

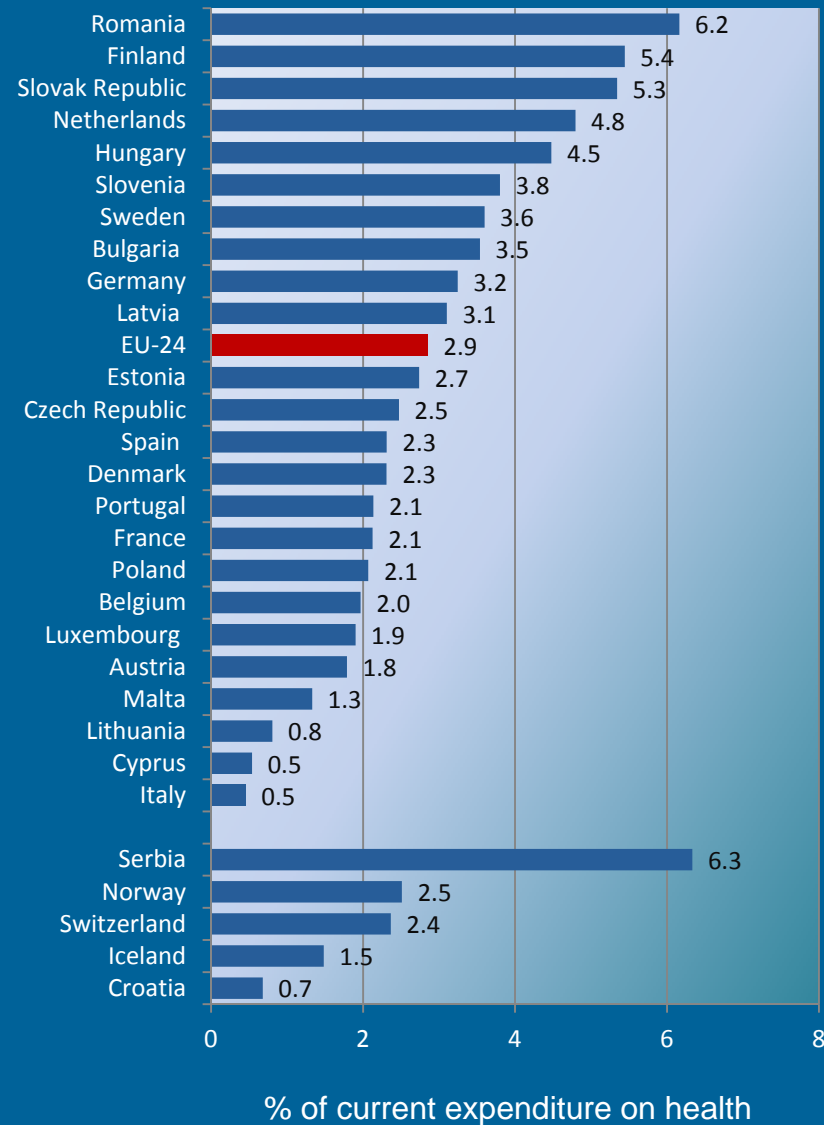
# The Economics of Prevention

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*Paris, EUSPR Conference, 15<sup>th</sup> November 2013*

# Expenditure on Prevention, EU



# Making an Economic Case

- Interventions, not diseases
- Need for high-quality evidence on:
  - Epidemiology
  - Effectiveness
- Population models of health and economic impact

# Key Methodological Issues

- Choice of evaluation approach and perspective
  - Resource allocation requires broad comparisons
- Discounting
  - Shape and degree of discounting
- Impact on inequalities
  - Positive vs. normative approaches

