

# Economics of prevention: improving health and reducing health inequalities?

**Neil Craig**

**Principal Public Health Advisor  
NHS Health Scotland**

What Works Scotland & NHS Health Scotland CPP  
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# Outline

- Context
- Economics of prevention
- Evidence
- Knowledge into practice
- Conclusions

# What is NHS Health Scotland?

- NHS Special Health Board
- Role: national agency for health improvement
- Priority: reducing health inequalities
- Aim: to improve Scotland's overall health record by *focusing on the persistent inequalities* that prevent health being improved for all

# Context

- Health inequalities
- Social determinants of health
- Non-health sector action
- Financial sustainability
- Community planning

# Context 2: CPP strategic priorities

- Faster shift to prevention
- More joint resourcing
- Co-production and assets-based approaches

# Context 3: Specific priorities

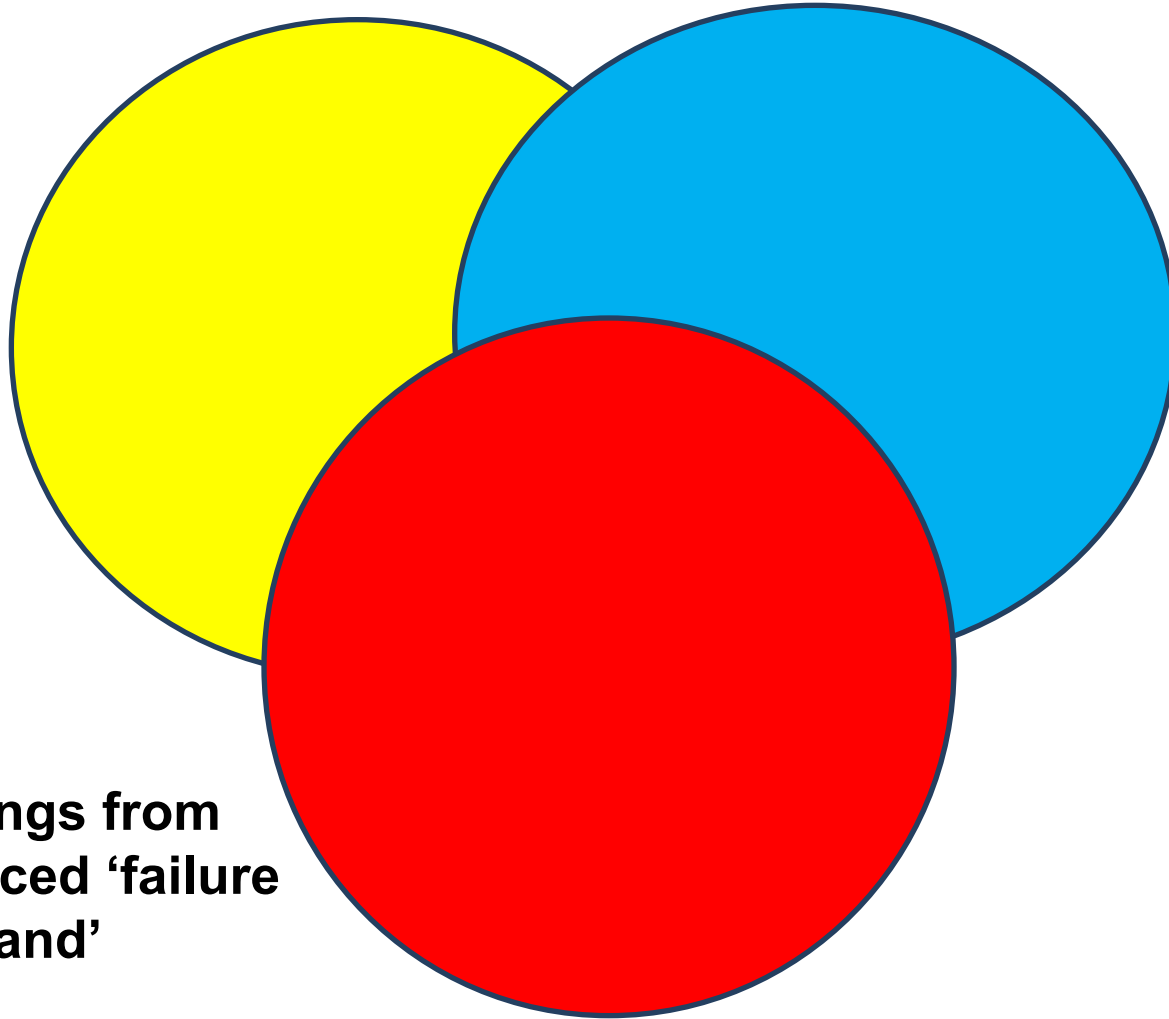
- Early Years
- Outcomes for Older People (including health and social care)
- Safer Communities and Offending
- **Health Inequalities** (including physical activity opportunities)
- Economic Growth and Recovery
- Employment (especially youth employment)

