Performance of health economic evaluations from the societal perspective has the benefit of quantifying costs and benefits associated with relevant stakeholders in the society. For example, an expensive drug which treats headaches and reduces sick leaves might not be cost effective from the perspective of a patient. However, the drug could be cost effective from the societal perspective since it increases productivity. Evidently, performance of health economic evaluation from the perspective of society is critical in studies which entail extensive involvement of caregivers and/or patients who belong to working class that contributes to society’s productivity.

However, the reality of using societal perspective is that it is difficult and often expensive to quantify the impact of an intervention on every individual in society who is affected. As such, many health economic evaluations in existing literature were performed from perspective of the healthcare provider.

<table>
<thead>
<tr>
<th>Study Perspective</th>
<th>Cost Components</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthcare Providers</td>
<td>These include all costs incurred by the provider in delivering health service to a patient. They consist of salaries of healthcare professionals, costs of medications, equipment, consumables, fixed assets, etc.</td>
</tr>
<tr>
<td>Patients</td>
<td>All costs that a patient has to bear for seeking healthcare treatment including the costs of transport to healthcare facility and the cost of taking time off from work.</td>
</tr>
<tr>
<td>Society</td>
<td>All costs incurred by society (including those of patient and healthcare provider) in delivering health service and they include loss of productivity due to employees taking medical leaves.</td>
</tr>
</tbody>
</table>

Productivity

Estimating the value of lost productivity due to healthcare needs of the patients is subjective. There are a number of theories on computation of lost productivity. One such theory entails the friction cost method where the cost of replacing an individual is to be calculated. In contrast, the human capital approach has been proposed in another theory which uses the gross earnings of individuals as the cost of productivity.
Healthcare Cost Related Projects @ CHSR

Cost Effectiveness of Surgical Resection versus Primary Liver Transplantation in Child-Pugh A Patients Fulfilling the Milan Criteria

- A Markov model has been built to estimate the cost-effectiveness of liver resection versus liver transplantation for patients who are eligible for both treatment options.
- Costs were used from the perspective of healthcare provider and are calculated for each health state in the model, e.g. pre- and post-transplant, contraindication to transplant, recurrence, etc.
- Costs included those of the procedures, medications and doctors’ time.

Singapore Integrated Diabetic Retinopathy Programme (SiDRP)

- This program involves the set up of a centralized ocular grading centre staffed by a team of certified graders. The grading centre should ensure better and prompt service by streamlining and automating the process of grading. Results should be back to the patient within one hour.
- Before SiDRP was implemented grading was done by family physicians who in some cases took up to a few months to look at the eye image, this meant that patients would have to come to the back to the centre at a later date for results.
- Cost analysis is to be conducted using both the perspective of patient and healthcare provider in order to determine the economic impact of SiDRP on healthcare provider and patients using the service.

Cost Analysis of Emergency Department Frequent Attenders
Investigators: Ong MEH, X XH, Boh C, Yap S, Li HH, Phua TB, Shore E

- The Emergency Department (ED) has frequent attenders who visit the ED more than 4 times in one year.
- Every ED patient is charged at a flat fee of $90 even though the costs of services that the patient receives can be much more.
- To determine the cost effectiveness of any intervention that aims to minimize frequent ED attendance, relevant costs to ED need to be calculated.
- The perspective of healthcare provider (i.e. ED) is adopted in this analysis.

UPCOMING events

7th June 2012
Dr. Henry Ko
KKH Allied Health Seminar:
Clinical practice guidelines for lifestyle management for women with Polycystic Ovary Syndrome

7th July 2012
Dr. Tin Aung Soe
Study designs (Survey Design) in conducting medical research

15th August 2012
Dr. Oh Hong Choon
Survey Data Management using Microsoft Excel

For registration / enquiry pertinent to the last 2 events, please email academy@singhealth.com.sg