Tallying economic benefits, harms of care comes with challenges

AUG 11, 2021

Staff News Writer

There’s a lot of waste in annual health care spending in the U.S.—some estimates put it at about 25%—so finding ways to cut unnecessary spending is paramount.

Economic decision modeling can help. It quantifies the clinical and economic benefits and harms of various interventions so policymakers, organizational leaders and physicians can better forecast prospective costs and manage potential trade-offs. Still, health system operations, patients’ behaviors and health professionals’ behaviors are all highly complex and difficult to predict accurately.

The August issue of AMA Journal of Ethics® (@JournalofEthics) explores how transparency in economic decision modeling can help motivate equity, cost-effectiveness, good resource stewardship and value in health care.

Articles include:

"How Should Economic Value Be Considered in Treatment Decisions for Individual Patients?"

Physicians’ primary responsibility is to promote patients’ well-being, which includes not causing financial harm.

"How to Motivate Equity in Health Decision Modeling."

Insurers’ decisions about which services to cover are often based on economic models that are seemingly objective but neglect factors affecting people who are economically disadvantaged.
"How Does Cost-Effectiveness Analysis Inform Health Care Decisions?"
Cost-effectiveness analysis has been increasingly used to inform public and private organizations' reimbursement decisions, benefit designs and price negotiations worldwide.

"How Should Willingness-to-Pay Values of Quality-Adjusted Life-Years Be Updated and According to Whom?"
Justification for using willingness-to-pay values and quality-adjusted life-years lies in incorporating preferences of those whose treatment could be affected.

Listen and learn
In the journal's August “Ethics Talk” podcast, Ankur Pandya, PhD, associate professor of health decision science in the Department of Health Policy and Management at the Harvard T.H. Chan School of Public Health, and Elina E. Pliakos, a fourth-year medical student at the Chicago Medical School at Rosalind Franklin University of Medicine and Science in North Chicago, Illinois, discuss how economic decision modeling and value analyses can help reduce waste in health care spending and improve patient care.

The August issue also features two author-interview podcasts. In the first podcast, Paul T. Menzel, PhD, who taught philosophy and biomedical ethics at Pacific Lutheran University from 1971 until 2012, discusses his article, “How Should Willingness-to-Pay Values of Quality-Adjusted Life-Years Be Updated and According to Whom?”

In the second podcast, David D. Kim, PhD, assistant professor of medicine at Tufts University School of Medicine, and Anirban Basu, PhD, professor of health economics at the University of Washington in Seattle, discuss their article, “How Does Cost-Effectiveness Analysis Inform Health Care Decisions?”

Listen to previous episodes of the podcast, “Ethics Talk,” or subscribe in iTunes or other services.
Earn CME

These AMA Journal of Ethics CME modules are each designated by the AMA for a maximum of 1 AMA PRA Category 1 Credit™:

- How Should Willingness-to-Pay Values of Quality-Adjusted Life-Years Be Updated and According to Whom?
- How Should Economic Value Be Considered in Treatment Decisions for Individual Patients?
- How Should Economic Evaluation Be Used to Measure Value and Set Priorities in Health Care?
- How Should Economic Analyses Inform Nosocomial Infection Control?
- How Does Cost-Effectiveness Analysis Inform Health Care Decisions?
- How to Motivate Equity in Health Decision Modeling.

Additionally, the CME module “Ethics Talk: Economic Decision Modeling and Reducing Waste in Health Care” is designated by the AMA for a maximum of 0.5 AMA PRA Category 1 Credit™.

The offering is part of the AMA Ed Hub™, an online learning platform that brings together high-quality CME, maintenance of certification and educational content—in one place—with relevant learning activities, automated credit tracking and reporting for some states and specialty boards.

Submit manuscripts and artwork

The journal’s editorial focus is on commentaries and articles that offer practical advice and insights for medical students and physicians. Submit a manuscript for publication. The journal also invites original photographs, graphics, cartoons, drawings and paintings that explore the ethical dimensions of health or health care.

A look ahead

Upcoming issues of the AMA Journal of Ethics will focus on implantable material and device regulation, palliative surgery, and health care and homelessness. Sign up to receive email alerts when new issues are published.

Copyright 1995 - 2021 American Medical Association. All rights reserved.