









**WHAT TO FINANCE
IN HEALTH AND
AT WHAT PRICE?**

MODULE 4

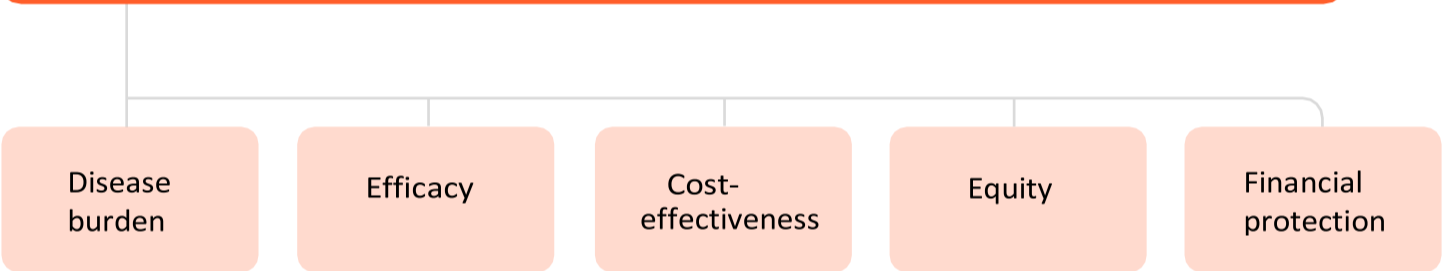
Below is a summary of the main ideas of this module

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➤ When making explicit coverage decisions, it is essential to use analytical methods; or in other words, make decisions that are based on evidence and clear health criteria which lay the groundwork for discussions on what benefits to finance, or not to, with public resources.
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➤ Analytical methods promote the efficient use of resources and the protection of vulnerable groups who usually have no voice in the political discussion, among other benefits.





➤ Criteria frequently used to prioritize health services



- Health technology assessment or HTA is an **analytical and systematic method** that allows us to measure the added value, effects, and impacts of each technology compared to other existing treatments or interventions.


- There are several methods for conducting HTA and making economic evaluations, the most widely used being **cost-effectiveness analysis**.


- It is essential that **technology evaluations** are conducted independently with clear rules on how to proceed.



➤ The cost-effectiveness of an intervention is the **relationship between the cost of the intervention and the health benefit derived from it**. Cost refers to the money spent on the intervention, such as dollars or pounds. The health benefit generated by the health intervention is often expressed in terms of disability-adjusted life years (DALYs) that the intervention is able to prevent or avoid.





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➤ Based on opportunity cost

Based on willingness to pay

➤ The cost effectiveness threshold indicates the point above which covering a treatment would generate more loss than gain for the health of the population. **It helps to define which services to cover or not** once the results of the cost-effectiveness analysis have been obtained. There are **two main methods** to establish the threshold:

➤ It is fundamental to calculate the **unit cost of the services included in the benefits package** so that the total cost of the HBP can be estimated and consequently be able to guarantee the service delivery, determine which services are to be included or excluded and design purchasing policies and provider payments.



➤ In the event that the resources are not sufficient to fulfil what was promised in the HBP, you can act by:

- Increasing resources
- Increasing efficiency
- Reducing the scope of the HBP

➤ The **regular costing** of the package is essential to guarantee its sustainability outside the limits of government terms and maintain quality in interventions.

➤ To successfully implement analytical methods, criteria for decision-making must be defined, a **solid institutional framework for the process should be created** and it is better to **start by using simplified analytical methods** while strengthening human capital and increasing resources.

➤ **It is also important to inform the population and maintain consistency and rigor in the selection of services.**



➤ Coverage decisions cannot be based solely on economic evaluation, but **should rather take into account other elements**, such as **disease burden, equity, financial protection, financial sustainability, social acceptance**, the **availability of alternative treatments** and the **feasibility of implementing the health intervention**.