

How much did you “save”?

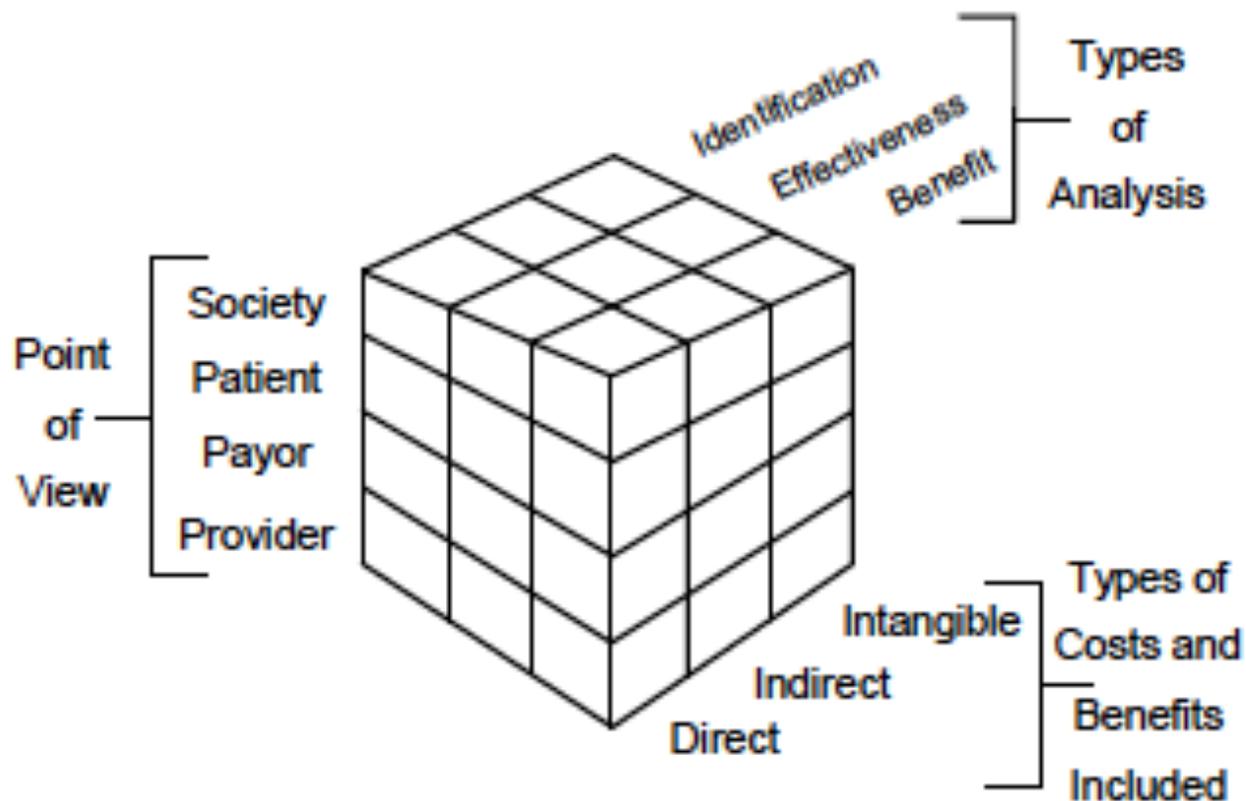
ECONOMIC ANALYSIS OF EMS

LAME PRESENTATIONS



ELEMENTS OF ECONOMIC ANALYSIS

Health Economic Analysis



POINT OF VIEW



- ✘ Who is paying?
- ✘ Patient?
- ✘ Provider?
- ✘ Payer?
- ✘ Society?

EMS PAYS FOR 12-LEAD CAPABILITY

- ✘ EMS agency pays
- ✘ -> "Free" to hospital
- ✘ -> "Free" to cardiologists
- ✘ -> "Free" to patient

TYPES OF ANALYSIS

- ✘ Cost Analysis
- ✘ Cost Effectiveness
- ✘ Cost Benefit



COST ANALYSIS

- ✘ Costs only--not benefits, outcomes
- ✘ Personnel
- ✘ Supplies
- ✘ Overhead and depreciation
- ✘ You can think of others

COST EFFECTIVENESS ANALYSIS

- ✘ Cost is measured in dollars
- ✘ Estimates costs AND outcomes
- ✘ Cost effectiveness of A compared to B =
Cost of B - Cost of A
Effect of B - Effect of A

