NIHR | Public Health Intervention Responsive Studies Team

Context, challenges and opportunities for economic evaluation in public health local authority settings

Neil Craig

Glasgow Caledonian University

PHIRST Fusion

05/11/26

20 Years

Outline

- Economic Evaluation - Definition
- Principles
- Context
- Challenges
- Opportunities
- Conclusions:
  - engage the audience - LAs and the public they serve
  - remember the principles – opportunity cost, costs *and* benefits
  - be pragmatic - don't let the perfect be the enemy of the good

Economic Evaluation - Definition

The *comparative* analysis of interventions in terms of their costs *and* (health) consequences (outcomes/benefits)

- Cost-consequence analysis
- Cost-effectiveness analysis
- Cost-utility analysis (cost per QALY)
- Cost-benefit analysis/social return on investment

Horses for courses

Economic Evaluation - Definition

Economic evaluation is a subset of the wider discipline of health economics i.e. the discipline of economics applied to the topic of health

Important – economic evaluation may not be the only economic method of interest to LAs

Consider priority setting tools, analyses of behaviour change, systematic reviews of existing economics evidence, analyses of economic impacts....

Economic Evaluation - Principles

- *Comparative* analysis
  - what would have happened to Cs & Bs in the absence of the intervention or with a different intervention?
  - needs a comparator because there is always an opportunity cost
  - economic evaluation embedded in wider evaluation
- Costs *and* (health) consequences
  - including but not limited to *health* consequences
  - *not* just about costs or 'savings', but benefits vs costs

Economic Evaluation - Context

- Intervention may be in place already - retrospective
- Relatively short evaluations
- Limited scope for 'controlled' studies (even 'natural experiments')
- Services complex
  - many parts
  - many potential outcomes – health and non-health
  - many 'confounders' affecting outcomes of interest

Economic Evaluation – Challenges

In LA context:

- How feasible is it to find a valid comparator?
  - i.e. a comparator that enables us to be confident that consequences observed were due to the intervention
- Availability of data:
  - 'off the peg'
  - or feasible to gather?

Economic Evaluation - Opportunities

- Engaged partners: LAs pose questions and want answers
- Potential to engage early in:
  - refining research questions of interest to LAs, users and public
  - identifying what the realistic alternatives are
  - exploring how to answer the RQs, incl. what types of evaluation
  - identifying relevant costs and bens to measure and value
  - clarifying and managing expectations
- Resourcing
  - PHIRST teams well-resourced
  - embedded researchers, knowledge brokers, academics

Economic Evaluation in PHIRST - conclusions

- Engage: what do LAs/users/the public want/need to know? What decisions need to be taken and what info would help?
- Remember the principles – in particular, opportunity cost. We want to improve how decisions are made, by improving the information on the Cs and Bs of different ways of using available resources. Deciding not to change is still a decisions with an opportunity cost.
- Be pragmatic – adjust to the context, be transparent about the challenges but make the most of the opportunities: better to answer simple questions well than complex questions badly
- The alternative to EE will often be no or very limited information on Cs & Bs – be pragmatic, don't let the perfect be the enemy of the good

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Thank you

neil.craig@gcu.ac.uk

phirst.nihr.ac.uk

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