# Economics of prevention

- Better health – cost-effective?
- Reduced health inequalities – trade-off with cost-effectiveness?
- Savings from reduced ‘failure demand’?

***Cost-effective***

***Likely to reduce health inequalities***



**Savings from  
reduced 'failure  
demand'**



# Evidence – limitations...

- “need to improve both the evidence of public health interventions and how these data can be fed into the reality of local decision-making processes.” (Owen et al, 2012)
- “Economic evaluations of LBCIs ... are characterised by a number of weaknesses” (Adrienne et al, 2014)
- “There are currently far fewer examples of good studies [of] the social determinants of health than for behaviour change” (PHE, 2014)

# ....but enough to act?

- NICE
- ACE
- Marmot
- WHO
- Inequalities Policy Review, NHS Health Scotland
- Macintyre
- Kings Fund, PHE and IHE
- Expert opinion

# So what does the evidence say?

- Most cost-effective - societal perspective, fiscal/regulation/legislation-based
- Many *potentially* cost-saving
- Individual-based prevention – often cost-effective
- But the evidence is more mixed...
- ...and less likely to reduce HIs

# Health improvement and reduced inequalities

“there are efficient policies that can lead to equitable outcomes, and interventions based on equity arguments that lead to increased efficiency.”

(WHO, 2013)

# An example: early years

- “investing in disadvantaged young children is a rare public policy with no equity–efficiency trade-off. It reduces the inequality associated with the accident of birth and at the same time raises the productivity of society at large”

(WHO, 2013)

# Best preventative programmes

- ensure adequate incomes and reduce income inequalities
- reduce unemployment in vulnerable groups or areas
- improve physical environments
- target vulnerable groups by investing in more intensive services and other forms of support for such groups, in the context of universal provision
- early years programmes
- policies that use regulation and price (Minimum Unit Price or taxes) to reduce risky behaviours

# Cost savings?

- There is limited evidence on actual savings

Hard to quantify, depends on:

- Use of freed resources?
- Management of freed resources?
- What counts as 'savings' from prevention?
- How will demand and supply change in future?

# Savings from prevention?

- “Improving health *may* in some cases lead to short- or medium term cost savings although in many cases such savings will *not* occur. However, there is *reason to think* that improving health does generally result in cost savings in the very long term, as a result of improved health reducing disability in later life and therefore social care spending.”

I&DeA, Valuing Health: developing a business case for health improvement, 2009.



# What needs to happen to translate this evidence into practice?

- Is it accessible?
- Is it specific enough?
- Is it relevant?
- Does it generalise?
- Do we need more and, if so, what kind?
- How can we all support its creation, synthesis and use?

# Challenges

- Community planning: a work in progress
- National steer vs local freedoms: is the balance right?
- Multiple objectives of prevention:
  - are they shared?
  - are they mutually compatible?

# Conclusions

- Prevention can be very cost-effective
- Some forms of prevention also likely to be effective in reducing health inequalities
- There is less strong evidence on savings from prevention
- More evidence needed, but enough to act now
- Action needs to involve dialogue with local partners