

Economic Reasons for Investing in Palliative Care

Over 300,000 Victorians are expected to die in the 8 year period to 2021¹, an average annual increase of 7.7%.

Around 154,000 of these people are likely to die in Victorian hospitals, if the current pattern continues – on average over 1,400 extra hospital deaths per year compared to 2012.²

Evidence shows that palliative care contributes to more effective and efficient use of health resources in ways that are consistent with the goals of care expressed by people with a life limiting illness and their families. This includes fewer emergency and hospital admissions, shorter lengths of stay, and the elimination of non-beneficial tests and treatments.

- a) **Hospital use and costs increase significantly in the last year of life.**
 - o A WA study found an average rate of almost 8 hospital admissions in the last year of life, for on average total of 44 days. 70% had at least one emergency presentation.³
 - o A NSW study found inpatient costs increase significantly as proximity to death increases. The average cost was 7.5 times higher in the last month before death compared to the sixth month before death.⁴
- b) **Most people want to receive care and to die at home**
 - o Over half of all Victorian deaths occur in hospital. This pattern has been steady for the past decade, even though around 70% would prefer to die at home.⁵
- c) **More people would benefit from palliative care than currently receive it**
 - o An in-depth UK study examining the underlying causes of death has found that 75% of people who die would benefit from palliative care.⁶
 - o In Victoria in 2013, only 37% of people who died in Victorian hospitals had received palliative care during the hospital admission that ended in their death,⁷ even though the majority of deaths were due to chronic conditions.
- d) **Palliative care contributes to more effective use of health resources**
 - o A 2013 review of 46 international studies found that palliative care is most frequently found to be less costly relative to comparator groups and in most cases the difference in cost is statistically significant.⁸
 - o A UK Audit Office review of 36 research studies found average cost savings of 30% for cancer patients who received palliative care in the last year of life.⁹
 - o A 2012 matched control study found that the provision of community palliative care services doubled the rate of home deaths (to 76%) and reduced hospital use by between a third and one half compared to the control group.¹⁰

- o In Victoria, the lowest acute inpatient bed day rate is 50% more than for inpatient palliative care; it costs 40% less to provide community based specialist palliative over 174 days on average than the average inpatient cost for 3.2 days.¹¹

“... there is extensive use of inpatient services and EDs in the last year of life by people whose deaths are clinically expected...more careful consideration must be given to service design and delivery for this group of vulnerable people.”³

¹ Department of Planning and Community Development, Victoria in Future 2012, Data file VIF2012_Projected_Population_Totals_and_Components_Vic_MSD_RVic_2011_2051.xlsx Table Vic_MSD_RD (accessed 24 April 2014)

² Australian Institute of Health and Welfare, Deaths, <http://www.aihw.gov.au/deaths/>, accessed 24 April 2014

³ L Rosenwax et al, 2011, Hospital and emergency department use in the last year of life: a baseline for future modifications to end-of-life care, Medical Journal of Australia, Vol 194, No 11, pp570-571.

⁴ K Kardamanidis et al, 2007, Medical Journal of Australia, Vol 187, No 7, pp383,385

⁵ Gomes B et al, Heterogeneity and changes in preferences for dying at home: a systematic review, *BMC Palliative Care* 2013, 12:7, p1 & p11

⁶ T Hughes-Hallet, et al, 2011, Funding the Right Care and Support for Everyone: Creating a Fair and Transparent Funding System; the Final Report of the Palliative Care Funding Review, P62

⁷ Australian Institute of Health and Welfare, 2013, Palliative Care Services in Australia 2013, Table 2.14 P 24

⁸ B Gomes, et al, Effectiveness and cost-effectiveness of services for adults with advanced illness and their carers, Cochrane Database of Systematic Reviews, 2013, Issue 6, Art. No. CD007760

⁹ E Hatzianandreu, et al, 2008, The Potential Cost Savings of Greater Use of Home and Hospice-Based End of Life Care in England, UK National Audit Office, www.rand.org P19

¹⁰ X Chitnis, et al, 2012, The impact of the Marie Curie Nursing Service on place of death and hospital use at the end of life, Nuffield Trust, England, pp7-8.

¹¹ Comparison based on Department of Health VINAH data for community palliative care services in Victoria 2012-13, Department of Health Victorian public hospital bed day rates for 2013-14, and AIHW, Australian Hospital Statistics 2013 – data in tables 4.13, 6.3 and 6.34.