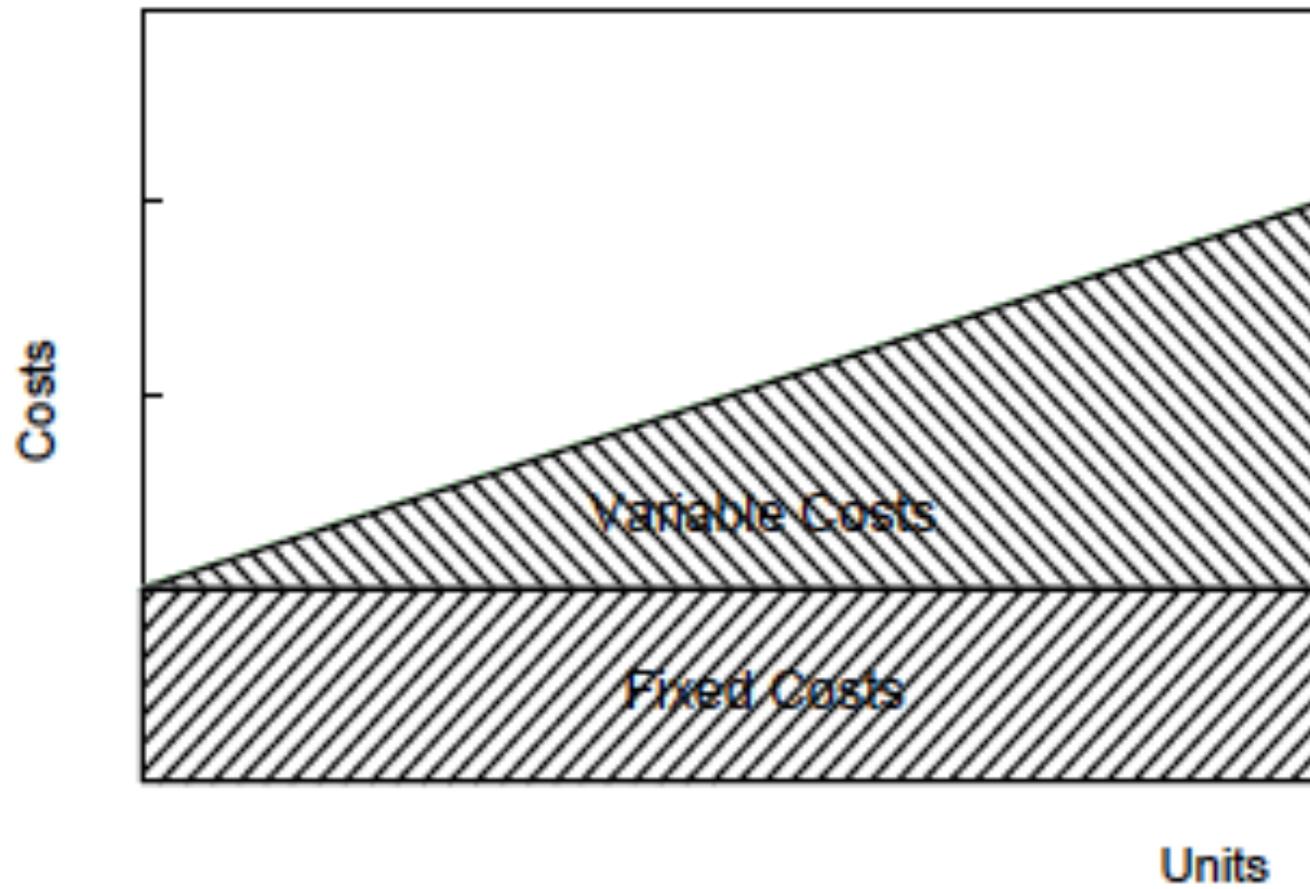
EFFECT MEASURES

- ✘ ROSC
- ✘ Survived to admission
- ✘ Survived to hospital discharge
- ✘ Years of Life saved
- ✘ Quality-adjusted years of life saved

COST-BENEFIT ANALYSIS

- ✘ Not the same as cost effectiveness
- ✘ Outcome is in the same units as cost, i.e., dollars
- ✘ “You can’t put a price on a human life”
- ✘ “If just one life is saved, it will be worth it”
- ✘ ???

