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Assessing equity & poverty reduction benefits of health policies

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Outline

Background

- The post-2015 agenda & the discourse on poverty
- A new perspective on the economic evaluation of health policies

Extended cost-effectiveness analysis (ECEA) approach

- Including equity & financial risk protection into economic evaluations
- Reducing impoverishment & inequalities cost-effectively

Conclusions

- Pro-poor prioritization & anchoring health within the poverty alleviation agenda

Background

- The post-2015 agenda & the discourse on poverty
- A new perspective on the economic evaluation of health policies

End of poverty by 2030

Sustainable Development Goal 1

"End poverty in all its forms everywhere"

World Bank objectives

(1) To eradicate extreme poverty (< $1.90 per day)

(2) To boost shared prosperity by raising the incomes of the bottom 40% of populations

https://sustainabledevelopment.un.org

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Sustainable Development Goal 3

"Achieve universal health coverage, including financial risk protection for all"

https://sustainabledevelopment.un.org

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How to achieve the poverty objective by 2030?

Usual requirements are put forward:

- **Sustaining growth:** leadership and governance, macroeconomic stability, market orientation
- **Investing in human development:** education, health
- **Insuring against risks:** social policies and programs, insurance

THEY LACK OF SPECIFIC PROPOSITIONS AND QUANTIFICATION OF IMPACT AND COST

Cruz et al. World Bank 2015

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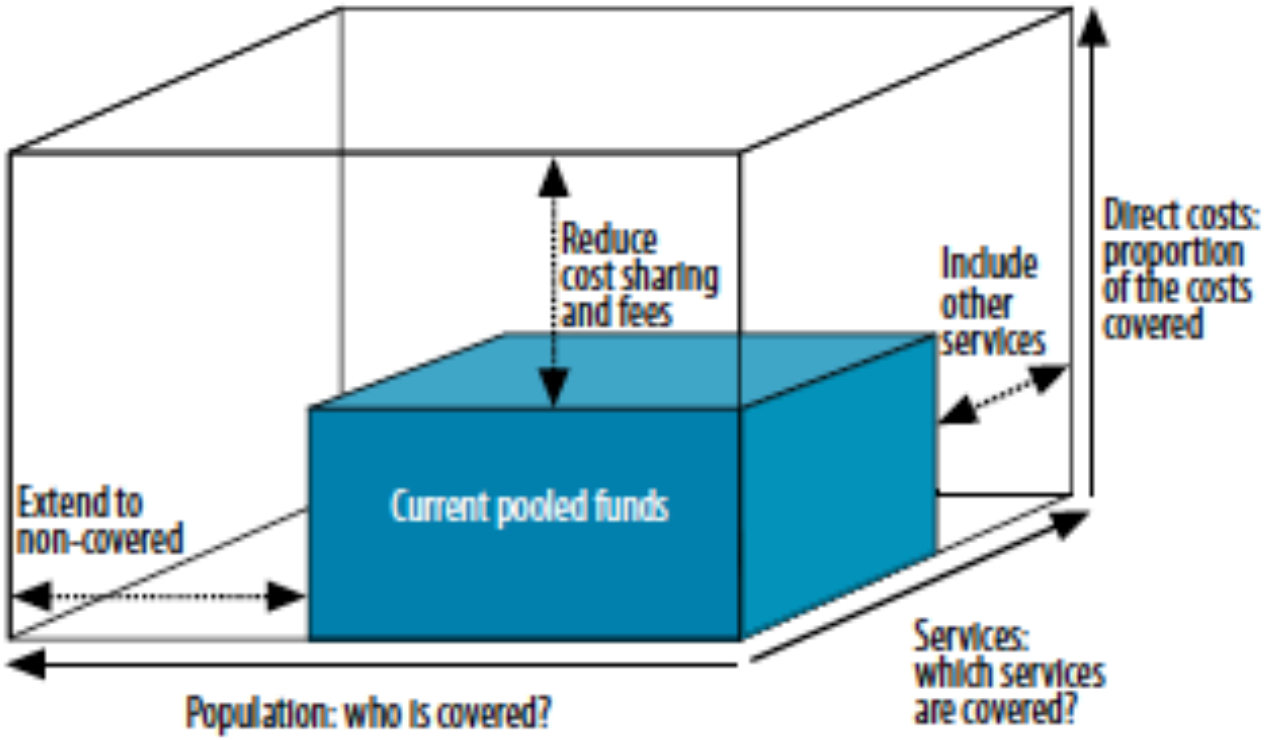
Universal Health Coverage

Fig. 1. **Three dimensions to consider when moving towards universal coverage**



World Health Organization's World Health Report 2010

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How to move efficiently on the "WHO cube"?

From: traditional economic evaluation focus

- Cost-effectiveness of technical interventions targeting specific diseases (e.g. antiretroviral therapy for HIV/AIDS)

To: decision-making & health system focus

- Resources allocated across different options:

  Health service delivery platforms, packages, **policy instruments (e.g. public finance, taxation, legislation)**

- Consideration of several criteria:

  Burden, costs, intervention effectiveness, **equity, medical impoverishment**

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Extended cost-effectiveness analysis (ECEA) approach

- Including equity & financial risk protection into economic evaluations
- Reducing impoverishment & inequalities cost-effectively

Health policy questions

Question 1:
how to reduce medical impoverishment?

Question 2:
how to redress health inequalities?

