Developing BCA Reference Case Guidance for Global Health and Development

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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.

• **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.

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Goals and Objectives

Basic Analytic Components

1) Define the problem

2) Identify policy options

3) Determine standing (perspective)

4) Predict baseline conditions (comparator)

5) Predict policy responses

6a) Estimate costs

6b) Estimate benefits

7) Calculate net benefits

8) Estimate the distribution

Primary focus: Monetary measures of health and non-health outcomes

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Primary focus: Monetary measures of health and non-health outcomes
Goals and Objectives

• Primary focus is monetary valuation of health and nonhealth outcomes.
• Companion project (University of York, Karl Claxton) is addressing discounting.
• Also will adapt other principles, methodological specifications, and reporting requirements as needed to accommodate benefit-cost analysis.

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Project Components

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

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Project Components

(1) Scoping report

• Draft now available for review and comment.

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

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(2) Methods Papers and Case Studies

• Topics to be determined by results of scoping phase.

• Methods papers may address, for example:
  – valuing reduced mortality risks,
  – valuing reduced morbidity (disability) risks,
  – valuing (selected) non-health outcomes,
  – discounting future impacts (companion project),
  – other?

• Case studies will demonstrate the effects of the different choices discussed in the methods papers, focusing on BMGF priority areas.
  – Include converting cost-effectiveness analyses to benefit-cost analyses, to illustrate implications of each approach.

• Will discuss in November workshop at Harvard University.

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(3) Reference Case Guidance

• 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.

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(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 as well as future guidance development and implementation.

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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

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Project Team

Advisory Group (as of May 11, 2017)

- Michele Cecchini (OECD)
- Kalipso Chalkidou (Imperial College London/iDSI)
- Maureen Cropper (University of Maryland)
- Anil Deolalikar (University of California – Riverside)
- David Evans (The World Bank)
- Federico Guanais (IADB)
- Soonman Kwon (AsDB)
- 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)

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Scoping Work To-Date

Key Findings

Current Practices

• Existing guidance addresses high income countries, often regulations.
• Analyses use varying approaches that are not necessarily consistent with basic principles or existing guidance.

Challenges to be Addressed

• Normative concerns
• Technical capacity
• Generally-accepted guidance.

Online stakeholder survey results to-date (n = 64) reinforce these points; doing good analysis is very challenging but promotes improved decision-making.

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Conclusions and Implications

• General agreement on basic framework.
• Valuing mortality risk reductions:
  – More research is needed in low- and middle-income countries; determine how to best evaluate and apply the existing research in the interim.
• Valuing morbidity risk reductions:
  – More research is needed in low-, middle-, and high-income countries; determine how to best develop and apply proxies in the interim.
• Valuing non-health outcomes:
  – Outcomes diverse; methods depend on the outcome of interest and the extent to which market or nonmarket valuation is appropriate.
Scoping Work To-Date

Conclusions and Implications (cont.)

Discounting:
• Three percent commonly used; better define the appropriate basis as well as estimates for both intra-generational and inter-generational effects.

Addressing the distribution of impacts:
• General agreement that the distribution of costs and benefits should be described for consideration by decision-makers; few analyses provide this information.

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