



# ACERH

AUSTRALIAN CENTRE FOR ECONOMIC RESEARCH ON HEALTH

## SEMINAR

**Tuesday, 11 August 2009, 1100-1200**

Bob Douglas Lecture Theatre  
Building 62a, Eggleston Road  
The Australian National University, Canberra

### **Ageing and health care expenditure – a new view**

**Professor Peter Zweifel**

**Department of Economics, University of Zurich**

#### **The Speaker**

Professor Zweifel graduated in economics from the University of Zurich in 1974 with a dissertation on empirical research into consumer demand in Switzerland. He first became involved in health economics research during his stay in Madison at the University of Wisconsin in 1974-1975. After one year of service as an invited professor at the University of the Armed Forces in Munich, he became an Assistant Professor of International Economics at the University of Zurich in 1983, and Professor of Economics in 1990. A second edition of his textbook on health economics has recently been published (Zweifel P, Breyer F and Kifmann M, *Health Economics*, Boston: Springer).

The financial support by way of a travel grant from the Office of the Vice-Chancellor at ANU which has enabled Professor Zweifel's visit is gratefully acknowledged.

#### **Abstract**

The impact of ageing on healthcare expenditure (HCE) has been at the center of a prolonged debate. This paper purports to shed light on several issues. First, it presents new evidence on the relative importance of two components of HCE that have been distinguished by Zweifel, Felder, and Meier (*Health Economics* 1999), *viz.* the cost of morbidity and mortality (their 'red herring' hypothesis claiming that neglecting the mortality component results in an excessive estimate of future HCE growth). Second, it takes account of recent evidence suggesting that HCE does increase life expectancy, implying that time-to-death is an endogenous determinant of HCE. Third, it investigates the contribution of population ageing to the future growth of HCE. For the case of Switzerland, it finds this contribution to be relatively small regardless of whether or not the cost of dying is accounted for, thus qualifying the 'red herring' hypothesis.

#### **Parking**

A campus map for ANU can viewed on the University's web site.\* Visitors to the campus are advised to take a taxi to the venue if possible. The closest Pay Parking is at University House (pay at the meter in the quadrangle). Access to the Bob Douglas Lecture Theatre is by direct entry into Building 62a off Eggleston Road.

\*<http://campusmap.anu.edu.au/>

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