"Efficiently" or "cost-effectively"

Proposition: **Health Policy Assessment** with dimensions of equity & medical impoverishment

Extended Cost-Effectiveness Analysis (ECEA)

(1) **Distributional consequences** across distinct strata of populations
(e.g. socio-economic status, geographical setting, gender)

(2) **Financial risk protection**: quantify household medical impoverishment averted by policy

Verguet, Laxminarayan, et al. Health Economics 2015
Verguet, Kim, et al. Pharmacoeconomics 2016

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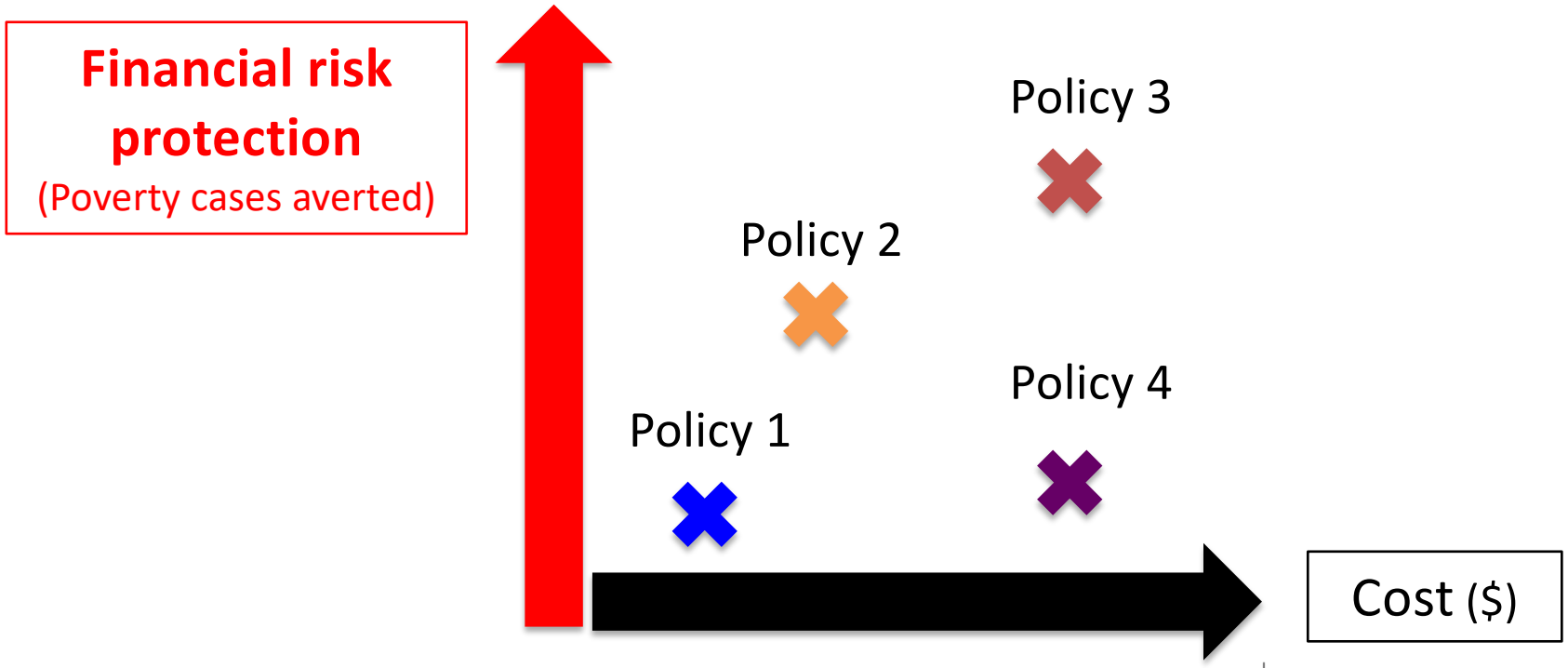
Question 1 is tied to achieving SDG1 poverty goal by 2030

Policy objective 1: "efficient" or "cost-effective" purchase of poverty reduction/financial risk protection

Estimate efficient purchase of financial risk protection in say

$ per Poverty Case Averted



Verguet, Laxminarayan, et al. Health Economics 2015

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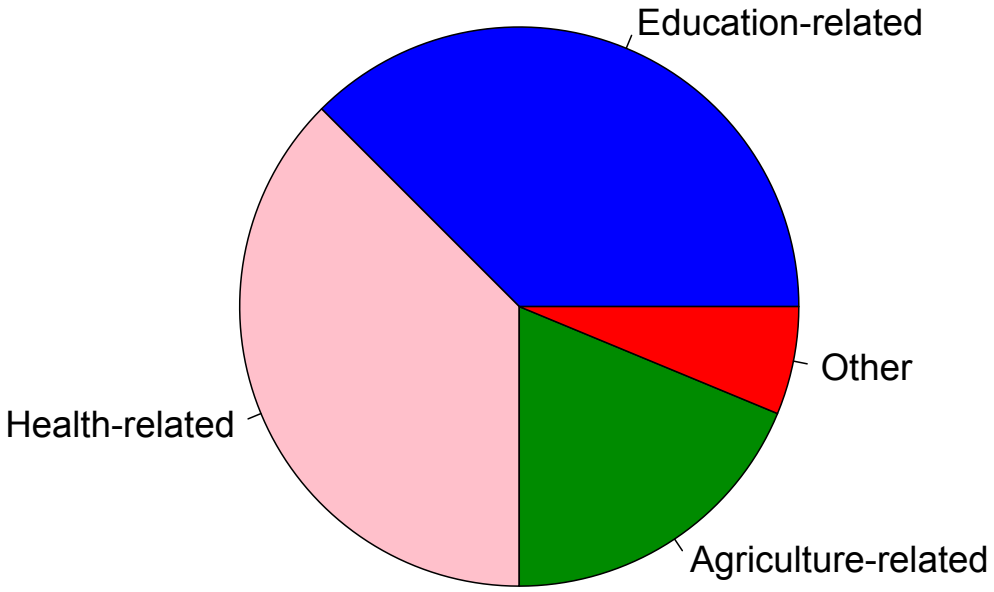
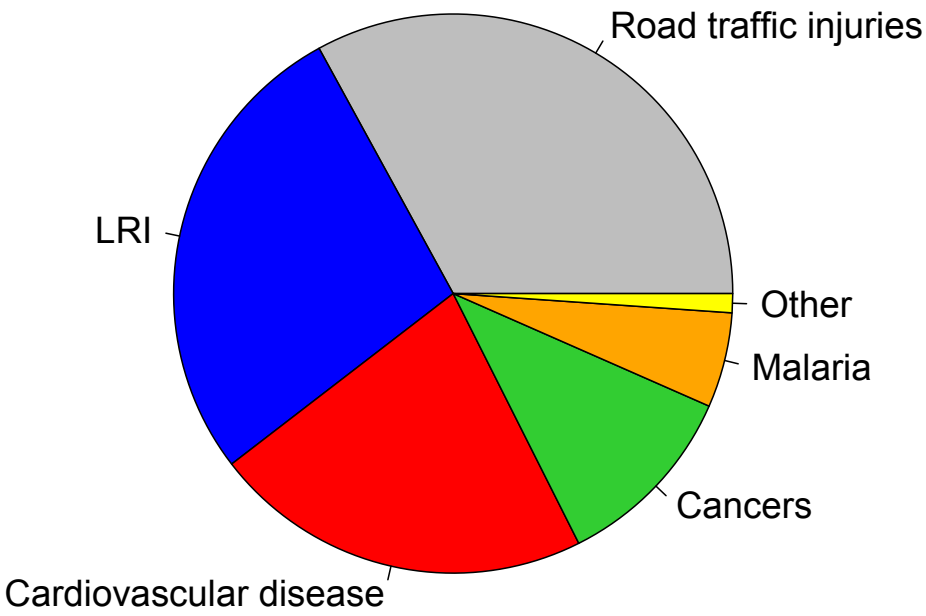
Step 1: what poverty is addressable?

