

# Palliative Care: Key Studies on Cost Savings



The table below lists key studies and review articles that examine the effect that the addition of palliative care has on overall patient costs. While results vary, the addition of palliative care typically either reduces overall costs or is cost neutral, while improving patient quality of life.

| Study  | Setting   | How Palliative Care Effected Costs  |
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| Morrison 2011<br>Health Affairs                            | New York<br>Medicaid hospital<br>patients   | Palliative care programs generated \$6,900 per patient in savings. <b>Could save NY Medicaid an estimated \$84-\$252 million/year.</b>  |
| McCarthy 2015<br>Health Services<br>Research               | Hospitals in Texas  | Palliative care in the first 10 days of admission resulted in <b>\$9,689 savings for patients who died in the hospital</b> and \$2,696 savings for patients discharged alive.   |
| May 2016<br>Health Affairs                                 | Inpatient hospital<br>patients with<br>advanced cancer<br>in 6 sites in NY,<br>OH, VA, WI                             | Receipt of a palliative care consultation within 2 days of admission was associated with <b>22% lower costs</b> for patients with a comorbidity score of 2–3 and with 32% lower costs for those with a score of 4 or higher.  |
| Lustbader 2017<br>Journal of Palliative<br>Medicine        | Home-based<br>palliative care<br>within an<br>Accountable Care<br>Organization<br>(ACO)                               | Cost per patient during the final 3 months of life was <b>\$12,000 lower compared to usual care</b> . Also reduced Medicare Part B spending in final 3 months of life by 37%, and hospital admissions in the last month of life by 34%.   |
| Isenberg 2017<br>Journal of Oncology<br>Practice           | Inpatient<br>palliative care<br>unit  | The total positive financial impact of the program was \$3,488,863. <b>The program saved the institution \$452 per transfer.</b>  |
| Kyeremanteng 2018<br>Journal of Intensive<br>Care Medicine | Patients with<br>palliative care<br>consultations in<br>the ICU   | Demonstrated trend that <b>palliative care consultations reduce length of hospital stays and costs without impacting mortality.</b>   |
| Macmillan 2020<br>Journal of Palliative<br>Medicine        | Patients with a<br>palliative care<br>referral at a<br>university-<br>affiliated<br>community-based<br>urban hospital | Significant association between reduced length of stay and hospital charges when consults for palliative care were initiated within 24 hours of hospital admission regardless of underlying disease. <b>Patients who received an early referral had median total hospital charges of \$38,600 – compared to \$95,300 for the control group.</b> |
| Hua 2020<br>JAMA   | Patients who died<br>during<br>hospitalization in<br>New York   | Implementation of palliative care at a hospital was associated with a <b>10% reduction in intensive care unit use</b> for patients who died during their hospitalization.   |

## Conclusions of Meta-Analyses

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| Hughes 2014 (review)<br>Annu Rev Public Health | <i>"The benefits of palliative care have now been shown in multiple clinical trials, with increased patient and provider satisfaction, equal or better symptom control, more discernment of and honoring choices about place of death, fewer and less intensive hospital admissions in the last month of life, less anxiety and depression, less caregiver distress, and cost savings."</i> |
| May 2018 JAMA                                  | <i>Hospital costs were lower for patients seen by a palliative care consultation team than for patients who did not receive this care. The estimated association was greater for those with a primary diagnosis of cancer and those with more comorbidities compared with those with a noncancer diagnosis and those with fewer comorbidities.</i>  |

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