

“Economic impact and utilization of health services”

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Question 2

- What are the **effects** of depression for the individual, family, and society?

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Issues addressed

1. What are the costs of depression?
2. Do we use treatment resources **efficiently**?
3. Are we spending enough to treat depression?
4. Is the private burden of depression “fair”?

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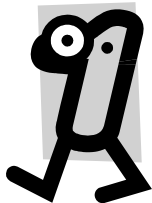
The data is not good

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What are the costs of depression?



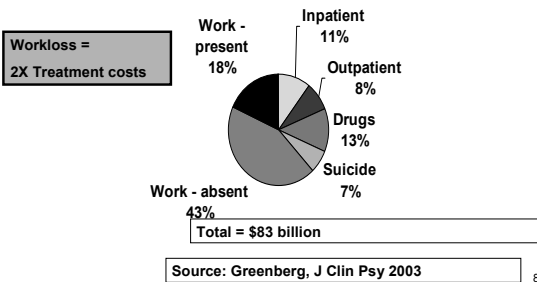
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Costs – a societal view

- Items requiring resources
 - Diagnosis and treatment
 - Support services
 - Workplace costs
- Non – resource items
 - Human costs (health status)
 - Disability payments
 - Government and private insurance
 - External costs (e.g., crime)

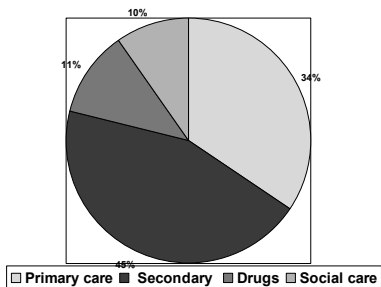
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The economic burden of depression – US, 2000 (\$m)



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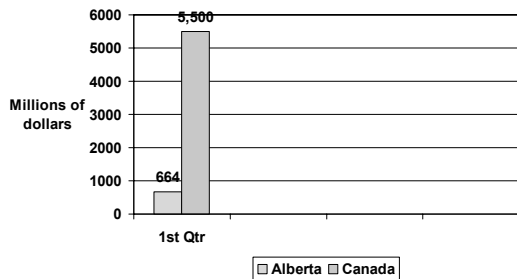
Care costs of depression – UK 2000 (£,000)



Source: Thomas C, BJPsy 2003

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Treatment costs of **all** mental health services -- Canada



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Cost of treating **depression** -- Alberta

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Treatment costs

- Treatment costs per person treated, Alberta
- Includes hospital, physician, ER
- AND IS VERY ROUGH
- IS

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“Human costs”

- Based on a utility index (measures health status from 0 to 1)
- Data from Canadian Community Health Survey
- Quality adjusted life years (mental illness)
 - Diagnosed mentally ill 0.71
 - Undiagnosed 0.80
 - Not mentally ill 0.91

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- Dollar value (\$50,000) attached to a Quality adjusted life year
- Estimates for “human costs” of MI adults, Canada
 - Diagnosed mentally ill \$18.7 billion
 - Undiagnosed mentally ill \$9.4 billion
- Comparison: Estimated cost of mental health services, all persons, Canada \$5.5 billion.

Human costs =
4 – 6 X Treatment costs

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Government disability payments, Alberta, 2006

- Canada Pension Plan and Assistance for the Severely Handicapped **\$200 m.**
- Total government expenditures on mental health treatment **\$400 m**
- **Per cent of government payments**

Govt disability
payments = $\frac{1}{2}$
Treatment costs

50%

Source: Block R. HCM 2006 ; Block, PhD thesis, U of A, 2008

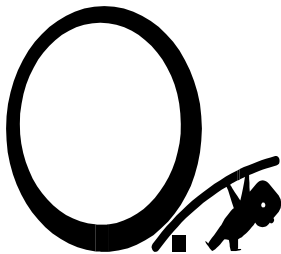
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Summary

- Costs of depression in order of magnitude:
 - Human costs, 4 – 6X treatment costs
 - Workplace costs, approx 2X treatment costs
 - **Treatment costs = \$13,000 / person**
 - Govt disability payments approx. $\frac{1}{2}$ treatment costs
- BUT
- Treatment costs can influence the other costs

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- Treatment costs
impact all other
costs



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Are we using resources
(treatment) efficiently?



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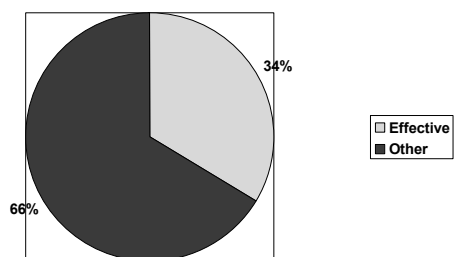
Effective treatment for depression

- Effective treatment
 - Seeing a health professional > once
 - And **either**
 - Medication prescription **or**
 - Cognitive behavioral therapy
- Ineffective treatment
 - Other therapies

Source: Andrews G, J Ment Health Policy Econ 2000

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Effective coverage % (Australia)



Andrews G, 2000

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Net cost of inefficiency, persons with depression, Australia

- Current cost of treatment \$483m.
- Cost of optimal treatment \$341M
- Net **savings** **\$142 m.**
- This was associated with a 1/3 gain in measured outcomes
- This is for the currently treated

Andrews G, 2000

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Summary

- If we use optimal treatment methods, total treatment costs will fall by 1/3
- With better outcomes

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Are we spending enough on treatment?



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Cost of treating the **undiagnosed** with depression -- Australia

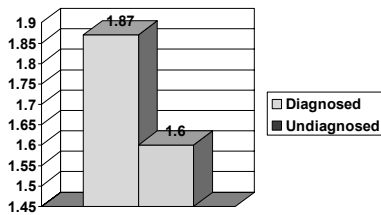
- Current situation **\$483.7 million**
- Optimal treatment, current coverage **\$341.3 million**
- Optimal treatment, optimal coverage **\$375.5 million**

Andrews G, 2000

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Diagnosed / undiagnosed adults with mental illness in Canada

Millions of adults



Source: Lim, Chronic Dis in Canada, 2008

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Summary

- Optimal coverage for untreated will add about 10% on to the costs

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Is the private burden “fair”?



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Burden balance

Workloss
vs
Disability payments

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- Government disability payments = $\frac{1}{2}$ treatment costs
- Workloss costs due to absenteeism = approx. 2X treatment costs
- → Disability = $\frac{1}{4}$ workloss

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Summary

- Treatment costs about **\$13,000**
- Workloss costs = 2 X treatment
- Human costs = 3 to 4 X treatment
- Treatment costs drive workloss and human costs
- Optimal treatment is cost – saving
- Extending treatment to untreated persons costs about 10% more

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But...

- There's lots we don't know.

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