

# Developing BCA Reference Case Guidance for Global Health and Development

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**Prepared for:**

Methods and Case Studies Workshop

Harvard University

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# Goals and Objectives

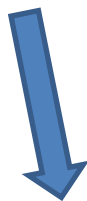
- **Goals:** Increase the comparability of benefit-cost analyses, improve their quality, and expand their use.
  - Focus on improving health and development in low- and middle-income countries.
  - Include policies implemented both within and outside of the health care sector.

# Goals and Objectives

## More, Better, Comparable BCA



- Clear
- Easy to implement
- Feasible
- Useful



Current practices  
↓  
Generally accepted best practices  
↓  
Innovation

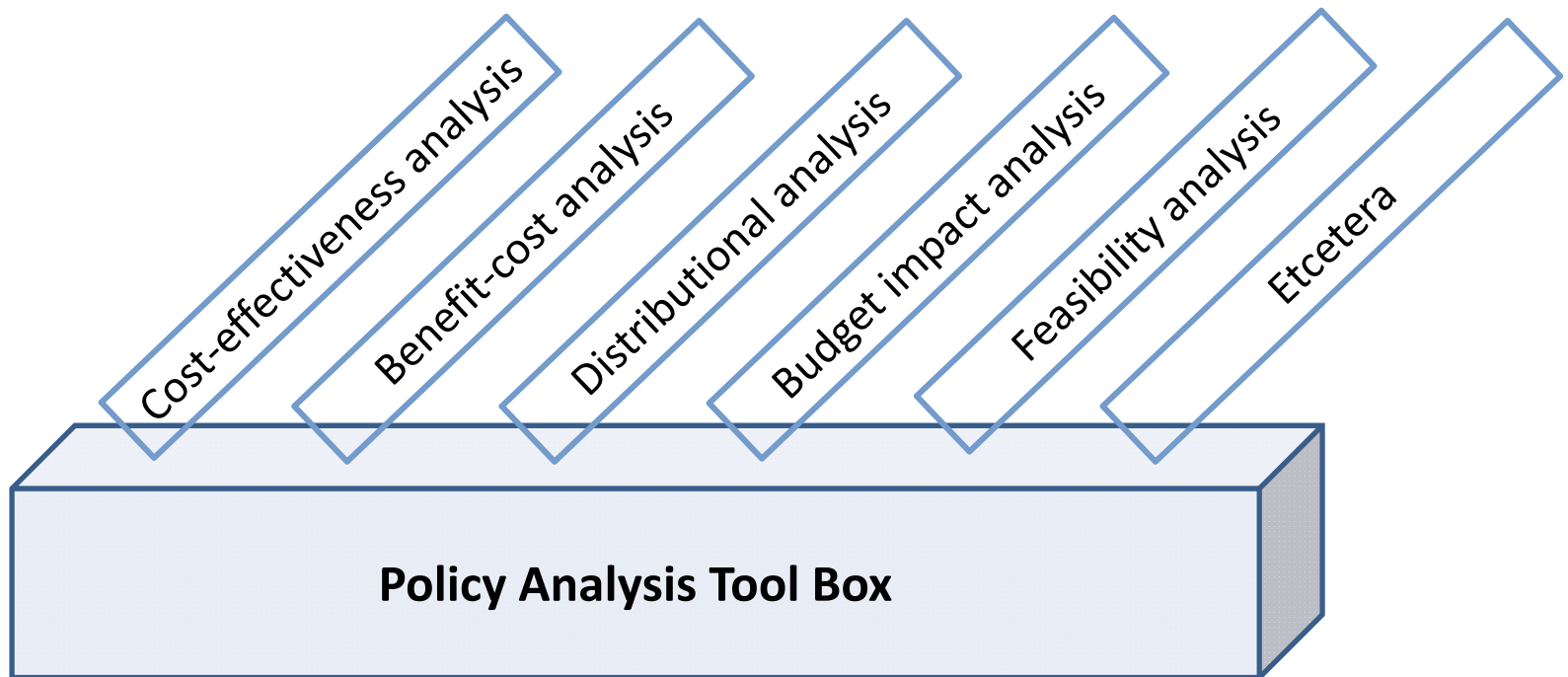


Same concepts?  
Same estimates?  
Evolve over time?

