

## BACKGROUND

### *Cost-effectiveness of Palliative Care: A Review of the Literature*

#### **About “The Way Forward” Initiative:**

In 2012, the federal government announced one-time funding of \$3 million over three years to support the development and implementation of a framework for community-integrated hospice palliative care models in Canada. “The Way Forward: Moving Towards Community-Integrated Hospice Palliative Care in Canada” ([The Way Forward](#) initiative), led by the Quality End-of-life Care Coalition of Canada and managed by the Canadian Hospice Palliative Care Association, aims to improve access to hospice palliative care in a broader range of settings.

A number of discussion documents have been developed to seed stakeholder dialogue and help inform the development of the framework. This Background on the discussion document *Cost-effectiveness of Palliative Care: A Review of the Literature* summarizes the evidence gathered through grey and published literature on the cost-effectiveness of hospice palliative care, as expressed in costs avoided or monies saved.

#### **The Context for Action:**

Hospitalizations account for the majority of end-of-life care costs in Canada and other countries (e.g., Dumont et al., 2009; Fassbender et al., 2009). Studies show hospice palliative care – a holistic approach that combines active and compassionate therapies to comfort and support the patient and his/her family – can significantly reduce hospital admissions (e.g., Brumley et al., 2007; Raftery et al., 1996), length of hospital stays (e.g., Penrod et al., 2010), intensive care units (ICU) utilization (e.g., Smith et al., 2009), and inappropriate diagnostics or interventions (e.g. O’Mahony et al., 2008; Adler et al., 2009). Non-economic benefits associated with hospice palliative care include improved patient and caregiver satisfaction, better symptom control, and greater likelihood of the person dying in the setting he or she prefers (Merier, 2011; Rabow et al., 2007).

Most research on the economics of hospice palliative care has focused on hospital-based programs. A systematic review of primarily American studies shows cost savings ranging from 40% to 70%, so that savings “more than equalled the cost of running the service” (Hugodot, 2007). Per-patient costs have been reduced by as much as \$7,000 to \$8,000 (Bendaly et al., 2008; Morrison et al., 2011; Davis et al., 2005; Jung et al., 2012), and one American hospital estimated \$2.2 million per year in avoided costs (Ciemins et al., 2007).

International studies also show that compared to usual care, home-based palliative hospice services can reduce the cost of patient care (e.g., Schnoor et al., 2007; Serra-Prat et al., 2001). When made available at a national level, cost savings of several million of Euros or dollars may be achieved (Paz-Ruiz et al., 2009).

Currently, 16% to 30% of Canadians have access to or receive hospice palliative care, and only a quarter of deaths occur outside of hospitals and long-term care facilities (Canadian Hospice Palliative Care Association, 2012). One Ontario report estimated shifting 10% of patients who are nearing end of life from acute settings to home care could save \$9 million in health-care costs (Ontario Association of Community Care Access Centres et al., 2010).

Few studies have looked at the cost-effectiveness of other community-based approaches such as day care, care coordination by community nurses, early consultation and respite care, or of stand-alone hospice facilities.

#### **Areas of Opportunity:**

More and better economic evaluations are needed to determine which model or combination of models (e.g., hospital units or teams, home care services, specialist hospice facilities, and other community-based services) would be best suited to the Canadian setting. Improved and more equitable access to hospice palliative care could save the Canadian health-care system millions of dollars each year and enhance care and quality of life for patients and families. Savings can be increased by promoting advanced directives early in the disease process and coordinating care (Payne et al., 2002; Wholihan & Pace, 2012).

To access the full discussion document, visit: <http://www.hpcintegration.ca>