

*The Costs of AIDS and Other HIV
Infections: Review of the Estimates*

May 1987

THE COSTS OF AIDS AND OTHER HIV INFECTIONS.
REVIEW OF THE ESTIMATES

Staff Paper
Health Program
Office of Technology Assessment
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*Copies for
Archives from
Jane Sisk*

To: Technology Assessment Board
From: John H. Gibbons *H. Gibbons*
Re: Transmittal of OTA Staff Paper on The Costs of AIDS and Other HIV Infections

I am pleased to enclose OTA's Staff Paper entitled "The Costs of AIDS and Other HIV Infections: Review of the Estimates," which was prepared at the request of the Subcommittee on Health and the Environment, House Energy and Commerce Committee.

The Staff Paper analyzes the reasons behind widely divergent estimates of the costs associated with AIDS. Because of the great variation in methods used, the results are not strictly comparable across studies. Taken together, the studies suggest that, with past survival and treatment patterns, AIDS lifetime hospital costs have most likely been under \$100,000, and annual costs for patients alive at any time during the year have most likely been under \$40,000. However, the studies give far from a complete picture of costs, since they generally excluded most services outside the hospital and pertained only to adult AIDS patients, not to pediatric patients or to people with other manifestations of HIV infection.

The most comprehensive and rigorous study of national costs attributed costs of \$8.7 billion to AIDS in 1986 and predicted costs of \$66.5 billion by 1991. More than 80 percent of these costs stemmed from losses in productivity, a reflection of the fact that AIDS has afflicted primarily working-age adults. Great uncertainty surrounds these and other cost projections because knowledge and treatment of the disease are constantly changing. Moreover, transmission of the virus has not yet peaked, and the percentage of the HIV-infected population that develops outright AIDS continues to increase.

Although how to pay for the costs of treating AIDS is but a recent example of the continuing issue of how to pay for catastrophic expenses, what makes this disease a special case is the increasing prevalence of AIDS and HIV infection, its unexpected arrival and uncertain course, and the age groups afflicted. The continued transmission of the virus also raises the issue of how to allocate resources between prevention and treatment and among preventive activities, including education and counseling.

I hope that you find the Staff Paper informative and helpful. If you have any questions or comments, please contact me or call Jane Sisk, Study Director, at 6-2070.

OTA PROJECT PERSONNEL FOR STAFF PAPER ON
The Costs of Aids and Other HIV Infections: Review of the Estimates

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