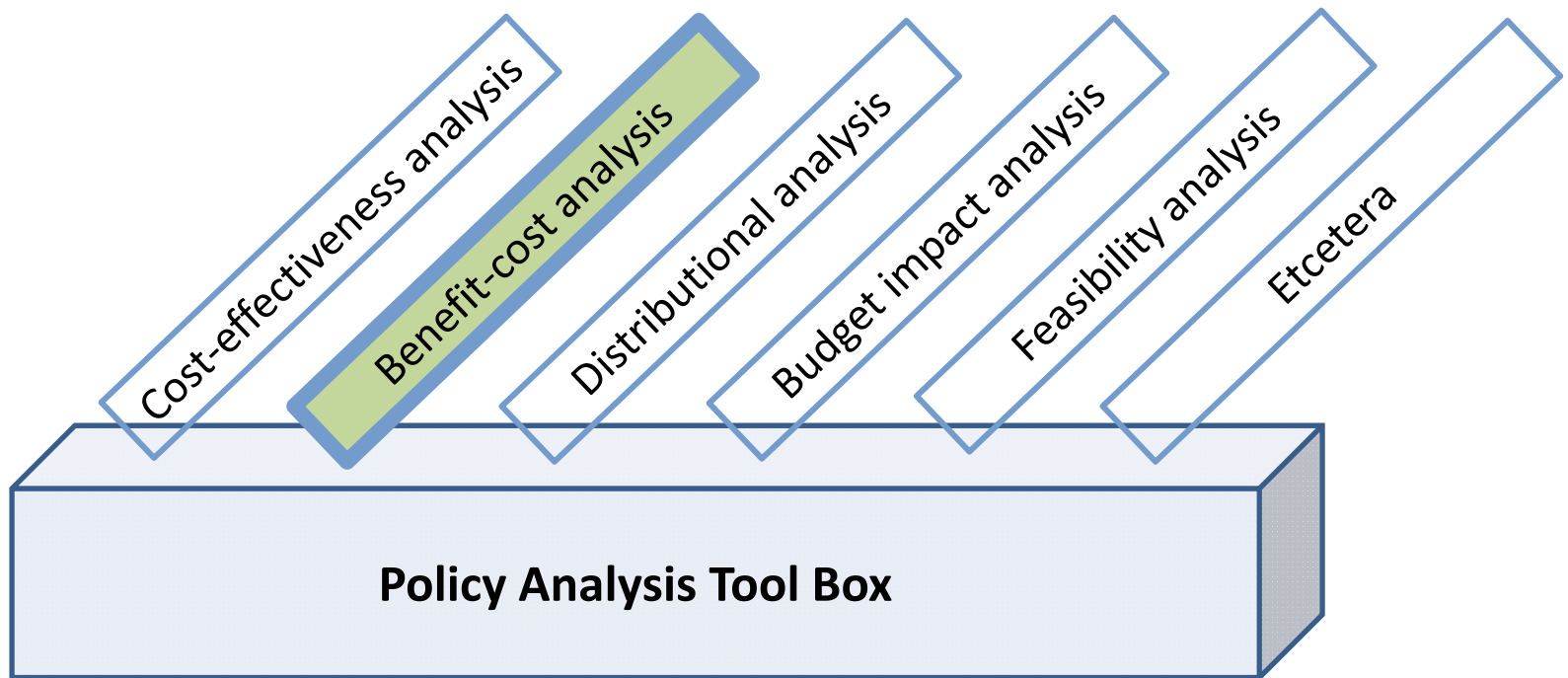
# Goals and Objectives

- **Objectives:** Expand the iDSI Reference Case to address benefit-cost analysis.
  - Currently includes principles, methodological specifications, and reporting standards applicable to all types of economic evaluation.
  - Also addresses the conduct of cost-effectiveness analysis; e.g. effect measures including DALYs averted or QALYs gained.
- Primary focus is the monetary valuation of policy outcomes.

