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### The Excess Cost Of Depression In South Australia.

#### Abstract

We investigated the excess costs associated with depression in South Australia (SA), based on the prevalence of depression and associated excess costs. To establish the prevalence, we used data from the 1988 SA Health Omnibus Survey. Based on respondents' health service use data we estimated the excess cost of health service use and productivity loss. We also estimated the excess cost from loss of utility using the Assessment of Quality of Life (AQoL) measure.

Symptoms of major depression were observed in 7% of respondents, with 11% of respondents reporting symptoms of 'other depression' (ie. symptoms insufficient for classification as 'major' depression). Those with major depression reported worse health status, took more time off work, reported more work performance limitations, made greater use of health services and reported poorer health-related quality of life. Based on health care service provision perspective, the excess costs due to depression were AUD\$1921 million per annum. This is an underestimate because it excludes non-health service and other social costs (eg. family breakdown, legal costs etc.). It also excluded those with depression living in hostels and psychiatry wards. With the utility approach we used a very modest life-value of AUD\$50,000; based on the loss in utility as reported by the AQoL, the excess depression cost was AUD\$2800 million.

Given that the service costs mainly reflect those of the health care sector and the utility costs reflect a broader societal perspective, there is no reason the two should agree. Both, however, suggest estimating excess costs from the direct service provision perspective is too restrictive, and that indirect and societal costs ought be taken into account.

Despite the high ranking of depression as a major health problem, it is often unrecognised and undertreated. The findings from this study mandate action to explore ways of reducing the cost burden borne by individuals, those affected by their illness, the health system and society generally. Given the limited information on the cost-effectiveness of different treatments, it would seem important that resources be allocated to evaluating alternative depression treatments.

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