



# Handout: Types of Economic Evaluation



There are various types of economic evaluations. Each of these vary in terms of approach and level of assumptions required.

## How do you conduct an economic evaluation?

Across the various types of economic evaluations, the steps are essentially the same:

1. Define the question, including the perspective, i.e., whose costs and benefits will be measured (e.g., provider, societal)
2. Estimate costs (inputs needed to implement intervention)
3. Estimate impacts/benefits (health and/or economic consequences)
4. Present and interpret the evidence for decision-making

## Key points to remember

- Costing and impact evaluations are ideally performed simultaneously
- Impact evaluation data are usually somewhat delayed after intervention is completed but are essential in performing CEA/CUA/BCA
- Reliable, credible, replicable modeling is also an essential component for some economic evaluations
- Rule of thumb: The fewer the assumptions, the better

Method	Example	Approach	Level of assumptions required	Comparability
Cost-efficiency analysis	Cost per modern user/CYP	Combines cost data with program data	Low: Primarily assumptions translating service statistics into new modern users/CYPs	Low: Within specific family planning outcome variable
Cost-effectiveness analysis (CEA)	Cost per unintended pregnancy averted	Combines cost data with different denominator, usually modeled	Moderate: Assumptions underlying modeled results	Moderate: Within reproductive health area
Cost-utility analysis (CUA)	Cost per Disability-Adjusted Life Year (DALY) averted	Adjusts for quality of life by translating modeled outcomes into DALYs averted (HLYs saved)	Moderate+: Further assumptions required to calculate DALYs/HLYs (e.g., disability weights)	Moderate+: DALY/HLY results comparable across health areas
Benefit-cost analysis (BCA)	Benefits/ Costs (ratio)	Monetizes benefits in numerator	High: Many assumptions to calculate benefits	High: Results further comparable across non-health areas

*Types of economic evaluations*

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## How would you use the results of an economic evaluations?

- If a health minister is trying to decide whether to add funding to provide more pills via a clinic or a CHW:
  - Could use cost-efficiency analysis, i.e., cost per pill user for clinic vs. CHW, which would require the lowest level of assumptions (could also be CEA, CUA, BCA)
  - Critical piece of background information: same FP method, so conclusions wouldn't change by evaluation approach
- If a health minister is trying to decide whether to add funding to provide family planning or education to adolescents:
  - Need to use CEA in order to compare across reproductive health area
  - E.g., cost per unintended pregnancy averted
- If a finance minister is trying to decide whether to fund more pills or an intervention to provide cleaner water:
  - Need to use either CUA (e.g., cost per DALY averted) or BCA

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