# Goal and Objectives

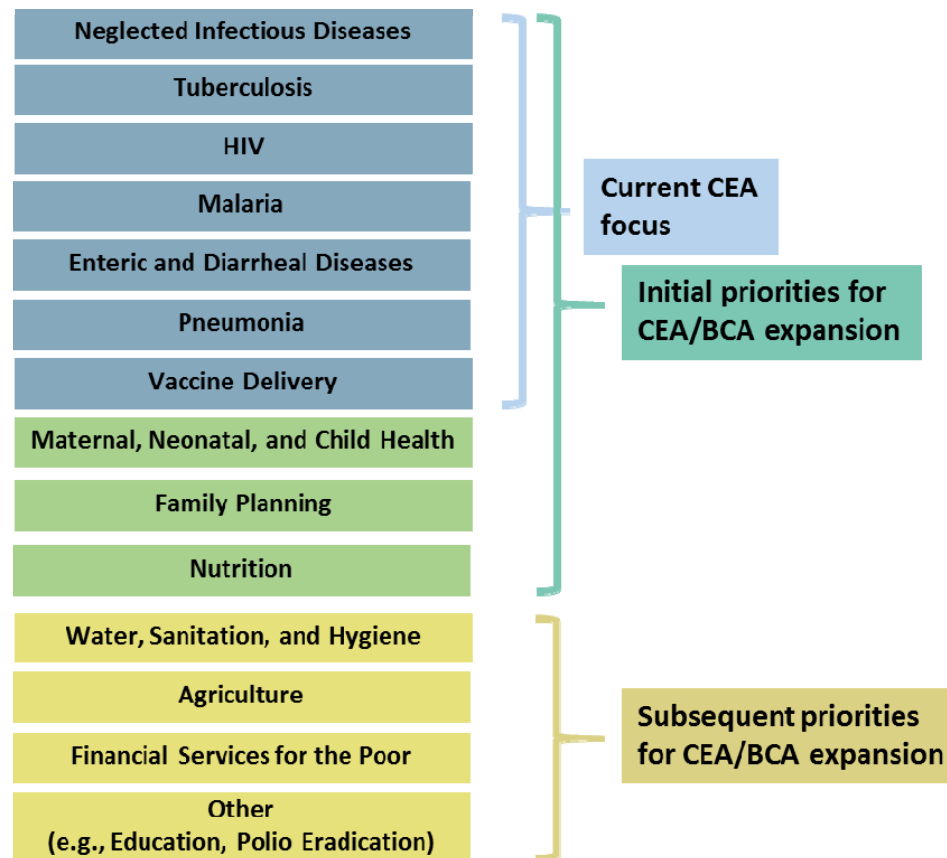


# Goal and Objectives



# Goals and Objectives

## BMGF Priorities for Analytic Development





# BCA Framework

## Key Assumptions

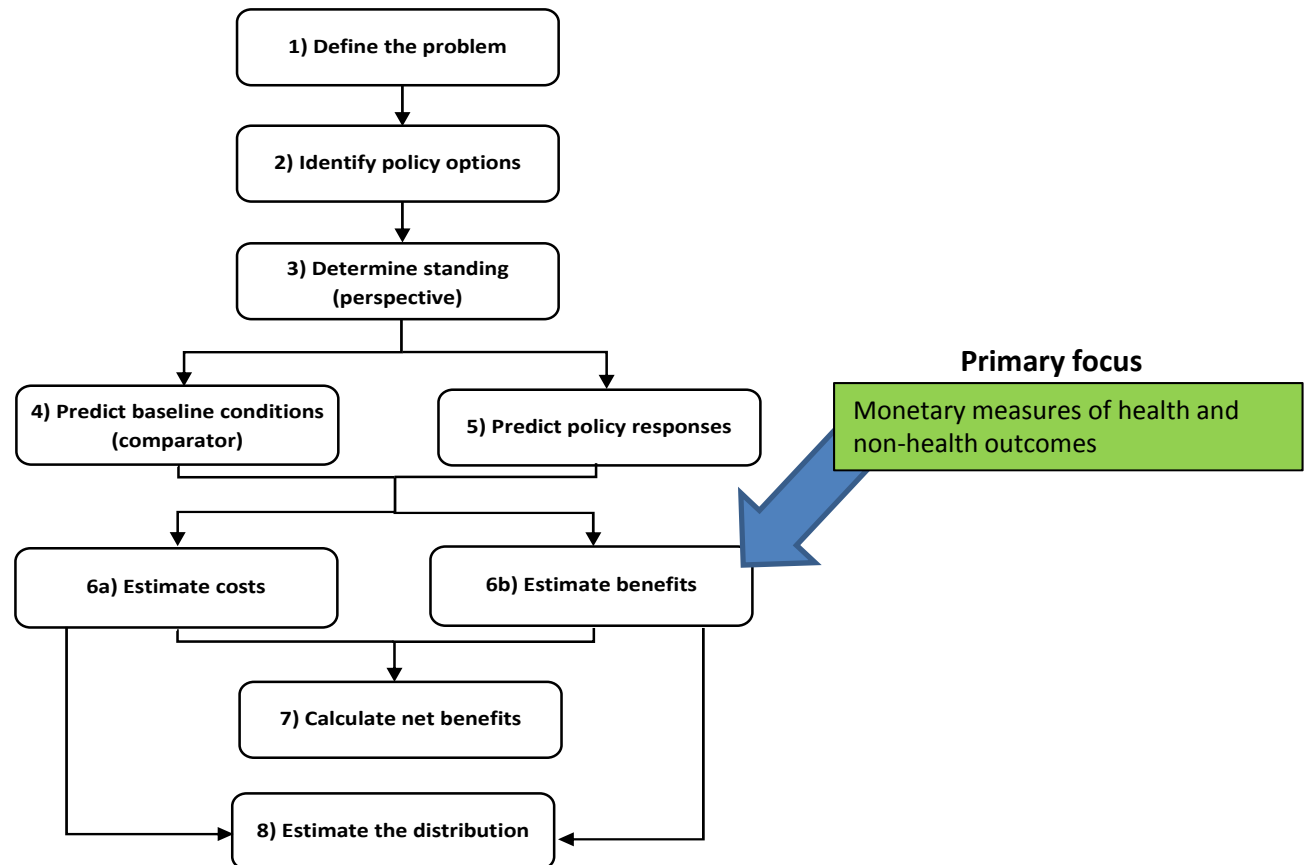
- Individuals are best judge of their own welfare.
  - “Consumer sovereignty,” respect individual preferences.
- Values based on individuals’ willingness to exchange money for benefits they receive.
  - Willingness to pay (WTP) for risk reductions or other improvements.
  - Spending on risk reductions reduces money available to purchase other goods and services (“opportunity costs”).

