BOOK

... This completely revised edition of the classic text provides an essential resource to a new generation of practitioners, students, researchers, and decision makers.—Oxford University Press

To achieve its potential, any field of the health sciences must wrestle with the challenge of limited economic resources. A dreamer may ask what intervention will have the greatest impact. A realist must ask what allocation of finite budgets will have the greatest impact.

Two decades after the influential first edition, this new second edition will become the most authoritative reference manual for research that addresses this challenge through cost-effectiveness analysis (CEA).

The new edition retains key features. The fundamental tool remains the cost-effectiveness ratio, which is the ratio of net costs to a measure of health outcomes. The numerator includes intervention costs minus any cost savings attributable to the intervention. The denominator reports a health outcome such as quality-adjusted life years, a measure of life years saved by the intervention, adjusted to give higher weight to years of good health and lower weight to years of illness and poor health. For comparability across studies, the panels recommend a reference case or cases, following a standard procedure, even if the study authors also pursue other, more idiosyncratic analyses.

Among dozens of changes and new features, the second edition pays greater attention to theoretical foundations and provides a new chapter on ethical considerations. For the reference case, the first edition had favored only a societal perspective, encompassing all social costs and benefits. The new edition gives more equal treatment to a simpler reference case, taking the health sector perspective. It makes sensible technical changes to how certain costs are counted, to distinguish cost savings (in the numerator) more clearly from direct benefits of better health (in the denominator); and it provides explicit checklists for overall reporting and for stipulating exactly which types of costs and outcomes are counted in each perspective the study may take.

As advice for applied researchers, the more than 105 recommendations at the ends of chapters describe an ideal study that may be difficult to achieve in practice. On the other hand, the book supplies 2 helpful and detailed article-length empirical examples, which bring it closer to providing a useful roadmap rather than mere catechism. Throughout, the authors engage with theoretical and empirical challenges, which sometimes may be even more difficult than the authors emphasize. To take just 1 example, the health sector perspective is comparatively easy to implement but it falls short of providing sound normative advice about what interventions or policies are best. By contrast, the societal perspective offers greater theoretical promise but it requires information about time costs, caregiver costs, and many other empirical facts that may be unavailable. In practice, although the panel recommends that all assumptions be subjected to severe critical scrutiny, it seems inevitable that applied researchers will rely on conventions and assumptions for some critical inputs.

One development over the past 20 years is that the US government has moved from adopting CEA for some high-profile policy applications. Spooked by political arguments about health care rationing, the Patient Protection and Affordable Care Act of 2010 forbids federal agencies to use cost per quality-adjusted life years as a threshold for recommending treatment. Also, for political realism, one could imagine adapting CEA to measure costs and effects separately for more decentralized decision makers, including insurers, employers, state and federal agencies, and diverse categories of consumers and patients themselves. This would require some changes in convention, however. For example, transfers count for zero in the panel’s current societal perspective, because one person’s
gain equals another person’s loss; but in a more decentralized approach, these transfers would rightly appear more important.

Researchers in nutrition education and behavior must consider trade-offs among diverse costs and health benefits of interventions and policies, such as education programs, taxes and subsidies, media campaigns, improvements in the food retail environment, and many others.

Notwithstanding the limitations, CEA will remain a valuable approach, and this second panel report is the single-volume manual researchers need.

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REFERENCE


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