

CANCER AND PREMATURE MORTALITY IN IRELAND: AN EMPLOYER'S PERSPECTIVE FOLLOWING THE FRICTION COST APPROACH

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Abstract

OBJECTIVES

Cancer is the second leading cause of death in Ireland accounting for approximately 30% of all deaths. Of these, almost a third arise in those of working age. As well as the public health burden, cancer also imposes economic costs on society in general and employers in particular. This study measured the productivity costs associated with cancer-related premature mortality from an employer's perspective in Ireland.

METHODS

Data was abstracted on the average annual number of cancer deaths between the ages of 15 and 64 in Ireland during 2005-2009 by 5-year age group and sex from the World Health Organization Cancer Mortality Database. The friction cost approach was used to value all premature cancer deaths (and those for the ten most common cancer sites in males and females), over a defined friction period (base-case = 79 days), by gross gender- and age-

specific wages, adjusted for labour market characteristics. In sensitivity analyses estimates were adjusted for 'multiplier effects' associated with modern work practices and for changing labour market conditions.

RESULTS

The all-cancer premature mortality cost was €14.3 million in 2009. Costs were more than two-fold higher for males than females. Base-case estimates were sensitive to changes in labour markets conditions and decreased by 42% following adjustment for increased unemployment levels (from 4.6% to 12.7%). Productivity costs were higher in settings with modern team-based working practices rising by almost 30% in the case of females (17% for males).

CONCLUSIONS

Employers are becoming increasingly aware of the adverse economic effects of illness. Our results reveal the magnitude of productivity costs associated with cancer-related premature mortality from an employer's perspective in Ireland. These results provide a sense of the types and magnitude of costs that are explicitly excluded from economic evaluations that fail to encompass a broader social perspective.