

WHAT COUNTS IN ECONOMIC EVALUATIONS IN HEALTH?

BENEFIT-COST ANALYSIS COMPARED TO OTHER FORMS OF ECONOMIC EVALUATIONS



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World Health
Organization

The first business of every theory is to clear up conceptions and ideas which have been jumbled together, and, we may say, entangled and confused; and only when a right understanding is established as to names and conceptions can we hope to progress with clearness and facility, and be certain that author and reader will always see things from the same point of view. (von Clausewitz)

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EXECUTIVE SUMMARY

Economic evaluations in health (EEHs) take many forms. However, they generally involve a comparison of inputs and outcomes, either of which may or may not be market-traded goods.

We call a particular choice of inputs and outcomes a ‘table of accounts’. We argue that the notion of a table of accounts provides a useful way to understand the methodological diversity of EEHs, which subsumes more established but also more restrictive terminology (e.g. the notion of ‘study perspective’).

Our concept of a table of accounts can also be thought of as a more structured

and theoretically grounded instance of the currently popular notion of ‘value frameworks’. We present tables of account for a number of commonly used EEHs, then we discuss at length benefit-cost analysis (BCA), a distinctive form of EEH that has recently attracted substantial attention.

In addition to the table of accounts, a BCA also relies on a table of values: understanding the table of values is key to understanding both the appeal of BCA and also its vulnerabilities.

We conclude with reflections on when and for whom BCA may be an attractive form of analysis compared with other forms of EEH, such as cost-effectiveness analysis.

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