

Government payouts reduce MS costs

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Multiple sclerosis is an expensive disease, with payouts for drugs by Norwegian patients upwards of €30 million per year. The government pays for most of these expenses, with the surprising result of saving money over the long run.

Multiple sclerosis, an incurable disease that affects the brain and central nervous system, is more prevalent in countries north of the equator. Norway is no exception to this trend, and in 2002, the total cost of multiple sclerosis for the country was estimated at €439 million, or €65 000 per patient.

“There's no doubt that MS is a costly disease, compared to other serious diseases,” says Associate Professor Bjørn Svendsen at the Norwegian School of Economics, who led the study. “This is mainly because many patients eventually have to stop working.”

MS drugs are often too expensive for patients, but in Norway the state foots the bill for nearly every one of them. This turns out to be an economically sound arrangement, and saves the government money in the long run.

“Annual drug costs per patient can amount to €27 000, so the drugs are expensive,” says Svendsen. “But what's interesting is that if you do the math and consider that people who get expensive drugs can work longer and spend less time in hospital, you find that society actually saves money on these drugs.”

Svendsen and his colleagues also found that the cost of multiple sclerosis increases as it progresses, as it almost invariably does from its onset, which is typically when people are in their 30s. But drugs can slow the disease.

The study used data from the Multiple Sclerosis National Competence Center. Questionnaires were sent to more than 500 patients diagnosed with MS. A total of 423 responded with information about medical expenses, employment situation, and their self-assessed quality of life.

Millions on drugs

Effective MS drugs became available in the 1990s, and with many more drugs coming through the pipeline, the alternatives for patients keep improving. Price tags, however, remain very high.

The estimate of MS-related drug expenses in Norway in 2002 was €30.1 million.

MS drugs were initially all intravenous, but the first MS pill was recently introduced to the market and more are on the way. What the medications have in common is that they are “disease modifying,” which means that they at best slow the progress of the disease.

Patients usually have to take these drugs over an extended period for the true benefits to kick in, and many stay on the drugs for decades. This means that the pharmacological treatments can be a backbreaking expense for patients unless they receive financial support from health authorities or insurance companies.

“Without financial support I think these drugs would be out of reach for most people,” says Svendsen.

Employment and quality of life

The costs of reduced participation in paid work and early retirement were estimated at €268 million. Half of the respondents were fully retired because of their disease, while those who were still employed worked about 50 percent less than the national average.

“Norway is not good at arranging things for disabled people and helping them with employment,” says Svendsen. “The authorities could do a much better job at motivating the private sector to hire people in wheelchairs, for instance.”

In addition to the disease's crippling effect on an individual's ability to earn an income, patients are sometimes less able to perform unpaid work such as housekeeping and taking care of children, which in turn might result in a reduced quality of life and additional expenses for life partners, family members and society.

Institutionalisation and equipment

The cost of institutionalisation, support and assistance for MS patients was much higher than drug expenditures, with an estimate of €44.4 million for 2002. This includes hospitalisation, stays at rehabilitation centres and nursing homes. Care from neurologists, chiropractics, psychologists, opticians, speech therapists, physiotherapists, social welfare workers, and others amounted to €24 million.

As multiple sclerosis can damage nearly all areas of the brain, its consequences and the subsequent need for care varies a great deal, which is clear from the long list of different health professionals.

Many MS patients experience partial paralysis and need assistance, and included in the figure above is equipment such as wheelchairs and crutches, and practical adaptations of a patient's home, such as lift installation, which altogether amount to a cost of €73 million.

Costs are expected to go down

While the developed world is bracing for an ageing population and increased health costs related to diseases such as Alzheimer's, the cost of MS is expected to go down.

“I think we will see a reduction in costs related to MS as we get new and improved treatments,” says Svendsen.

MS drugs are likely to remain expensive and perhaps too costly for an individual's private budget, but the math is simple: society will save a lot of money by offering free treatment to MS patients. And as new and improved drugs come through the pipeline, everyone wins.

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[Svendsen et al., The cost of multiple sclerosis in Norway, The European Journal of Health Economics, 2012 \[13\]](#)

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