Addressable poverty, by sector?



Adressable illness-related poverty



LRI = lower respiratory infections

What are the size and drivers of illness-related poverty?

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What would be the research milestones?

Per disease area, assess:

1. Extent of out-of-pocket (OOP) costs
2. Distribution of OOP costs
3. Distribution of medical impoverishment

Step 2: reducing impoverishment cost-effectively

Identifying best buys in terms of poverty reduction

Think "**cost**" & "**poverty reduction effectiveness**"

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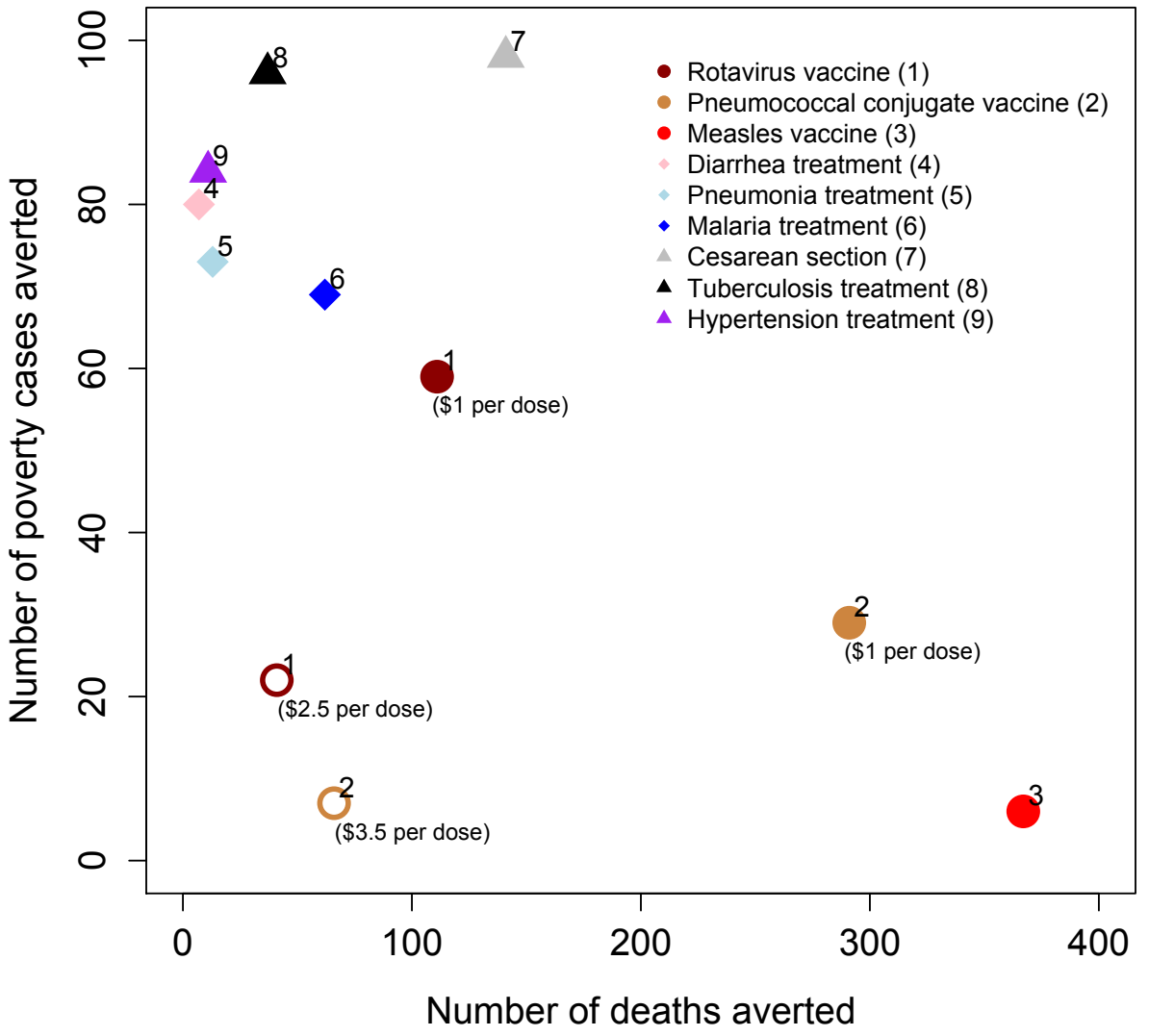
Ethiopia example

