Abstract:

Cost-effectiveness evaluations of health interventions assess the cost per unit of health gained from the intervention. A typical finding would be that it costs about $1,000 to avert a death from tuberculosis (TB) using modern drug treatments. A separate question, much less frequently addressed, is the economic attractiveness of different instruments for implementing an intervention in a population. Such instruments can include mass campaigns or conditional cash transfers to encourage treatment seeking, and partial to total public finance for a specific intervention. Our purpose here is to develop methods for the economic evaluation of alternative implementation instruments through the example of universal public finance (UPF) as an instrument. We label this approach, extended cost-effectiveness analysis or ECEA, and illustrate our methods while taking the example of TB treatment in India to assess three dimensions of consequences: the level and distribution (across wealth quintiles) of the burden of disease averted, of the net consequences of taxation and private expenditures averted, and of the value of insurance provided. Using plausible values for key parameters we find health gains to be substantial and concentrated among the poor; the insurance value and the net consequences of taxation and private expenditures averted to vary with key assumptions.

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