

How much did you “save”?

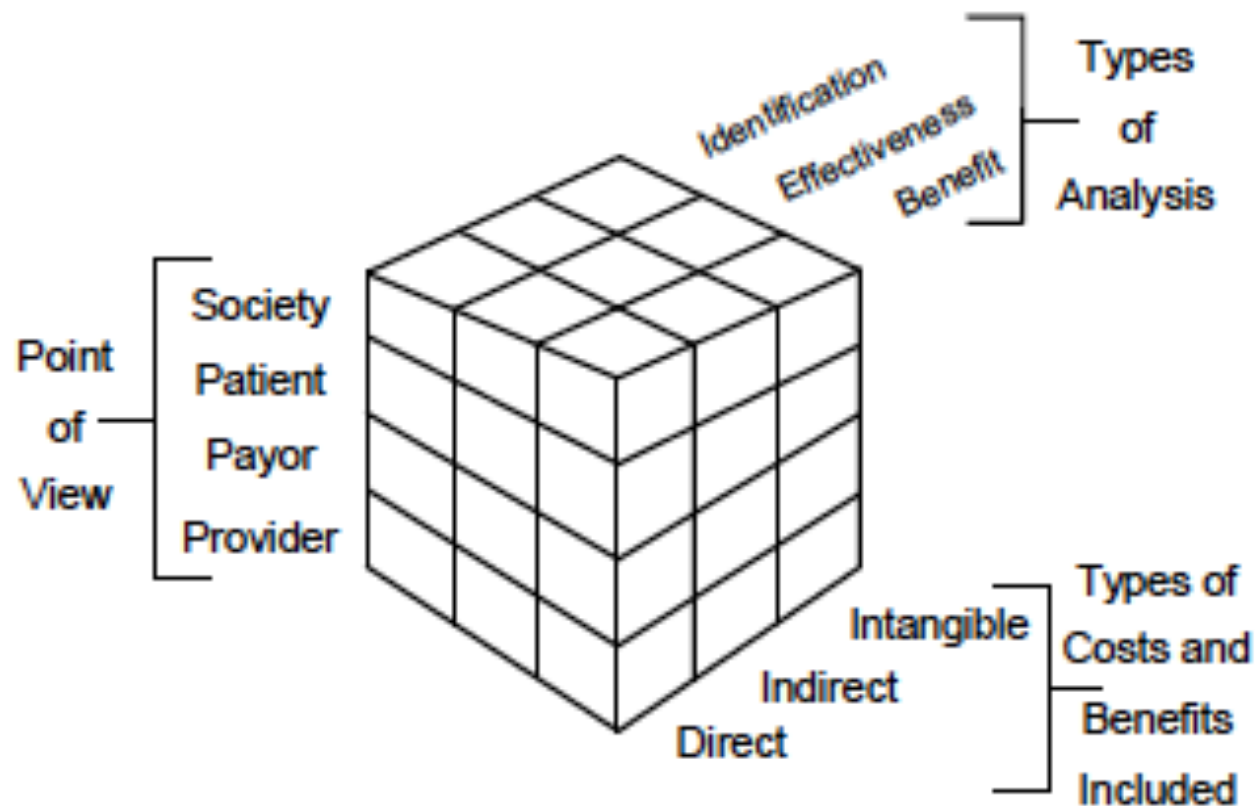
ECONOMIC ANALYSIS OF EMS

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 =
$$\frac{\text{Cost of B} - \text{Cost of A}}{\text{Effect of B} - \text{Effect of A}}$$