Goal:
Identify "best buys" in poverty reduction



Verguet, Olson, et al. Lancet Global Health 2015

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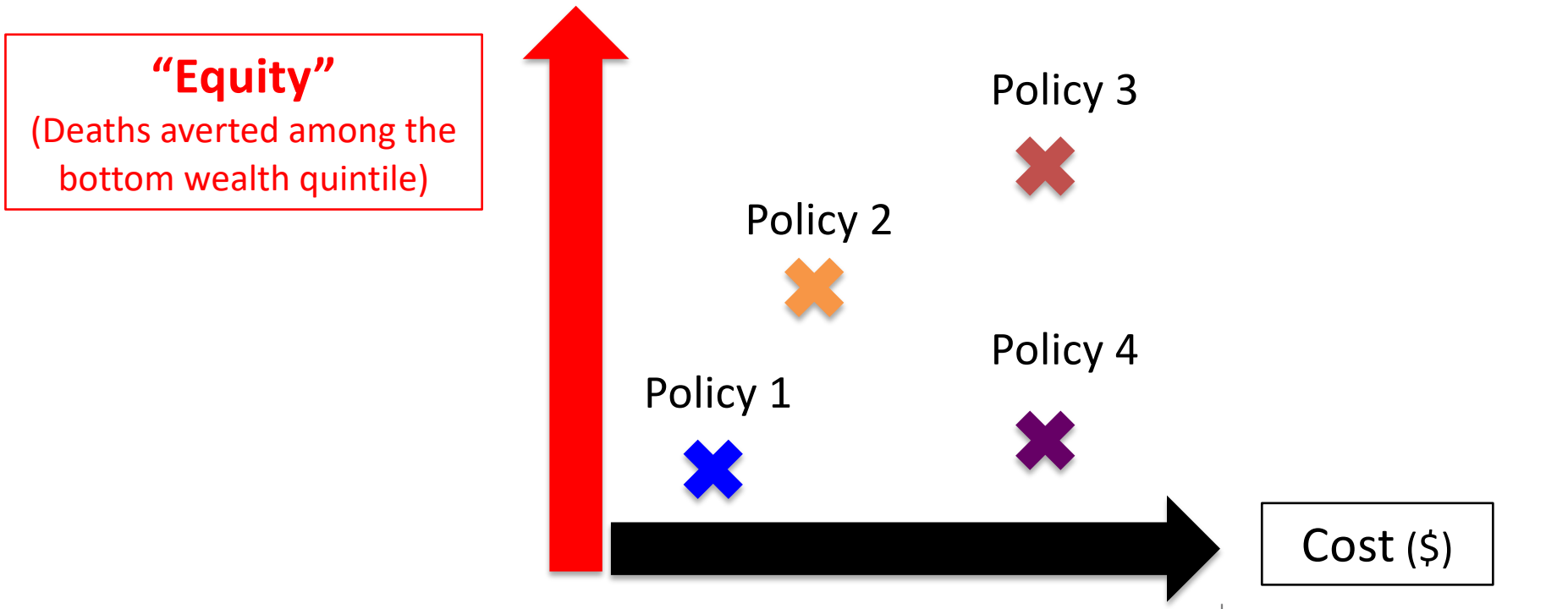
Question 2 is tied to how to ensure SDG3's healthy lives **for all** by 2030?

Policy objective 2: "efficient" or "cost-effective" purchase of pro-poor health outcomes

Estimate efficient purchase of "equity" in say **$ per death averted among the bottom wealth quintile**



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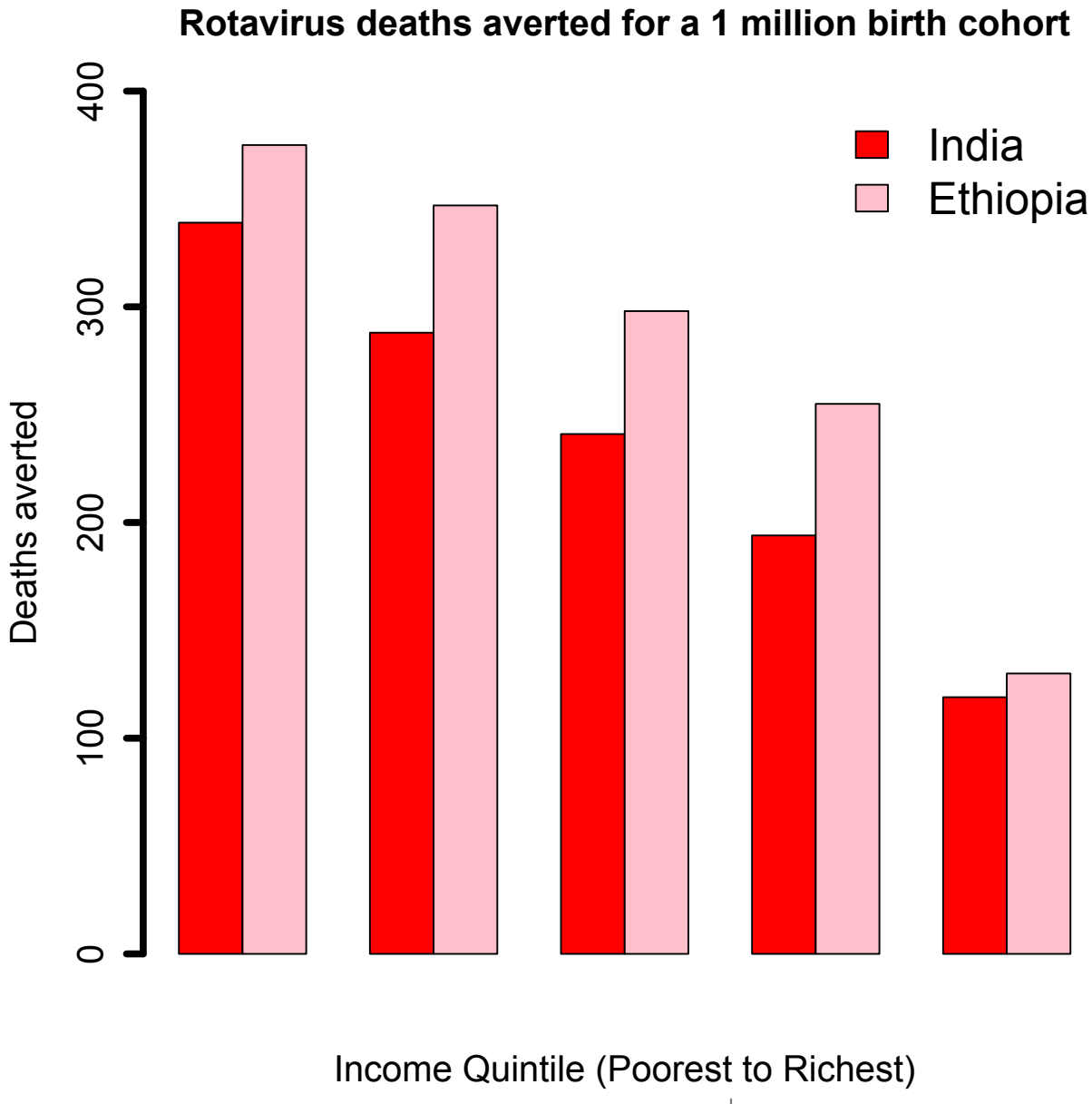
e.g. Public finance for rotavirus vaccine

