

# Comments on context & framing document

Workshop on *Accounting for the timing of costs and benefits in the evaluation of health projects relevant to LMICs*

Harvard Club of Boston, Thursday 14<sup>th</sup> September 2017

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# Overview of my comments

1. The (unclear?) meaning and (limited?) significance of the distinction between “two normative positions”
2. The choice between modelling via discounting vs. more explicitly
3. The (limited?) significance of the sense in which evaluation must be comparative

# Three things that “the objective is to improve health, not welfare” could mean, with different implications for discounting

- a) The health authority should aim to maximise health, not the value of health.
    - Thus ‘health utilities’ should reflect e.g. answers to ‘who is healthier’, not to ‘which health state is better for the patient’. (GBD)
  - b) The health authority should only count health consequences of its interventions, not non-health consequences.
    - Thus e.g. the fact that some patients are more socially productive than others is irrelevant to healthcare prioritisation. (Medical ethics literature)
  - c) The health authority should only consider spending its money on healthcare interventions, not on other ways of improving welfare.
    - A more natural consequence of “viewing [the health authority] as the agent of a principal which devolves [specific] powers to the agent” (Broome)
- Only (a) provides any reason to spurn welfare-theoretic tools.

# Modelling via discounting vs. more explicitly

- There is usually more than one accurate way to model, involving different discount rates. Some examples:
  - Uncertainty: via discounting vs. via explicit EU theory
  - Instrumental benefits: via discounting health vs. via explicitly modelling the instrumental effects
- Strategic choice of which type of model to use/recommend (conceptual transparency vs calculational convenience)

# ‘Evaluation must be comparative’

- Yes: any evaluation of ‘how good’ a given alternative is only has decision-relevance when coupled with information about how good other available alternatives are.
- But this does not stop us from calculating ‘how good’ each alternative is *separately, in isolation from* information about what the available alternatives are).
  - In this sense the evaluation of alternative B (and the discount rate used for that evaluation) can be unaffected by whether the choice set is {B, C} or {A, B, C}.
- Relatedly, “discounting for opportunity costs” is perhaps confusing