Direct Cost



MARGINAL COST

- ✘ Cost to provide (or not provide) an extra unit of service (e.g., a 911 response) or savings realized by providing one less unit. Unaffected by fixed cost

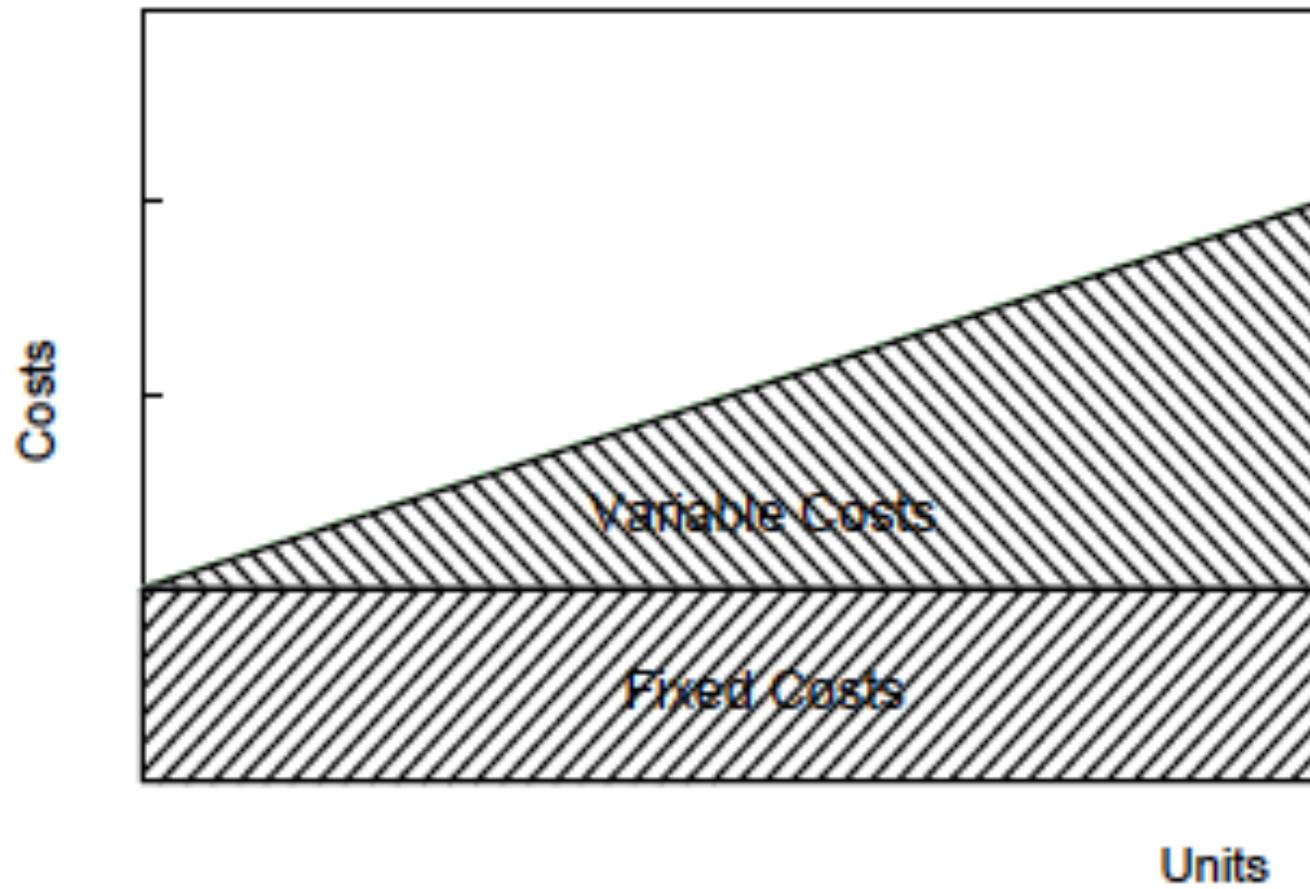
ALTERNATIVE SERVICE DELIVERY SYSTEMS



EXAMPLE

- ✘ Program to reduce 911 calls from Loyal Customers
- ✘ We spend 10 million on 10,000 calls
- ✘ =>cost per call = \$1,000
- ✘ Our program reduced calls by 1,000
- ✘ “We prevented 1,000 calls”
- ✘ Cost/call = \$1,000
- ✘ “We saved a million dollars”

Direct Cost



ONLY SAVE BIG MONEY IF:

- ✘ Fewer people required to respond to the remaining calls
- ✘ Fewer response vehicle required to respond to the remaining calls

ACTUAL MONEY SAVED

- ✘ Fewer supplies
- ✘ Fewer miles per year on response vehicles allows longer service life
- ✘ Maintenance schedule can be stretched out
- ✘ Hiring additional personnel and buying new response units can be delayed



CHANGED MY MIND ABOUT HINCHEY