Goal: assess distributional impact of policy



Verguet, Murphy, et al. Vaccine 2013

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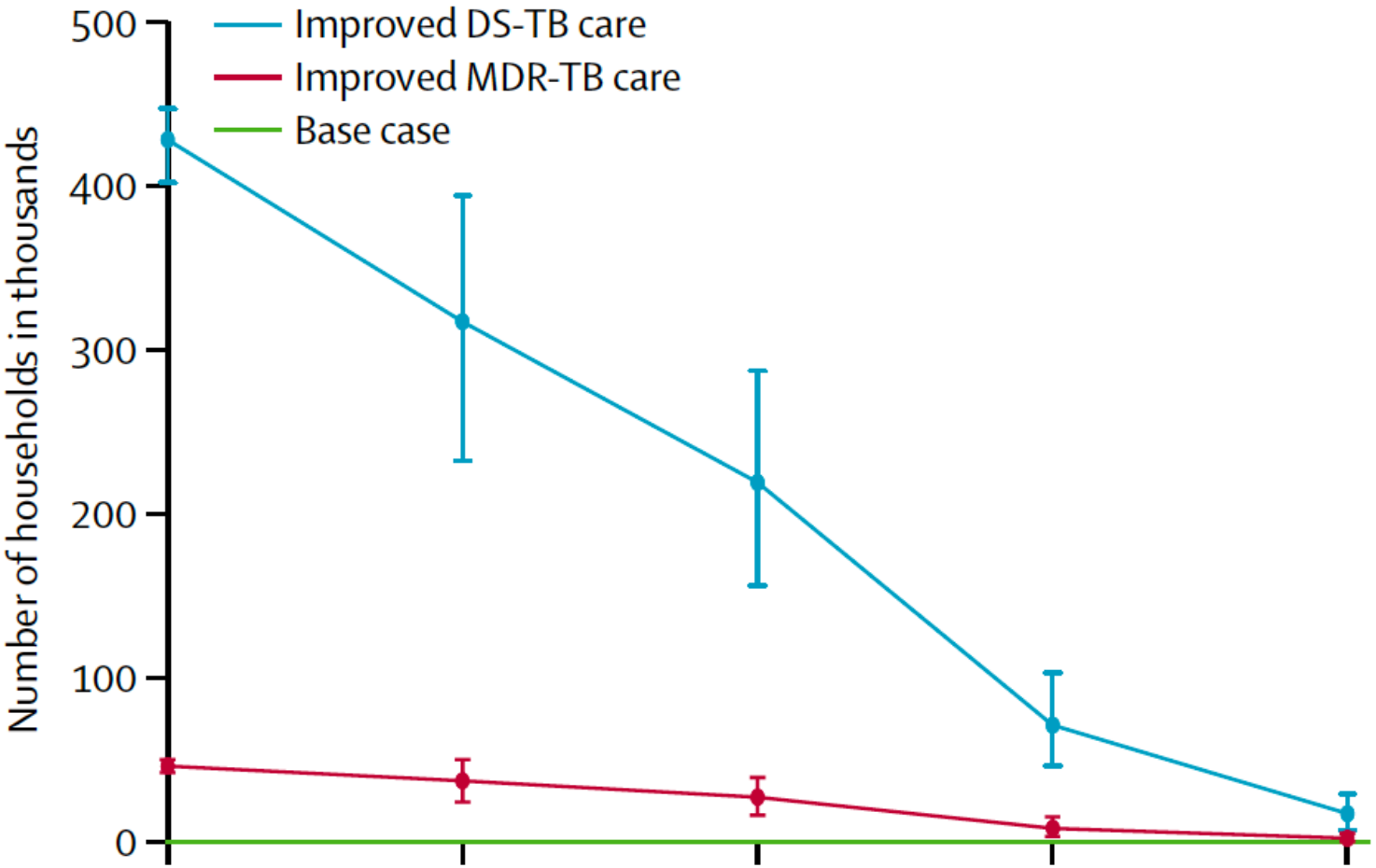
Example 1: distribution of households with catastrophic health costs averted by selected TB interventions, India, 2016-35