# BCA Framework

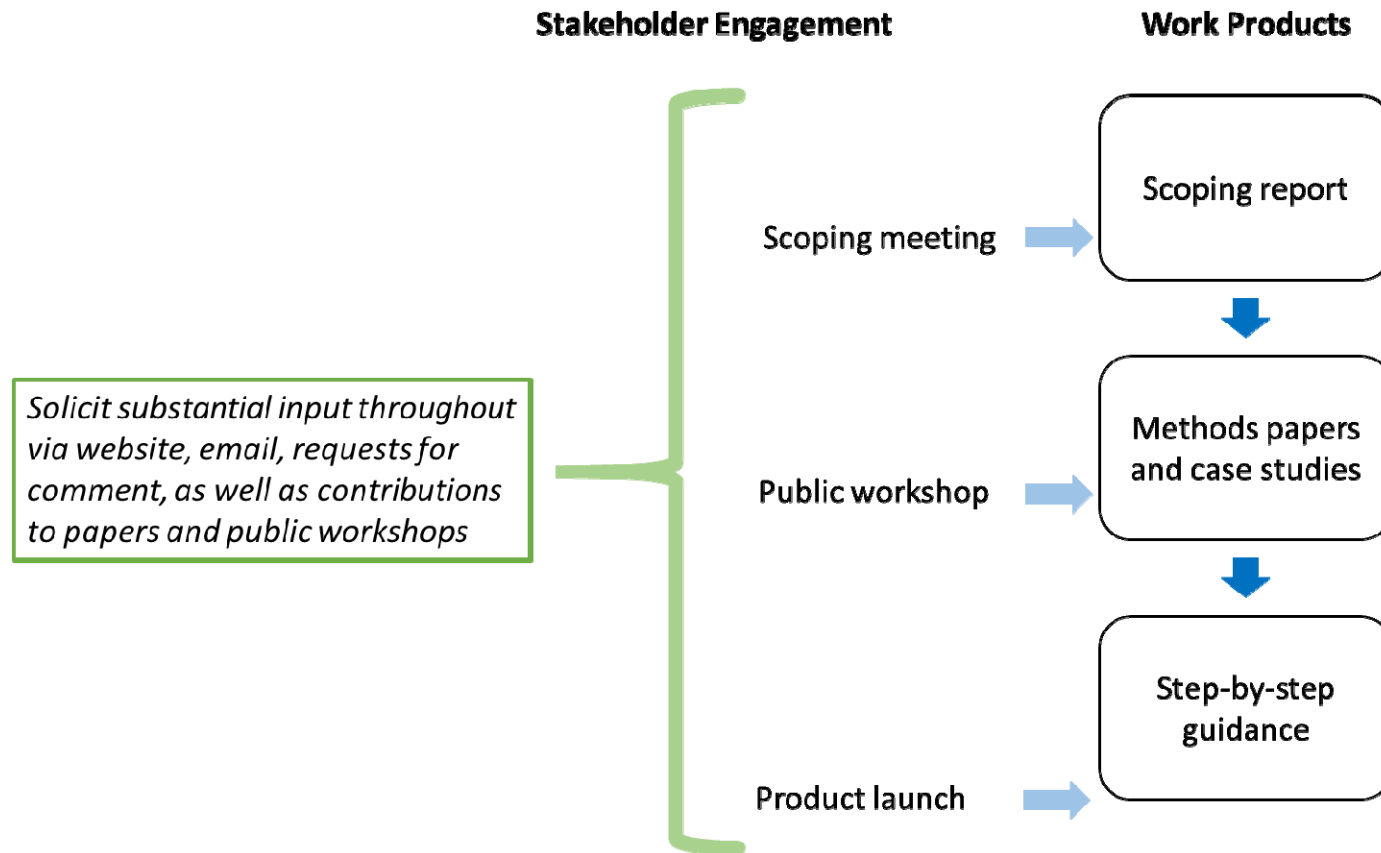
- Promotes understanding of the preferences of those affected by the policy.
- Well-established and widely used, especially for regulatory policy.
- Comprehensive, comparable approach.
  - Incorporates health impacts attributable to policies implemented outside of the healthcare system.
  - Incorporates nonhealth impacts.
- Rarely the sole basis for decision-making
  - Gaps and inconsistencies in scientific knowledge.
  - Important impacts that are difficult to quantify.

# BCA Framework

## Basic Analytic Components



# Project Components



Next? More outreach, technical assistance, primary research, illustrative case studies, enhancements to guidance...?

# Project Components

## **(1) Scoping report (May 2017)**

- General framework
- Relationship to iDSI Reference Case
- Conceptual foundations
- Methods for estimating monetary values
- Existing guidance and current practices
- Barriers, challenges and opportunities

# Project Components

## **(2) Methods Papers and Case Studies (November 2017)**

- Drafts to be discussed in today's workshop.
  - Also posted online for review and comment.
- Expect to solicit additional case studies after the workshop.
- Will provide the basis for the reference case guidance.
  - Guidance will likely address additional topics.
  - May deviate from methods paper recommendations in some cases.
  - Case studies will test and illustrate the recommendations.

# Project Components

## **(3) Reference Case Guidance (October 2018)**

- Step-by-step guidelines for implementing the benefit-cost analysis reference case, building on the methods papers and including illustrations from the case studies.
- Guidelines will include principles, methodological specifications, and reporting standards that expand the scope of the iDSI reference case.
- Guidelines will be freely available online and designed to be easily updated as new research becomes available and methods are further developed.

# Project Components

## (3) Reference Case Guidance (cont.)

- Initial guidance will likely recommend best practices based on currently available data and valuation research, with appropriate recognition of uncertainty.
- It will also identify:
  - Priorities for future research.
  - Priorities for future guidance development and implementation.
    - Training and technical assistance.
    - Illustrative case studies.
    - Clearinghouse to collect and evaluate existing analyses.
    - Process for updating guidance.
    - Innovative approaches
    - Other?



