How much did you “save”?

ECONOMIC ANALYSIS OF EMS
LAME PRESENTATIONS
ELEMENTS OF ECONOMIC ANALYSIS

Health Economic Analysis

Point of View
- Society
- Patient
- Payor
- Provider

Types of Analysis
- Identification
- Effectiveness
- Benefit

Types of Costs and Benefits
- Intangible
- Indirect
- Direct
- Included

- Excluded
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

Variable Costs

Fixed Costs

Costs

Units
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”
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
GRATITUDE

YOU'RE AWESOME.

CHANGED MY MIND ABOUT HINCHEY