**ECONOMIC EVALUATIONS OF HEALTH PROGRAMS**

Due to the shortfall in resources and the increasing need for quality health care, economic evaluation is now becoming increasing important and relevant in health care delivery. Decision maker therefore need to understand the best approach available to them given meager resources (funds, human skills etc). Thus economic evaluation allows various approaches /strategies of health care delivery can take and be compared objectively, to arrive at the approach. In order achieve the desired four main approaches are possible which are Cost-Benefit Analysis (CBA), Cost effectiveness Analysis, Cost of Illness Evaluation and Cost-Minimization Analysis.

**Cost-Benefit Analysis (CBA)** here the cost incurred and the benefits obtained from the health care on the disease are compared. Thus if the benefits outweighs costs, then the resources have been effectively utilized and vice versa. Simply put the CBA ensures that the usage of resources in a particular way devoid of alternatives. The main tools therefore is the identification, measurement, and comparison of the benefits and costs of a programme or treatment alternative (i.e. the benefits realized from providing a service or programme compared with cost of providing the alternative).The cost and the benefits are measured and converted into the monetary equivalent in the year in which they are expected to occur. The criteria is such that current (present) values are used in CBA, thus future are converted. However the CBA is a ratio. Thus a value greater than 1 means the treatment is of value and less than one mean programme is not economically viable otherwise the benefit equals the cost. However a major setback for this approach in the developing countries is that measurement monetary in terms of an health usually cumbersome.

**Cost-Effectiveness Analysis (CEA)** here the cost or effectiveness of different options available in using resources are checked. The CEA is better embrace due to difficult encountered in the measurement of benefits especially humanitarian intervention in health care. It involves summarizing the health benefits and resources used by competing health care programmes, in order to aid the choice of policy makers. The monetary measurement is set aside here and the effects and costs of providing health care are looked into under CEA. The CEA aim to determine any or all of the following;

1. which of a number of possible interventions achieves a given objective at least cost,
2. given a fixed budget the intervention maximizes the effectiveness of the expenditure, and
3. best cost-effective intervention is the one with the lowest total costs. If the intervention is now equal in cost, the better one is the one with highest effectiveness. The most cost-effective alternative is not always the least costly alternative for obtaining a specific treatment objective.

**Cost of Illness Evaluation** **(CIE)** here the overall cost of a particular disease is estimated over a defined population. Most times the approach Is termed “burden of illness” approach. CIE measures the direct and indirect costs attributable to a specific disease. It is less bordered with various strategies rather it helps establish the cost of a particular disease on a defined population.

**Cost-Minimization Analysis (CMA)** involves the determination of the least costly alternative when comparing two or more treatment alternatives. In CMA analysis, the alternatives must have an assumed equivalency in outcome. This method of evaluation is simple as it compares competing treatment modalities or programme as long as there is evidence that the outcomes of both modalities are equal.

Other forms of Economic Evaluation include **Quality Adjusted Life Years (QALYS’)** which is a cost-utility analysis (CUA). It allows more than one type of outcome to be included unlike CEA. This however assumes that there are no other objectives to health care than health maximization.