

At the Extremes of Life, Extremes of Cost

BY ERIC L. REINER // INFOGRAPHIC BY FLYING CHILLI

There's no quick fix for skyrocketing health care costs. But focusing on the beginning and end of life, the two most expensive periods, may point to ways to save substantial sums, to everyone's benefit. Here, a look at where costs might be cut, or at least redistributed.

WHAT WE SPEND WHEN

(2006 figures)

\$408,105

Total lifetime health care expenditures per capita



Cost of prenatal care and delivery
\$10,865



Health care costs in first year
\$6,872



Annual health care costs at age 20
\$1,618



Annual health care costs at age 40
\$2,487



Annual health care costs in last year of life
\$9,929



Health care costs in last year of life
\$55,367

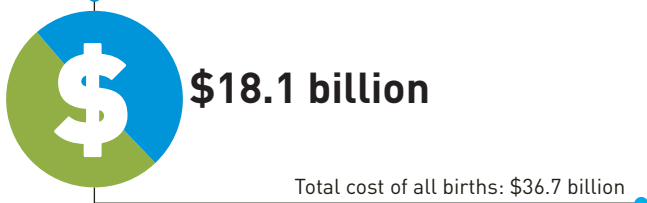
CHECKING IN

Investments in prenatal care and education improve the health of the mother and child and thus reduce medical expenditures.

About one in eight U.S. births is preterm. Prematurity causes one-third of infant deaths and...



...with low birth weight, nearly half the cost of all births:



The cost of a baby's hospital stay if...

(2006 figures)

...the mother had prenatal care

\$1,958

...the mother did not have prenatal care

\$4,843

What should change?

Although prenatal care plus the costs of delivery and a hospital stay (\$12,823) are about equal to those for a woman who did not have prenatal care (\$12,832), redistributing those dollars means the chance of a healthier baby—and less cost to society. If more pregnant mothers could kick the nicotine habit, that would help too.

\$1 spent on smoking-cessation interventions for pregnant women



\$3 saved in neonatal intensive care costs

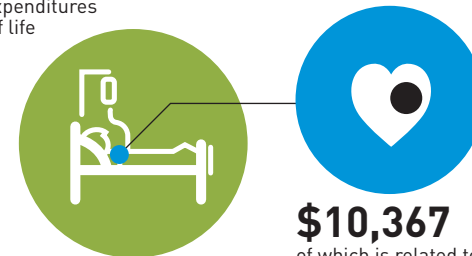
Such measures will be given a boost by the PREEMIE Act, which allocates \$91 million in new federal funds for research and education over the next five years—though there's no telling how long it will take to see a return on the investment, both in costs saved and in fewer premature births.

CHECKING OUT

Medicare devotes about one-fourth of its total annual expenditures to individuals in their final year of life, with as much as half spent in their final 60 days. The more favorable the person's health-risk profile, however, the fewer resources required.

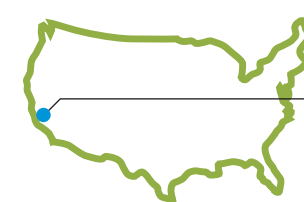
Extra Medicare expenditures in the final year of life for a high-risk patient

\$15,318



\$10,367
of which is related to cardiovascular disease

Dramatic savings are possible by rethinking end-of-life care. A significant body of research shows that more care (read: more cost) does not better the patient's health, ability to function or survival time, and, in fact, may extend pain and suffering. Drastic attempts to save patients' lives, such as feeding-tube placements, are often futile.



\$1.7 billion

Estimated cost to Medicare of overmedicalization at end of life, from 1999 to 2003 in Los Angeles alone

What should change?

Of Medicare dollars spent during the last year of life, 54% goes toward hospital stays, whereas just 2% is directed to (less costly) hospice care. A shift in the balance could mean less cost for Medicare and more comfort for the patient. Likewise, more regions could use hospitals and physician services in a manner similar to that of Salt Lake City, a metro area that is exemplary for its high-quality, low-cost care. Of the \$123 billion in Medicare spent on end-of-life patients, \$40 billion less would have been spent using the Salt Lake City benchmark.

