Using Cost-Effectiveness Analysis to Improve Health Care: Opportunities and Barriers

The book offers advice for policy makers and politicians, including lessons from Europe, Canada, and Australia, and underlines the need for leadership to establish the conditions for change.

As health costs in the U.S. soar past $1.5 trillion, much evidence indicates that the nation does not get good value for its money. It is widely agreed that we could do better by using cost-effective analysis (CEA) to help determine which health care services are most worthwhile. American policy makers, however, have largely avoided using CEA, and researchers have devoted little attention to understanding why this is so.

By considering the economic, social, legal, and ethical factors that contribute to the situation, and how they can be negotiated in the future, this book offers a unique perspective. It traces the roots of EA in health and medicine, describes its promise for rational resource allocation, and discusses the nature of the opposition to it, using Medicare and the Oregon health plans as examples. In exploring the disconnection between the promise of CEA and the persistent failure of rational intentions, the book seeks to find common ground and practical solutions. It analyzes the prospects for change and presents a roadmap for getting there. It offers pragmatic advice for cost-effectiveness analysts, discussing ways in which they can better translate their research findings into the basis for action.