Financial risk protection higher among poorest



Verguet, Riumallo-Herl, et al. Lancet Global Health 2017

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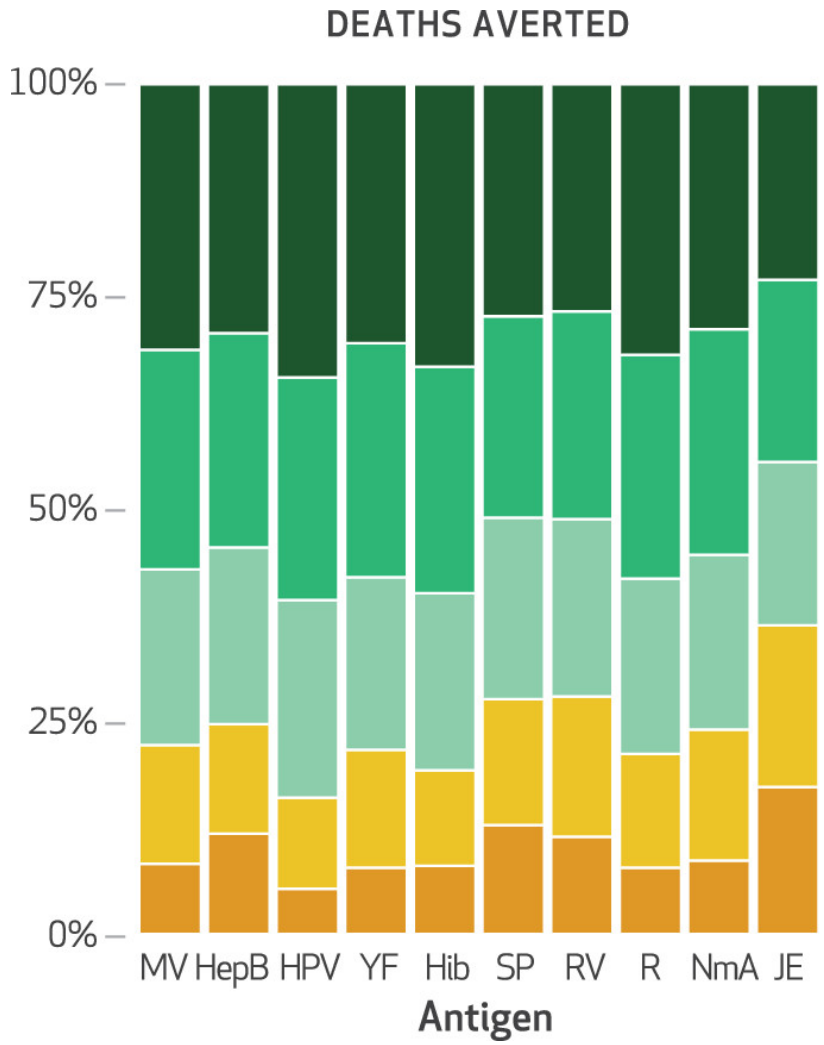
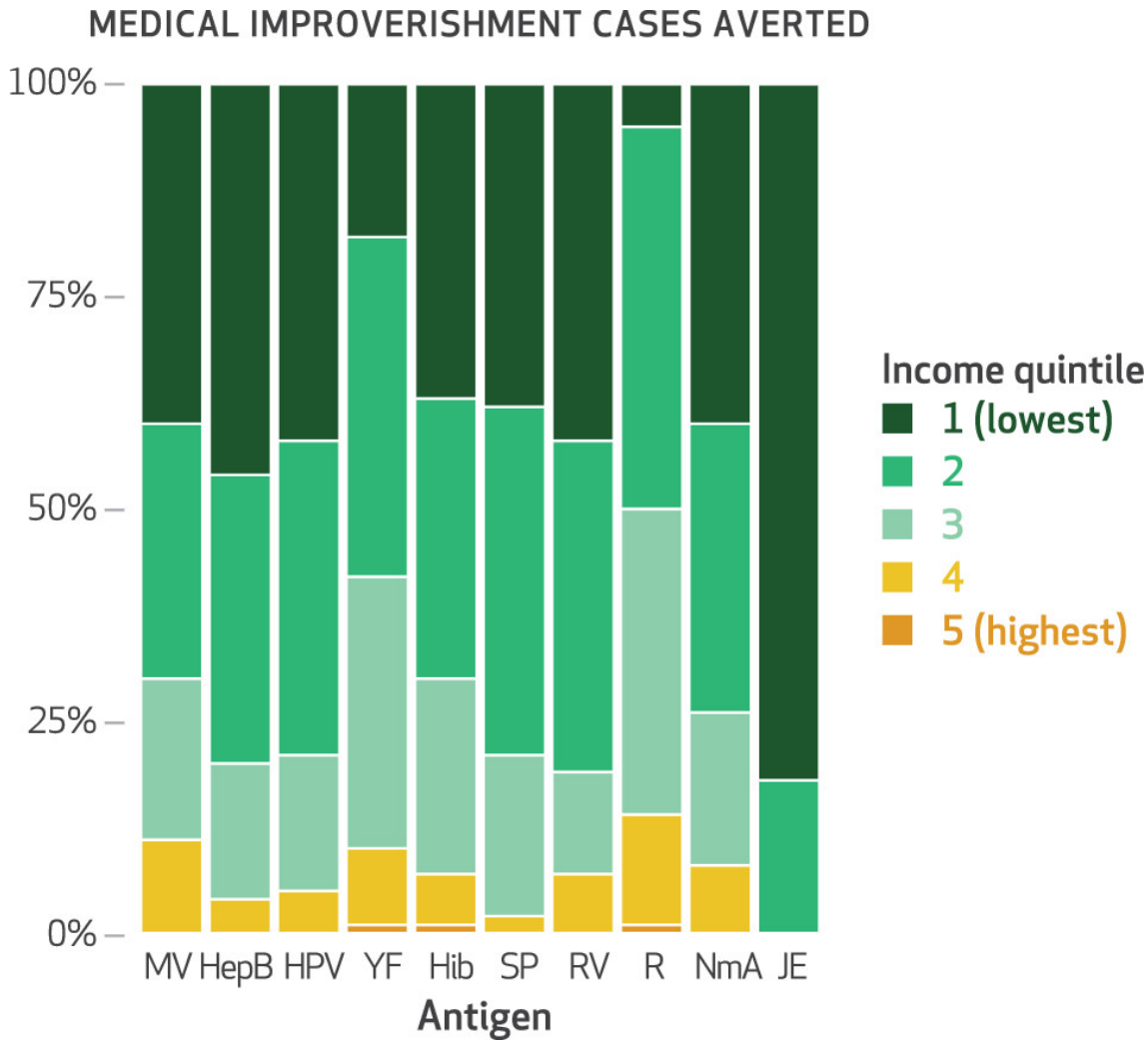
Example 2: distribution of deaths averted and cases of poverty averted, by vaccines, 41 LMICs, 2016-2030





