



Explicit incorporation of equity considerations into economic evaluation of public health interventions

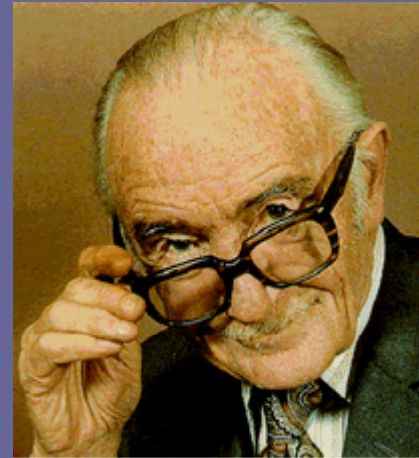
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Reviews of equity considerations in economic evaluations

- “Distributional effects seem to have been completely neglected in existing economic evaluations”
 - » Sassi, Archard and Le Grand, 2001
- “Nothing explicit on equity in most economic evaluations of public health interventions”
 - » Weatherly, Drummond, Claxton, Cookson et al, 2006

The 3 “Es”: Effectiveness, efficiency & equity



Implicit incorporation of equity in economic evaluation

- Social value judgements & notions of equity issues are embedded within efficiency evaluations
- Focus on particular interventions
- Include some costs and not others
- Include some benefits and not others
 - Non-discrimination by social role
 - Quality Adjusted Life Years (QALYs)
 - Equal value no matter to whom it accrues

Public health, economics and equity

- 2 principal aims of public health
 - Efficiency i.e. maximise population health
 - Equity e.g. reduce health inequalities
- Concept of opportunity cost in economics
 - Sometimes equity & efficiencies are synonymous
 - Relatively cost-effective interventions targeting disadvantaged groups
 - Sometimes conflicts with equity considerations
 - Equity-efficiency trade-offs
 - Equity-equity trade-offs

4 Methods for incorporating equity considerations into economic evaluations

1. Review of background information on equity
2. Health inequality impact assessment
3. Opportunity cost analysis of equity
4. Equity weighting of health outcomes

Methods for incorporating equity considerations into economic evaluations

1. Review of background information on equity

- A narrative clarifying the equity considerations at stake & review background information to aid decision makers e.g.

Identify

- existing patterns & causes of the health inequality in question
- stakeholder views on the relative importance of reducing a particular health inequality
- the effects of health inequality of related interventions in other settings

Methods for incorporating equity considerations into economic evaluations

2. Health inequality impact assessment

- Quantitative information on the impact of the intervention in relation to a particular set of inequalities on population sub-groups (e.g. socioeconomic status)
 - E.g. Clinical epidemiology methods
 - » Tugwell et al 2006
 - E.g. Simulation modelling
 - » Wagstaff & Doorslaer 1991; Low & Low 2006

Methods for incorporating equity considerations into economic evaluations

3. Opportunity cost analysis of equity

- Estimate the opportunity cost of a particular equity consideration in terms of population health sacrifice
 - E.g. Difference in benefit by pursuing the equitable option
 - E.g. Mathematical Programming
 - » Epstein et al, 2006

Methods for incorporating equity considerations into economic evaluations

4. Equity weighting of health outcomes

- Value a health inequality reduction using equity weights on health gains accruing to different people in different circumstances
 - » Nord 1995; Dolan et al, 2005
- Valuation techniques to elicit values from a relevant group

Ways forward

- Given the importance of equity as a policy objective in public health interventions, the impact on equity, as well as efficiency, needs to be explored
- Conduct evaluations only in areas where there are particular equity concerns
- Build on the technical tools which already exist to evaluate equity
- Undertake more methodological work to pilot equity-weighting