An economic learning capsule for the Decade Of Vaccine Economics project

Costs & Economic Perspectives

What you will learn:

1. What are “costs”? *(The economic approach)*
2. Where are the costs-of-illness?
3. Who bears the costs? *(Economic perspective)*
4. The approach of the DOVE study
What are “costs”?  
*To understand economic thinking*

**Caring for a patient utilizes resources.** Those resources can be transport, medication, a nurse’s time, a bed... When caretakers have to take time off from work, they lose income - this is a cost too!

**Resources are limited:** if a hospital provides a bed for a child with severe pneumonia, it cannot use the same bed for another patient at the same time. This is why using resources is a “cost”.
Where are the costs-of-illness?

*The main idea*

When a child gets sick, the caretaker will take the child to the clinic or to the hospital, or get some medication at the drug shop. The child takes the drugs or stays hospitalized until he/she recovers or passes away. The costs for accessing the facility, diagnosis and treatment are the **direct medical costs** and they are usually easy to assess.

**Diagnosis**
Doctor’s and nurse’s’ time, X-ray, laboratory tools...

**Accessing**
Registration fee, insurance fee

**Treatment**
Drugs, oxygen tank, bed...
Where are the costs-of-illness?
Now, there are less evident (but important!) costs...

There are more costs around accessing care than the registration fee (private facilities),
getting medical attention, and buying drugs at the pharmacy. We cannot know the full
cost-of-illness without knowing the **direct non-medical costs** and **indirect costs**.

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**Direct non-medical costs**
Transportation, food & lodging if they travel from far away and have to stay

**Indirect costs**
Caretaker must take time off from work and does not earn income for that time
Who bears the costs?

Depending if the care is provided in a public or private facility, the cost is at the charge of the caretaker and/or the facility. In the private and NGO sectors, it depends on the facility. Some examples of costs:

<table>
<thead>
<tr>
<th>Costs of illness</th>
<th>Public healthcare</th>
<th>Private healthcare</th>
<th>NGO healthcare</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation</td>
<td>Caretaker</td>
<td>Caretaker</td>
<td>Caretaker</td>
</tr>
<tr>
<td>Registration fee</td>
<td>Facility</td>
<td>Caretaker</td>
<td>Facility/Caretaker</td>
</tr>
<tr>
<td>Diagnostic</td>
<td>Facility</td>
<td>Facility/Caretaker</td>
<td>Facility/Caretaker</td>
</tr>
<tr>
<td>Staff salary</td>
<td>Facility</td>
<td>Facility</td>
<td>Facility</td>
</tr>
<tr>
<td>Medications</td>
<td>Facility</td>
<td>Caretaker</td>
<td>Facility/Caretaker</td>
</tr>
<tr>
<td>Loss of income</td>
<td>Caretaker</td>
<td>Caretaker</td>
<td>Caretaker</td>
</tr>
</tbody>
</table>
Who bears the costs?
*Using economic perspectives to see the full cost-of-illness*

When we take an “economic perspective”, we decide to tell the story of getting/providing treatment through the eyes of a specific person or institution. Each perspective will see different costs. Here are some of the costs as seen by each perspectives:

<table>
<thead>
<tr>
<th>Cost of treatment</th>
<th>Patient caretaker perspective</th>
<th>Healthcare perspective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation costs</td>
<td>Pays all transportation costs to the facility</td>
<td>Doesn’t pay for transportation costs, except for ambulances</td>
</tr>
<tr>
<td>Cost of treatment</td>
<td>Doesn’t pay anything in public facilities and pays a registration fee or pays for each service provided in private facilities</td>
<td>Pays for building, staff salary &amp; allowances, bed, overhead costs</td>
</tr>
<tr>
<td>Medication costs</td>
<td>Doesn’t pay in public facilities and pays in private facilities and pharmacies</td>
<td>Pays for medication through the NMS (public) or pharmacies and private providers (private)</td>
</tr>
</tbody>
</table>
The approach of the DOVE study

*How are we getting the full cost of illness*

To get the costs, we administer surveys to patient caretakers, healthcare staff and administrators. The surveys collect the costs seen from different economic perspectives.
 Costs are the resources used to care for a person's disease.

 There are different types of costs:

 - Direct medical costs - drugs, medical staff salary, bed, X-ray...
 - Direct non-medical costs - transportation to the facility, food and lodging
 - Indirect costs - loss of income for the caretaker taking a day off from work

 Economic perspectives allow us to capture the costs faced by different people or institutions.

 The DOVE study will approach:

 - Patient caretaker perspective - what are the costs faced by the caretaker to access and get care?
 - Healthcare system - what are the costs incurred by the facilities and the district health office to provide the necessary care and services?
Questions? Comments?

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Acknowledgements

Learning module: Costs & Economic Perspectives

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The DOVE IV project is a collaboration between the International Vaccine Access Center at Johns Hopkins University (IVAC), Makerere University School of Public Health (MakSPH), and International Centre for Diarrhoeal Disease Research, Bangladesh (ICDDR,B). It is funded by the Bill & Melinda Gates Foundation.

Additional acknowledgements may follow.