Chang, Riumallo-Herl, et al. Health Affairs 2018

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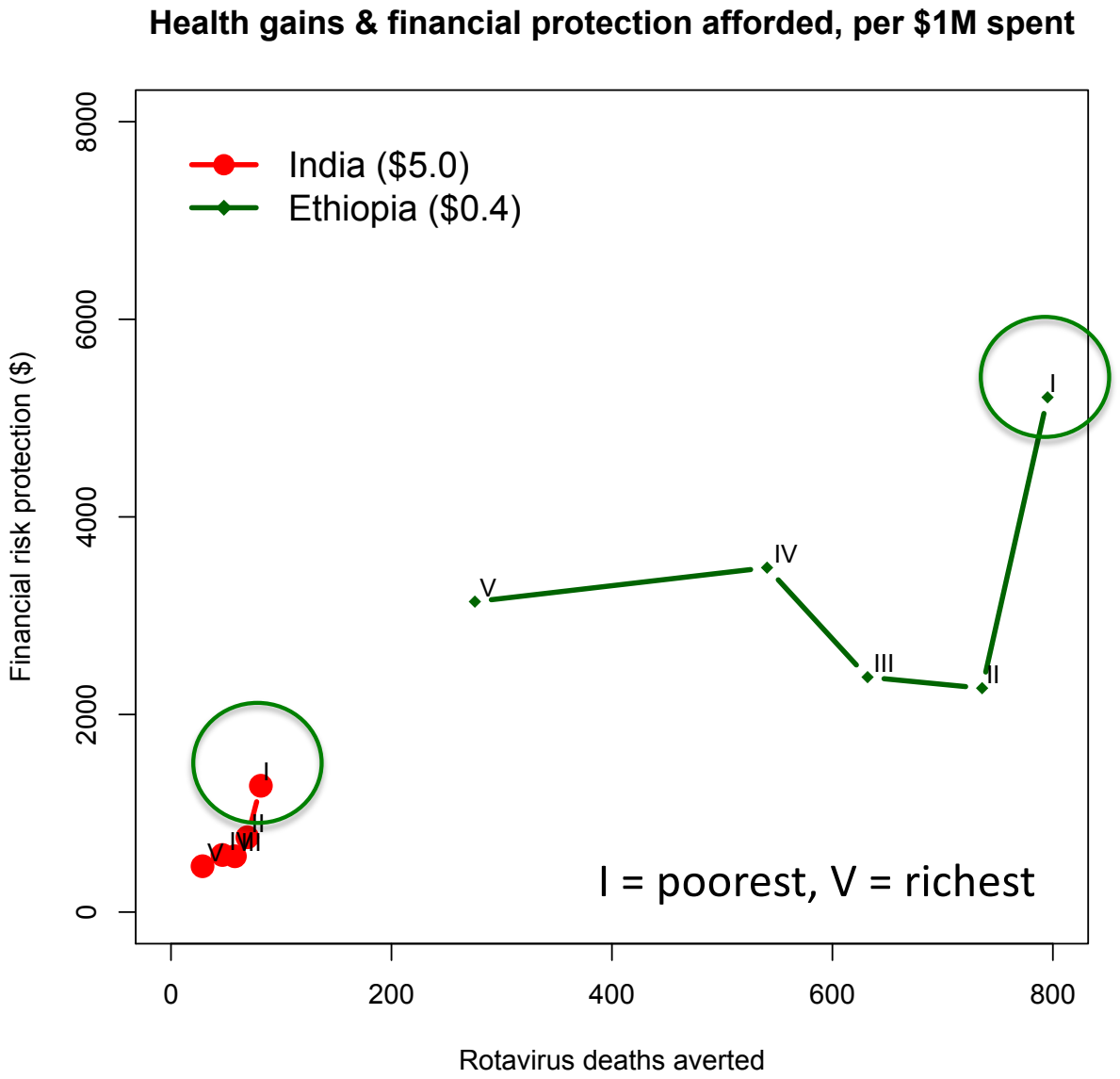
Conclusions

- Pro-poor prioritization & anchoring health within the poverty alleviation agenda

