

Frequently asked questions about health economics

Materials from health economics webinar of 28 January 2025

1. What is the key role of NITAGs in health economic evaluation?

NITAGs contribute to evidence-based, efficient, and sustainable immunization policies. NITAGs play a key role in assessing the economic value of immunization programmes by:

- Identifying evidence gaps in health economics and shaping research priorities
- Reviewing cost-effectiveness analyses (CEA) and budget impact assessments to inform decision-making.
- Using frameworks such as GRADE, ETR (Evidence-to-Recommendation), and CEA to balance affordability, equity, and feasibility.
- Advising policymakers on prioritizing vaccines within available resources to ensure sustainability.
- Strengthening country-specific immunization policies by incorporating local epidemiological and economic data.

2. What if the NITAG is from a donor-dependent country?

Even in donor-reliant settings, NITAGs can drive policy shifts towards more sustainable financing structures. For donor-dependent countries, NITAGs can:

- Advocate for increased **domestic resource mobilization** to ensure long-term sustainability of immunization programmes beyond donor funding.
- Use **health economic evaluations** to demonstrate value for money, helping prioritize vaccine investments.
- Support Ministry of Health to engage with **ministries of finance** to integrate immunization into broader health financing strategies.
- Leverage **regional and global partnerships** (e.g., Gavi, WHO, UNICEF, World Bank) to negotiate cost-sharing models and transition plans.
- Promote **efficiency in immunization spending** by assessing procurement strategies, vaccine wastage, and service delivery optimization.

3. Do we need health economic evaluations for every intervention?

Economic evaluation is defined as the comparative analysis of alternative courses of action in terms of both their costs and consequences.¹ Routine interventions with well-established benefits may not require frequent re-evaluation unless new evidence emerges. The need for conducting an economic evaluation depends on:

- **Cost and budget impact:** Expensive interventions with high fiscal implications require thorough economic assessments.
- **Health impact:** If an intervention significantly reduces mortality/morbidity, economic evaluation helps assess cost-effectiveness.

¹ Drummond MF, Schulpher MJ, Torrance GW, O'Brien BJ, Stoddart GL. Methods for the Economic Evaluation of Health Care Programmes. 3rd ed. New York, NY: Oxford University Press; 2005.

- **Policy decisions:** When multiple interventions exist, CEA helps prioritize the most cost-effective option.
- **Context-specific factors:** In low-resource settings, economic evaluations ensure rational allocation of limited funds.

4. With very limited resources and while still struggling with basic vaccination of young children, how can we justify expanding to adult and other groups?

Expanding immunization to adult and other groups does not only protect the targeted groups but also protects children and requires a **strategic, stepwise approach**. A well-planned transition ensures cost-effectiveness while maintaining childhood immunization goals.:

- **Demonstrate opportunity cost:** Assess whether the additional investment in adult vaccination yields greater health and economic benefits compared to other interventions.
- **Leverage existing infrastructure:** Integrate adult vaccination into routine healthcare visits, reducing operational costs.
- **Target high-risk groups first:** Prioritize cost-effective adult vaccines (e.g., influenza, HPV, pneumococcal) to prevent severe disease burden.
- **Use multi-sectoral financing:** Engage the private sector, insurance schemes, and employer-based programmes to share costs.
- **Long-term planning:** Investing in broader immunization now can reduce future healthcare costs associated with vaccine-preventable diseases.

5. What is the difference between opportunity cost and allocation?

- **Opportunity cost** refers to the **value of the next best alternative foregone** when choosing one option over another. In health economics, this means prioritizing an intervention that provides the greatest health benefit per dollar spent.
- **Allocation** refers to **how resources are distributed** within a health system, based on priorities, funding availability, and policy decisions.

Example: If a government allocates funds to a new adult vaccination programme, the opportunity cost might be the reduced investment in childhood immunization or maternal health services or other foregone programmes.

6. What is the role of health economic evaluation in pandemic situation?

Health economic evaluation plays a **critical role** in guiding resource allocation during pandemics by:

- **Assessing cost-effectiveness of response strategies:** Comparing interventions such as mass vaccination, lockdowns, and treatment programmes to optimize spending.
- **Informing vaccine prioritization:** Using CEA and budget impact models to allocate limited vaccine doses effectively.
- **Supporting preparedness planning:** Identifying cost-effective investment in surveillance, stockpiling, and rapid response mechanisms.
- **Minimizing economic burden:** Estimating the financial impact of delayed response and justifying early interventions.