



PHRC Short Report: Executive Summary

ASSESSING THE CHALLENGES OF APPLYING STANDARD METHODS OF ECONOMIC EVALUATION TO PUBLIC HEALTH INTERVENTIONS

The second Wanless Report highlighted the need to consider the cost-effectiveness of public health interventions. The generation of high-quality, timely evidence on cost-effectiveness is essential for organisations that are responsible for commissioning services. Methods for assessing the cost-effectiveness of health care treatments and programmes have existed for several years but have been applied mainly to more narrowly defined clinical areas such as drug interventions.

The prime motivation for this project was the awareness that the evaluation of many public health interventions raises additional methodological challenges, because these interventions generate very broad costs and benefits and are often directed at populations or communities rather than specific individuals. In addition, a particular feature of many public health interventions is a concern with health inequalities. Standard economic evaluation methods focus on efficiency (the maximization of health gain) rather than on equity (the distribution of health gain). Accordingly, the evaluation of public health interventions needs to pay more attention to equity considerations.

The aims of the project were to undertake a methodology review of the literature on the economic evaluation of public health interventions, to identify the main methodological challenges and to suggest how these might be addressed. Four main methodological challenges were identified:

- attributing outcomes to interventions to obtain unbiased estimates of effect;
- measuring and valuing outcomes to ascertain how much better the quality of life is in one health state compared to another;
- incorporating equity considerations; and
- identifying inter-sectoral costs and consequences to assess their impact on the health care sector and impacts on other sectors of the economy.

Based on these challenges, a number of recommendations were made in relation to improving the evidence on cost-effectiveness in public health:

- where randomised control trials cannot be undertaken, fill gaps in the evidence base through natural experiments and non-experimental data;
- always perform a cost-consequences analysis (CCA)^{*}, prior to proceeding to a valuation of outcomes;
- provide factual information about how an intervention might change existing patterns of health inequality between different population groups, for selected public health interventions;

- quantify the inter-sectoral impacts of interventions;
- analyse costs and consequences by beneficiary group (for example deprived groups).

* CCA is a form of analysis where no attempt is made to aggregate the outcomes, or consequences, of the interventions into a single measure. As such, the information is presented and health care decision-makers must attempt to apply weightings to the various outcomes in order to determine which intervention represents the best value for money.

The full report, and a 4-page version, are available to download at: www.york.ac.uk/phrc/index.htm

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