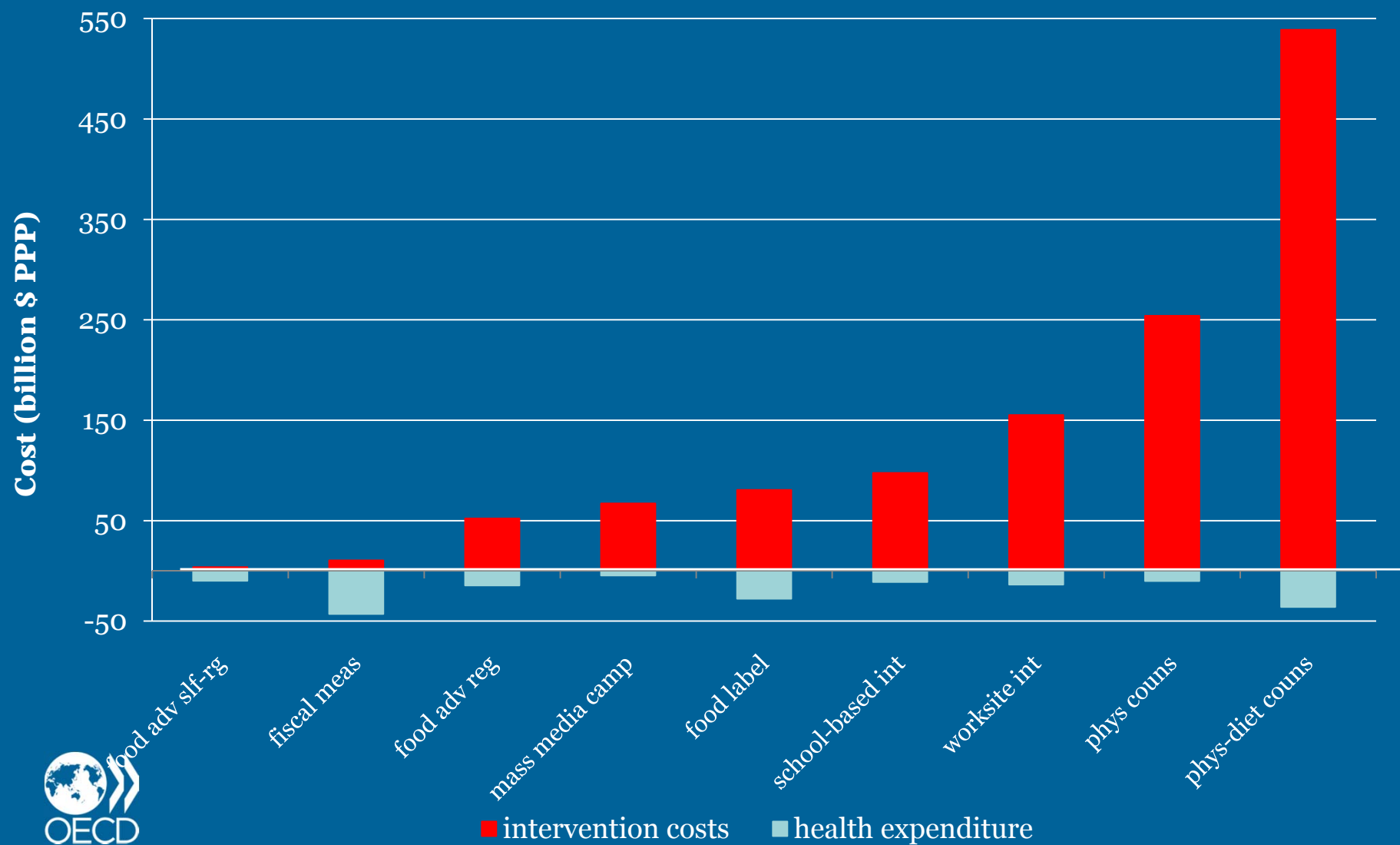
# What are the Questions?

- Does prevention improve health?
- Does it reduce health expenditure?
- Does it improve health inequalities?
- Is it cost-effective?