# Project Team

## Leadership Team

- Lisa A. Robinson (Principal Investigator, Harvard Center for Health Decision Science and Center for Risk Analysis)
- James K. Hammitt (Co-Principal Investigator, Harvard Center for Health Decision Science and Center for Risk Analysis)
- Dean Jamison (University of California – San Francisco)
- David de Ferranti (Results for Development Institute)

## Advisory Group

- Michele Cecchini (OECD)
- Kalipso Chalkidou (Imperial College London)
- Maureen Cropper (University of Maryland)
- Anil Deolalikar (University of California – Riverside)
- David Evans (The World Bank)
- Federico Guanais (IADB)
- Soonman Kwon (Seoul National University)
- Jeremy Lauer (WHO)
- Dale Whittington (University of North Carolina)
- Brad Wong (Copenhagen Consensus Center)

## Ex Officio

- David Wilson (Bill and Melinda Gates Foundation, Program Officer)
- Tommy Wilkinson (PRICELESS SA, iDSI Reference Case Team)
- Karl Claxton (University of York, Principal Investigator, BMGF discounting project)

## Key Staff

- Cristina Munk (Harvard Center for Health Decision Science)
- Lucy O’Keeffe (Harvard Center for Health Decision Science)

# Workshop Plans

**Goal is to get your feedback, both during the sessions and after the workshop.**

- Are the recommended approaches appropriate, feasible, useful?
- How can they be improved?
- What other topics need to be addressed?

## Overall Schedule

- Thursday, November 2:
  - Technical program: 8:30 AM – 5:30 PM.
  - Reception 5:30 PM – 7:00 PM, with remarks from Sue Goldie.
- Friday, November 3:
  - Technical program: 8:30 AM – 12:30 PM, with a conversation between Lawrence H. Summers and Dean Jamison.

# Workshop Plans

## Thursday, November 2

- 8:30-9:00 **Welcome and Introduction**  
David Wilson and Lisa A. Robinson
- 9:00-10:00 **Valuing Mortality Risk Reductions** (Chair: Lynn Karoly)  
Lead Authors: Lisa A. Robinson and James K. Hammitt  
Discussants: Anna Alberini, Maureen Cropper
- 10:00-10:15 **Break**
- 10:15-11:15 **Valuing Nonfatal Health Risk Reductions** (Chair: Peter Neumann)  
Lead Authors: Lisa A. Robinson and James K. Hammitt  
Discussants: Mark Dickie, Montarat Thavorncharoensap
- 11:15-12:15 **Assessing Economy-wide Effects** (Chair: David de Ferranti)  
Lead Authors: Kenneth Strzepek, Collins Amanya, and James E. Neumann  
Discussants: Channing Arndt, Anil Deolalikar
- 12:15-1:30 **Lunch**
- 1:30-2:30 **Assessing the Distribution of Impacts** (Chair: Stéphane Verguet)  
Lead Authors: Lisa A. Robinson and James K. Hammitt, with supplement by Matthew Adler  
Discussants: Neal Fann, Sam Harper
- 2:30-3:30 **Discounting Future Impacts** (Chair: Maureen Cropper)  
Lead Author: Karl Claxton  
Discussants: Miqdad Asaria, Gernot Wagner
- 3:30-3:45 **Break**
- 3:45-5:15 **Case Studies** (Chair: Frederico Guanais)  
Education: Elina Pradhan and Dean Jamison  
Stunting: Brad Wong and Peter F. Orazem  
Discussants: Anil Deolalikar, Lynn Karoly, Roger Perman, George Psacharopoulos
- 5:15-5:30 **Wrap-up**
- 5:30-7:00 **Reception with remarks from Sue Goldie**

# Workshop Plans

## Friday, November 3

- |             |                                                                                                                                                                                               |
|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 8:30-9:00   | <b>Welcome and Recap</b>                                                                                                                                                                      |
| 9:00-10:00  | <b>A Conversation with Dean Jamison and Lawrence H. Summers</b>                                                                                                                               |
| 10:00-10:15 | <b>Break</b>                                                                                                                                                                                  |
| 10:15-11:15 | <b>Valuing Changes in Time Use</b> (Chair: Brad Wong)<br>Lead Authors: Dale Whittington and Joseph Cook<br>Discussants: Abusaleh Shariff, James E. Neumann                                    |
| 11:15-12:15 | <b>Valuing Protection against Health-Related Financial Risks</b> (Chair: Michele Cecchini)<br>Lead Authors: Dean Jamison and Jonathan Skinner<br>Discussants: Kalipso Chalkidou, Mark Shepard |
| 12:15-12:30 | <b>Wrap-up and Adjourn</b>                                                                                                                                                                    |