e.g. Public finance for rotavirus vaccine

Priority setting **within** the health sector: progressive prioritization



Verguet, Murphy, et al. Vaccine 2013

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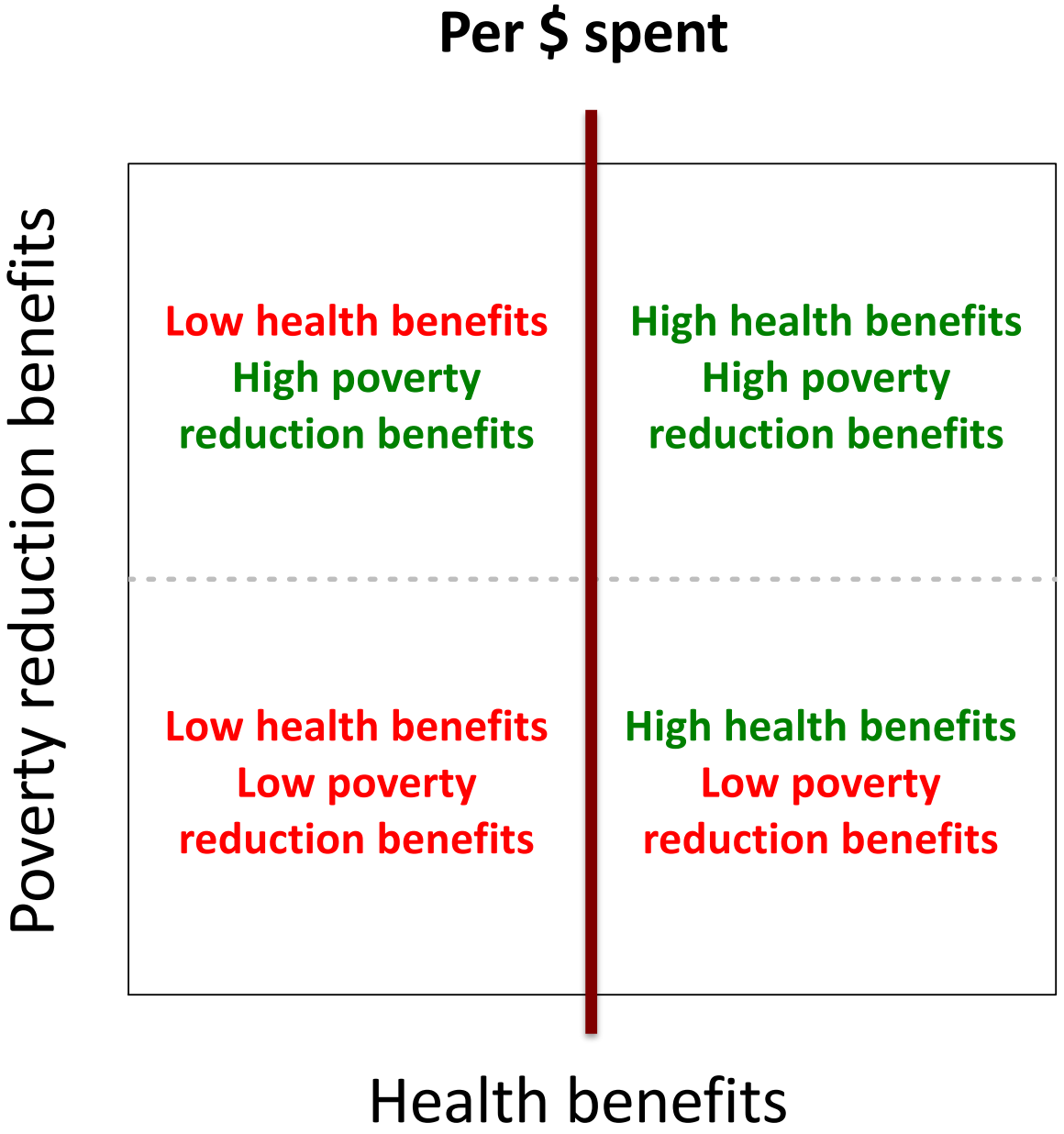
Priority setting **within** the health sector: benefit package design



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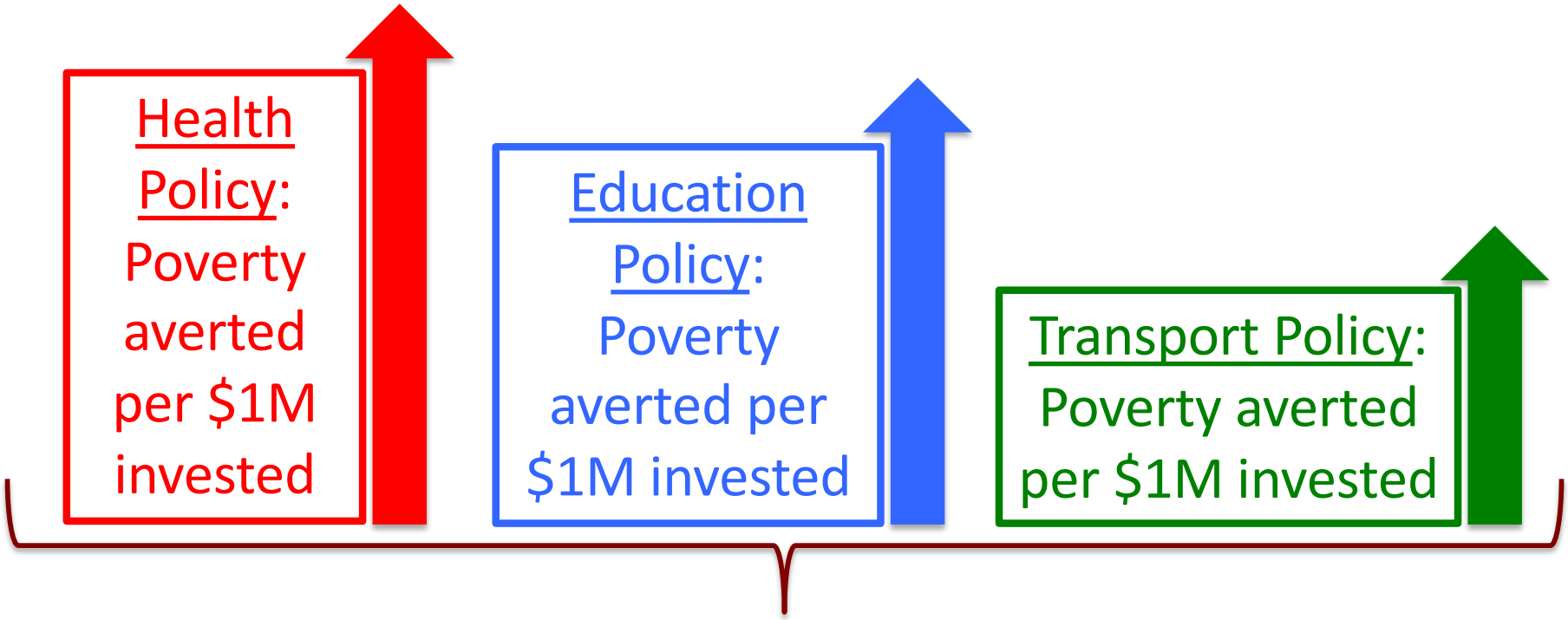
Priority setting **beyond** the health sector

Estimate efficient purchase of poverty reduction benefits by health policies i.e. **poverty cases averted per policy 1$M invested**



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