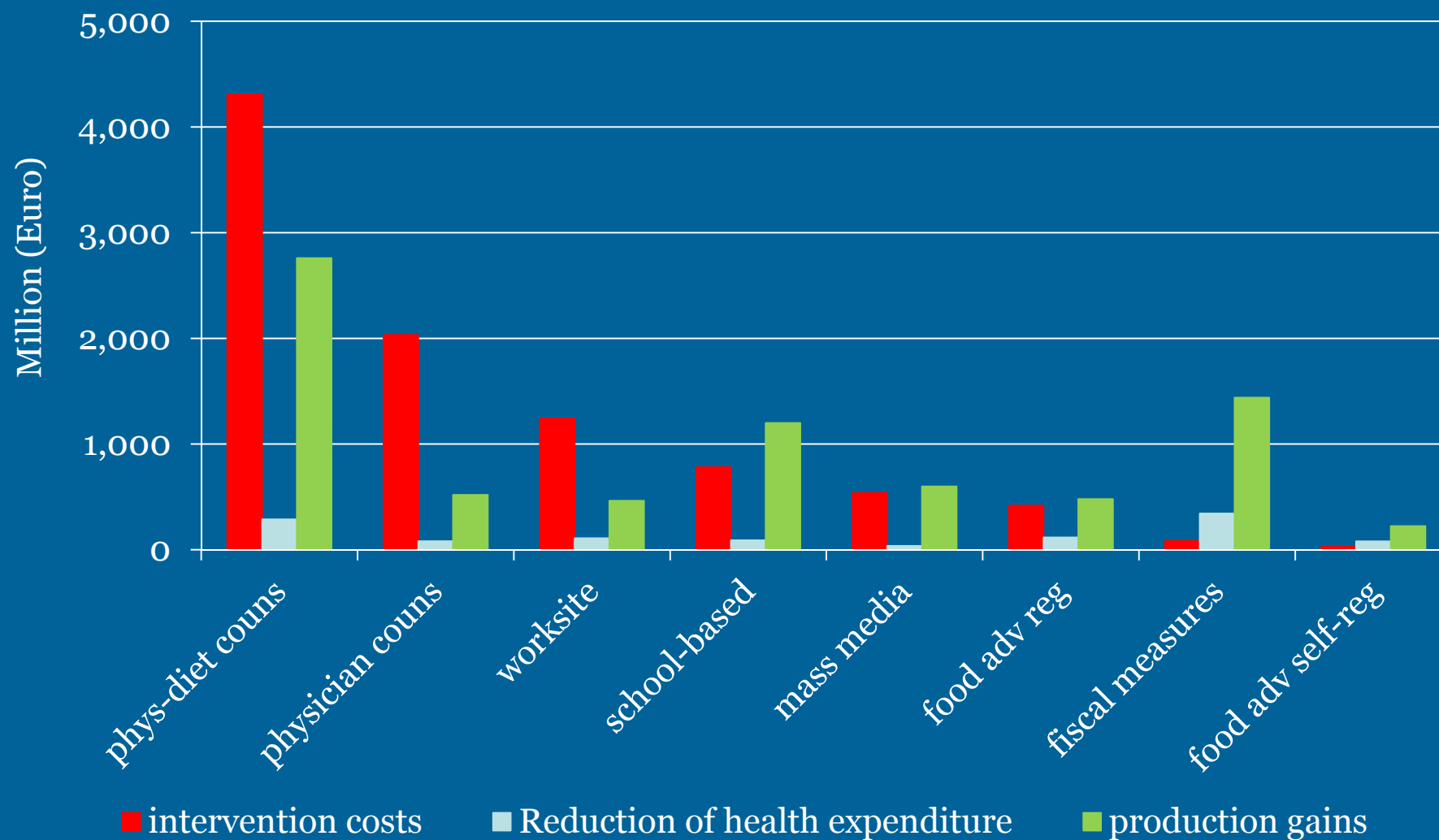


# Does Prevention Reduce Expenditure on Health Care?

# Financial Impacts



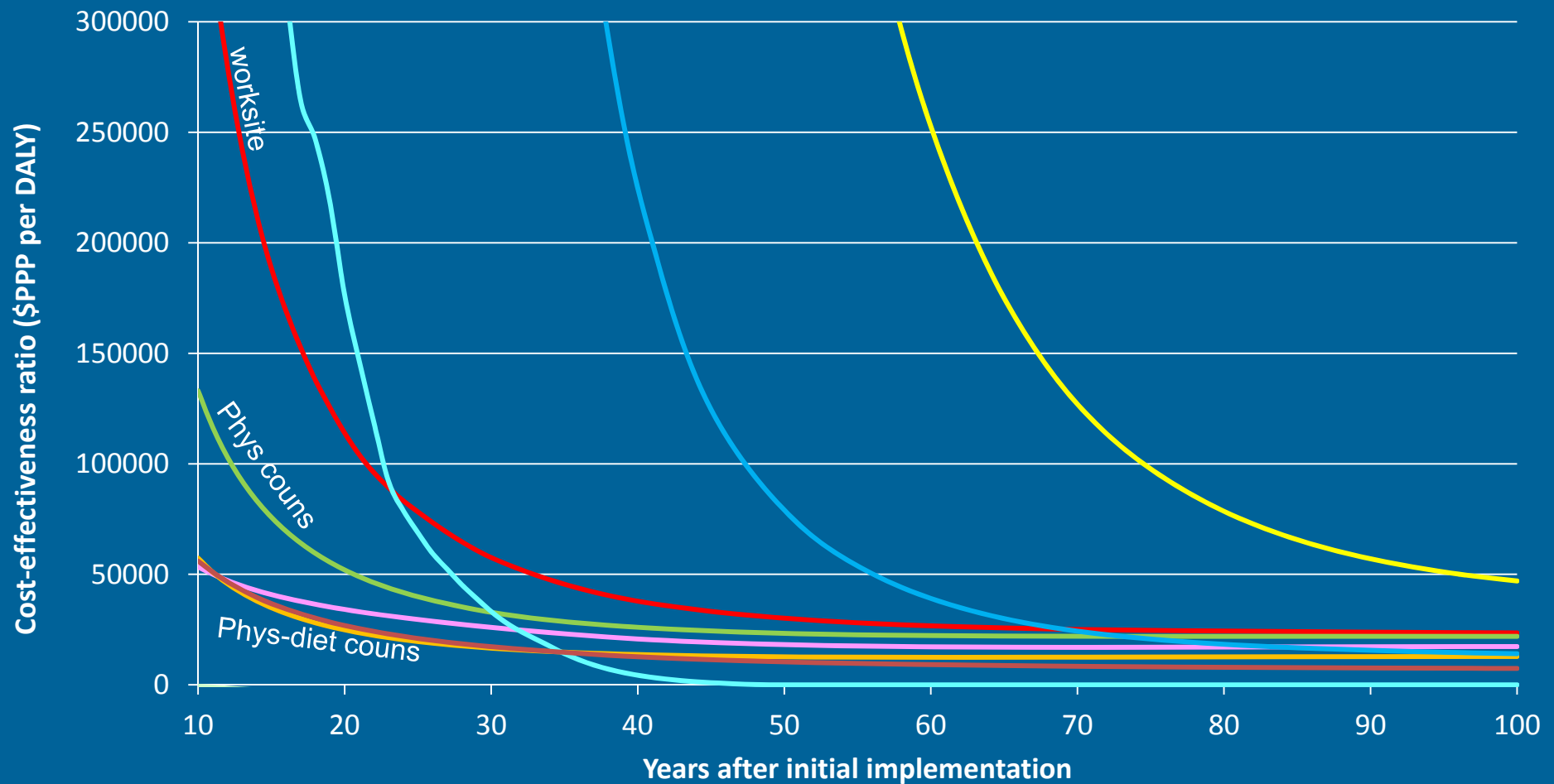
