2024 from <https://medicalxpress.com/news/2022-12-australia-mental-health-substance-disorders.html>

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