



# Care, cost near life's end vary greatly

By [KEVIN FREKING](#), The Associated Press (Seattle Times), 4/7/08

WASHINGTON — For chronically ill patients in their last two years of life, Medicare spends an average of \$59,379 in New Jersey but only \$32,523 in North Dakota. The difference is primarily a result of patients getting more hospital care, but not necessarily better care, according to a new report. Researchers at Dartmouth Medical School say that vast differences in spending patterns nationally point to **why policymakers need to focus on volume when it comes to restraining costs** — not just on the price of a particular service or on expanding health coverage to the uninsured.

The national average for spending on such chronically ill patients was \$46,412. In Washington state, the average cost was \$40,649 and the average number of hospital days per patient was 12.91. A large share of Medicare's expenses — about \$1 out of every \$3 spent — is generated by enrollees with chronic conditions in their final two years of life. That's the group of patients that researchers focused on when compiling the Dartmouth Atlas of Health Care, which comes out every two years. For this year's version, they examined the records of 4.7 million patients who died during 2001-2005.

They found that the number of days those patients spent in the hospital varied greatly depending upon where they lived. For example, chronically ill patients in Bend, Ore., spent 10.6 days in the hospital. Patients in Manhattan spent 34.9 days in the hospital. In New Jersey, patients in their last two years of life spent 27.1 days in the hospital, which was the highest state rate in the nation, followed by New York at 27 days. At the other end of the scale, patients in Utah spent 11.6 days in the hospital.

**Dr. Elliott Fisher**, who led the study, said more days in the hospital did not necessarily lead to better outcomes. Those patients were usually seen by more specialists, and they spent more time in the intensive-care unit, but they did not live longer, on average. So, **what led patients to visit the hospital more often?** The report says it's the **supply of beds** — not how sick patients are — that is the key driver. Fisher said patients in the low-cost regions still got care, but they were more likely to get their care at the doctor's office or at home because there was a smaller supply of hospital beds per patient.

Besides comparing states, the researchers **compared the cost of treating chronically ill patients at well-respected hospitals**. Again, there were huge variations in costs. Medicare spent about \$34,372 for the chronically ill at the Mayo Clinic's St. Mary's Hospital in Rochester, Minn. Medicare spent \$63,900 for the chronically ill at UCLA Medical Center in Los Angeles. Some of the difference can be explained through higher reimbursement rates, but **volume was the key factor**, Fisher said. The patients at UCLA Medical Center spent 11.6 days in intensive care, on average, versus 4.2 days at the Mayo Clinic's hospital. The average patient at UCLA was visited by a doctor nearly 53 times, versus 24 physician visits at the Mayo Clinic.

Medicare spending for the population in the study totaled about \$289 billion. **If the spending per patient for the entire population mirrored the rates in Rochester, Medicare could have saved \$50 billion.**