# Economic Effects of Prevention





# Is Prevention Cost-Effective?

# Cost-Effectiveness of Prevention

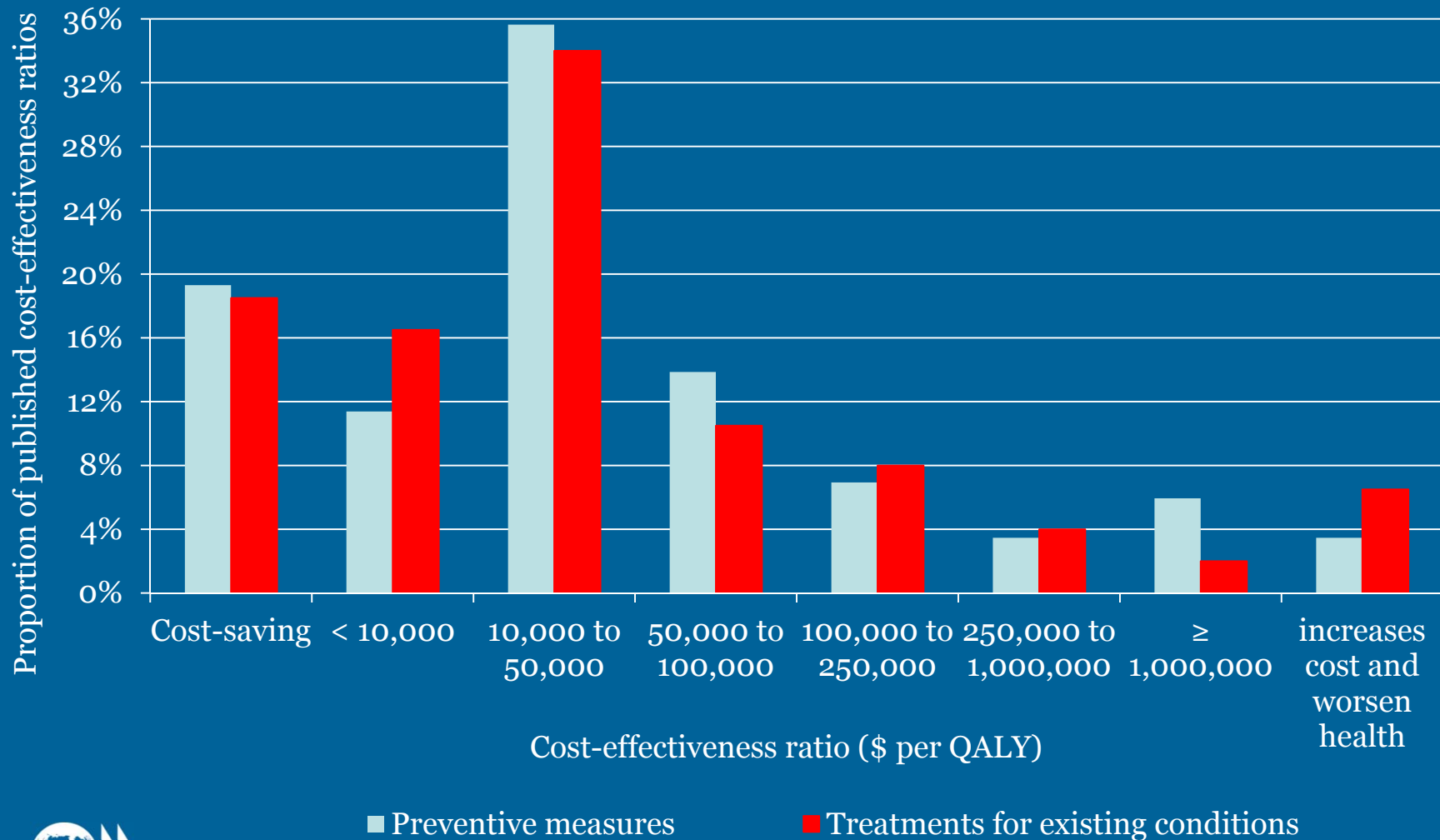


school-based interventions  
local measures  
food advertising regulation

worksite interventions  
physician counselling  
food advertising self-regulation