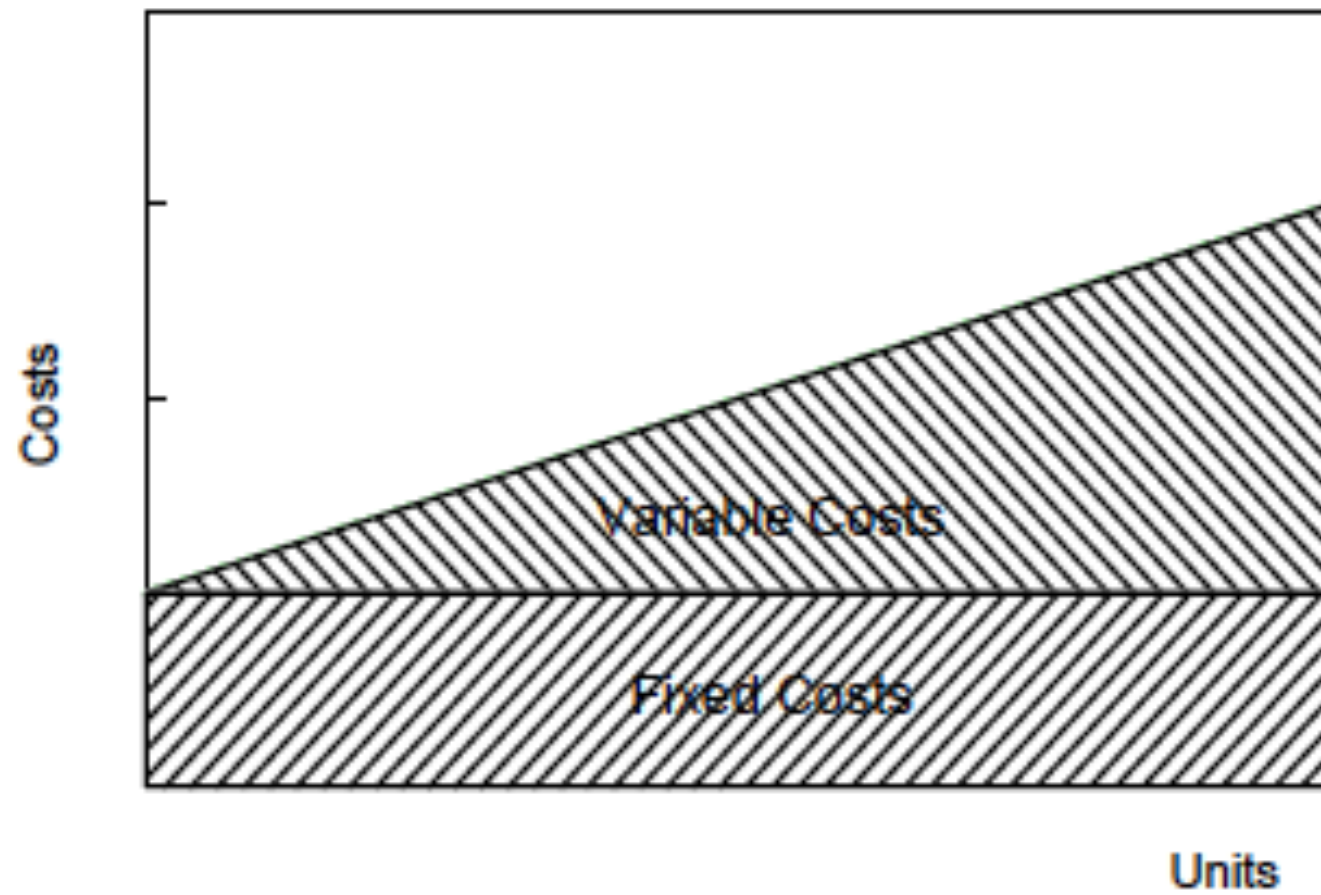
EFFECT MEASURES

- ✖ 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

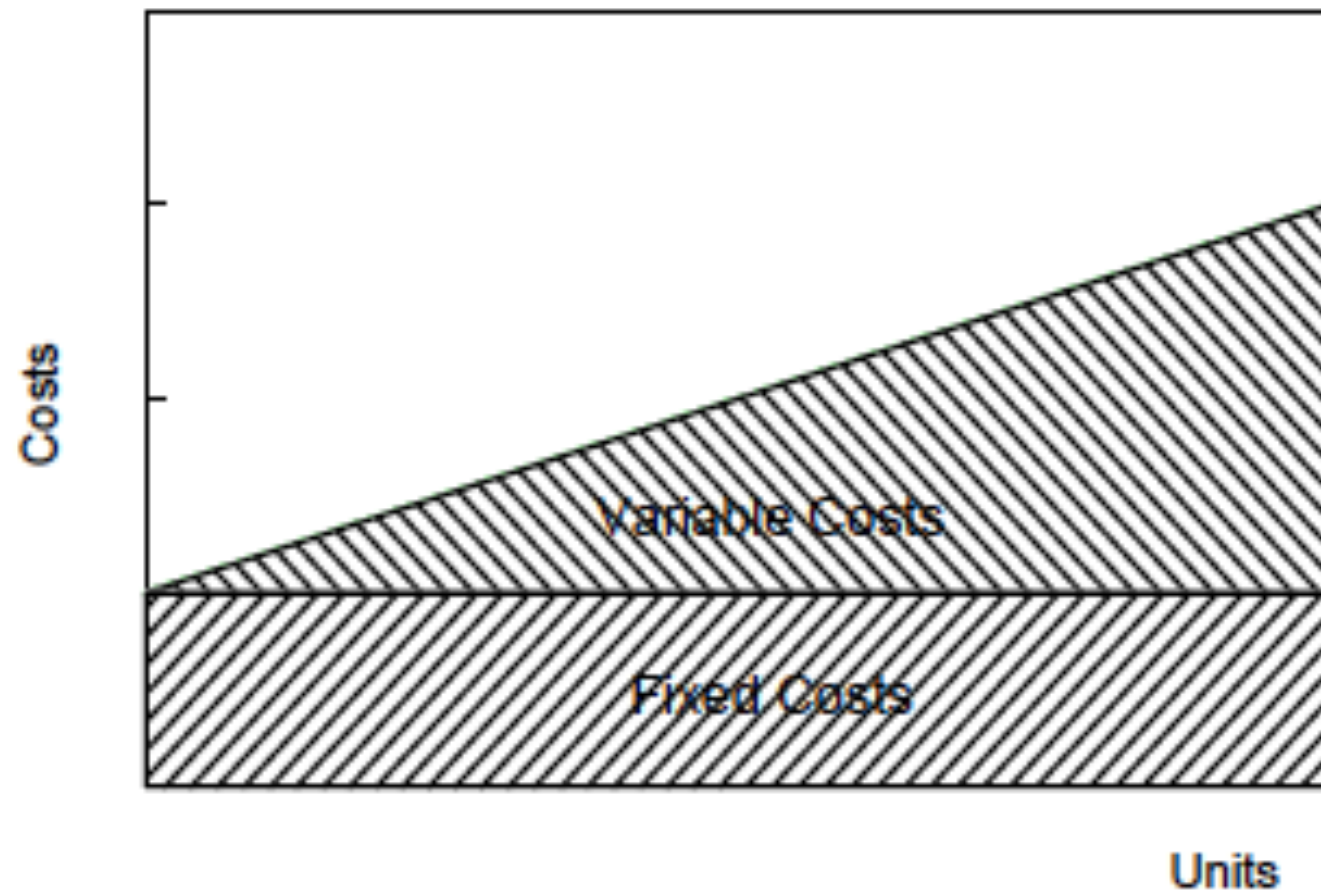
ALTERNATIVE SERVICE DELIVERY SYSTEMS



EXAMPLE

- ✖ Program to reduce 911 calls from Loyal Customers
- ✖ We spend 10 million on 10,000 calls
- ✖ \Rightarrow 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