**Module 10: Economic Evaluation Tools**

**Learning objectives**

* Understand that the chapter is the core of economics and how the relationship between health economics and economic evaluation tools
* Understand the difference between CBA and CEA
	+ Be able demonstrate a CBA and understand how to make a decision regarding which one to choose
* Understand making choices using marginal benefit and marginal costs using the step-wise approach
* Be able to calculate marginal and average cost per unit and decide on a decision based on the results received
* Differentiate between intensity and risk margin
* Be able to calculate an intensity margin and provide analysis based on results
* Be able to calculate risk margin and provide analysis based on results
	+ Define flat of the curve medicine
* Differentiate between the different ways of measuring benefits including health, productivity and reduction in future medical costs
	+ Differentiate between the ways in which to measure health (individual vs. population)
* Understand ways to measure costs
* Describe evidence-based medicine
	+ Understand some examples of evidence-based medicine and how does the scientific community (using statistics) understand what works and does not work.
* Describe how we value life and understand that someone is making decisions regarding the value of your life.
* Describe QALYs and why they are important when making decisions regarding treatments, etc.
	+ Understand how to ready QALY tables

**Additional articles/information**

* [What is the difference between marginal benefits and marginal costs?](http://smallbusiness.chron.com/difference-between-marginal-benefits-marginal-cost-67686.html)
* [Marginal costs & benefits](https://enviroliteracy.org/environment-society/economics/marginal-costs-benefits/)
* [World Health Organization: No Seriously, stop abusing antibiotics](http://www.theatlantic.com/health/archive/2014/04/world-health-organization-and-drug-resistance/361450/)
* [Why marginal benefits equals marginal costs in economics…Always!](http://www.freeeconhelp.com/2011/10/why-marginal-benefit-equals-marginal.html)
* [Putting a price on human life](http://www.forbes.com/sites/robertpearl/2013/10/24/putting-a-price-on-human-life/#4e45dfb3324f)
* [The cost of human life, statistically speaking](http://www.theglobalist.com/the-cost-of-a-human-life-statistically-speaking/)
* [The value of a human life: $129,000](http://content.time.com/time/health/article/0%2C8599%2C1808049%2C00.html)
* [What is a life worth?](http://burningissues.org/car-www/pdfs/brannon-vsl.pdf)
* [Cost-Benefit analysis](https://enviroliteracy.org/environment-society/economics/cost-benefit-analysis/)
* [Simply put: Marginal cost/benefit](http://theincidentaleconomist.com/wordpress/simply-put-marginal-costbenefit/)
* What is a QALY (scan available)
* [A guide to quality adjusted life years](https://www.scottishmedicines.org.uk/About_SMC/Policy_statements/A_Guide_to_Quality_Adjusted_Life_Years)

**Videos**

* [Marginal cost and benefits](https://www.youtube.com/watch?v=dwv9O6lA1to&feature=youtu.be&t=25s)
* [QALY, Quality of life measurement](https://www.youtube.com/watch?v=Mo8y5lZgevM&feature=youtu.be&t=25s)
* [How much is a human life worth?](https://youtu.be/VRE1nPqdmR8)

**Research articles**

* Weinstein, Milton C., Torrance, G., and McGuire, Alistair (2009). QALYs: The Basics. *International Society for Pharmacoeconomics and Outcomes Research (ISPOR*)*,* 12 (Supplement I), S5–S9
* Gallagher, Scott F., Magdalena Banasiak, et al. (2003). “The Impact of Bariatric Surgery on the Veterans Administration Healthcare System: A Cost Analysis,” Obesity Surgery, 13, 245-248
* Lave, J. R., Frank, R. G., Schulberg, H. C., & Kamlet, M. S. (1998). Cost-effectiveness of treatments for major depression in primary care practice. *Archives of General Psychiatry*, *55*(7), 645-651.
* Simpson, A. N., Bonilha, H. S., Kazley, A. S., Zoller, J. S., & Ellis, C. (2013). Marginal costing methods highlight the contributing cost of comorbid conditions in Medicare patients: a quasi-experimental case–control study of ischemic stroke costs. *Cost Effectiveness and Resource Allocation*, *11*(1), 1

**Activities**

* [Using economics to save lives](http://www.econoclass.com/savinglives.html)
* [Cost-Benefit Ethics: The Case of Tirhas Habtegiris](https://cbhd.org/content/cost-benefit-ethics-case-tirhas-habtegiris-article)
* CBA – The Ford Pinto Case
* Kidney Transplant