mass media campaigns  
physician-dietician counselling  
food labelling

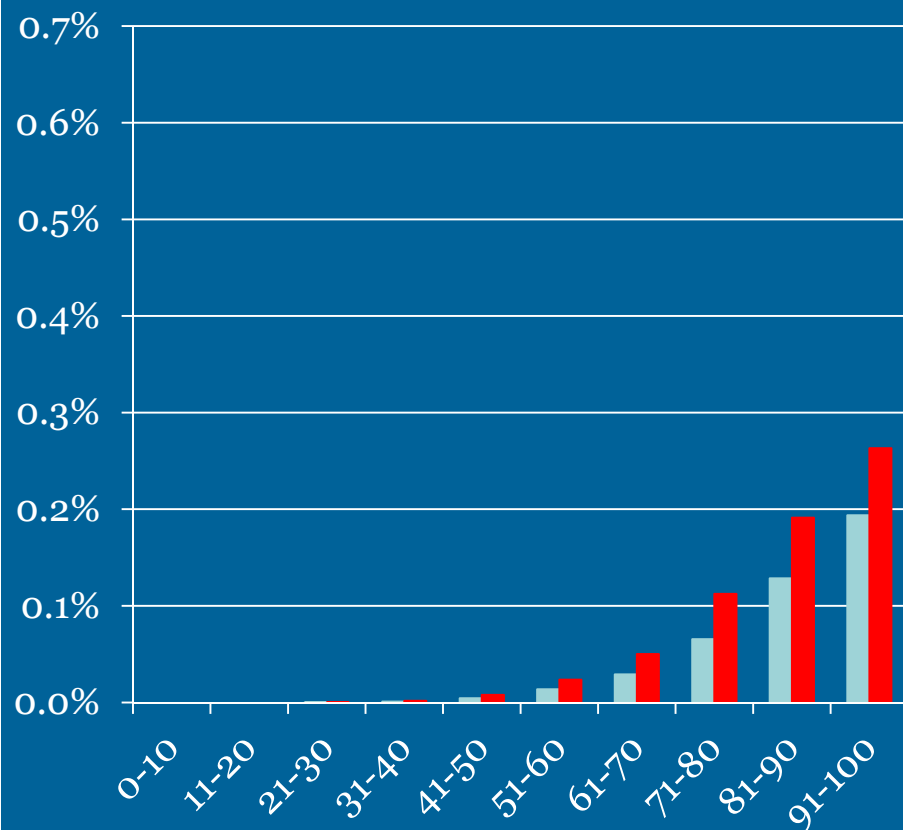
# Cost-effectiveness of Prevention



# Does Prevention Improve Health Inequalities?

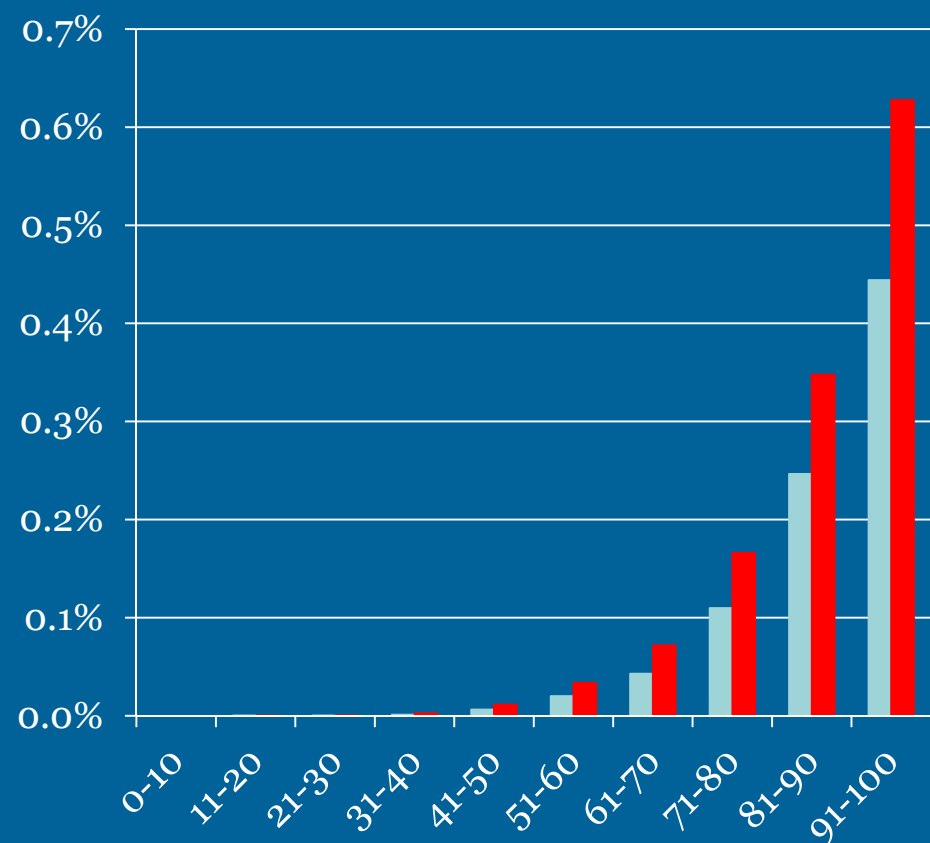
# Impact on Inequalities

## Worksite interventions



■ high SES ■ low SES

## Fiscal measures



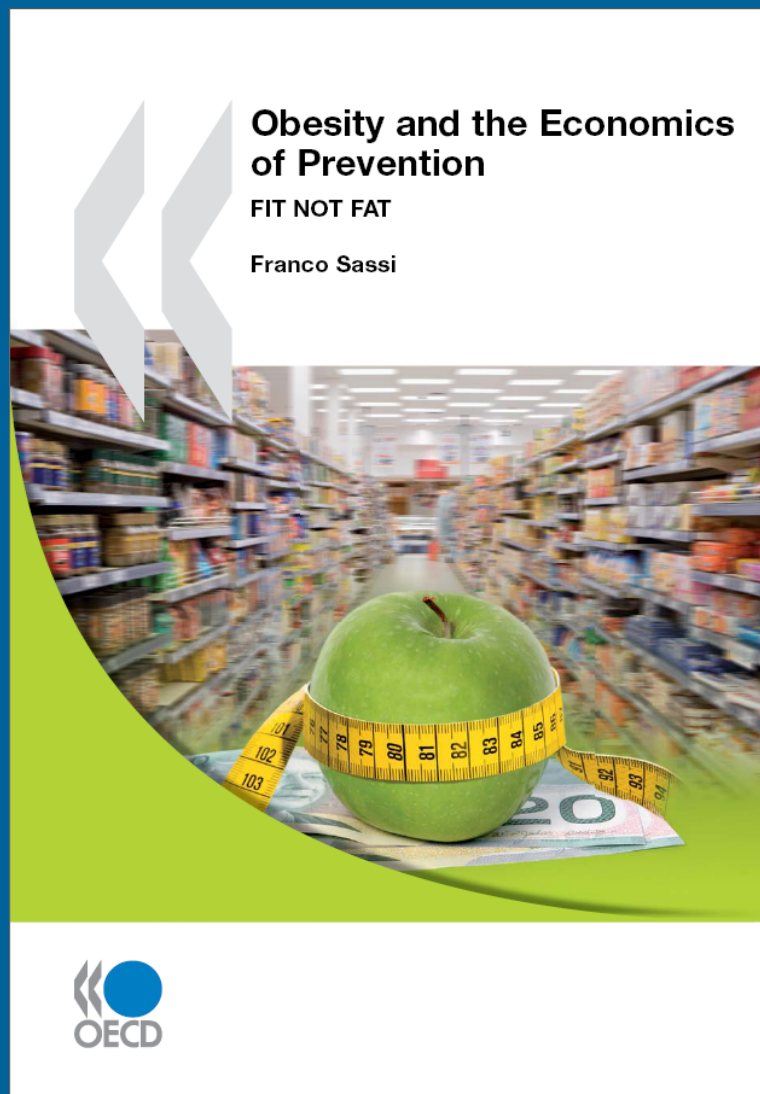
■ high SES ■ low SES



# Public Health Actions

- Improve life and health expectancy
- At a low cost per capita
- Generally cost-effective
- May reduce health expenditures
- May improve health inequalities

# OECD Work on Prevention



## THE LANCET

Chronic Diseases • November, 2010

[www.thelancet.com](http://www.thelancet.com)

"Non-communicable diseases have been a silent killer for too long. They are a major cause of poverty, a barrier to economic development, and a serious threat to achievement of the Millennium Development Goals."

Chronic Diseases 3: Chronic Diseases and Development

# OECD HWP 32

- What are the relevant effects of prevention programmes (e.g. morbidity/ mortality/ productivity/ impact on public expenditure/ distribution of health)?
- How should health be valued in economic terms?
- How can inter-sectoral programmes, involving different government departments, be assessed? What outcome measures would be appropriate?
- How should the future impacts of prevention programmes be discounted?
- Could efficient prevention programmes increase health inequalities? How should distributional impacts be assessed?