

Cost-effectiveness research needs to be considered in developing new medical technology

February 18 2011

Cost-effectiveness analysis should play a bigger role in the American health care system, argued a University of Chicago researcher Friday at the annual conference of the American Association for the Advancement of Science.

"The effects of science and technology on health care costs depend on the policy context in which those technologies are developed and applied," said David Meltzer, Associate Professor of Medicine, in his presentation, "Policies to Mobile Technology and Science for Health Care Cost Control."

Meltzer, who also holds a PhD in economics, pointed out that [insurance reimbursement](#) policies are especially important in determining which health technologies are developed and how they are used. Currently, national policymakers resist using cost-effectiveness methods, in regards to health care and reimbursement, to determine which technologies are developed, he said.

As a result, health care costs are rising as expensive technology and unnecessary tests drive up expenses, he pointed out. Since 1960, [health care spending](#) has grown 2.5 percent more per year than the rest of the economy, he added.

"Much of the growth comes from the quantity of medical procedures,"

he said.

For example, some cholesterol tests for older men and exercise tests for middle-aged men have not been shown to be cost-effective, he pointed out.

Additionally, pap smear tests, which women usually undergo annually to detect [cervical cancer](#), could be done nearly as effectively every three years at a great savings.

Research shows that the impact of using pap smear tests every three years increases life expectancy by 70 days at a cost of \$500. The same test given annually at a total cost of \$1,500 increases life expectancy by 71 days, he pointed out. Under current medical standards, 63 percent of women receive pap smear tests annually, while 18 percent receive them every three years.

"Because technology is the major driver of increases in health care and a critical driver of improvements in health, rigorous methods to assess the costs and effectiveness of health care technology are critical for effective resource allocation," Meltzer said. By using cost-effectiveness methods in studying health care, researchers and policymakers can better understand the value of innovation, he said.

"Cost-effectiveness methods have the potential to address policy questions other than reimbursement policy that can help mobilize technology and science to control [health care costs](#) while maximizing health outcomes," he said.

Provided by University of Chicago

Citation: Cost-effectiveness research needs to be considered in developing new medical

technology (2011, February 18) retrieved 23 April 2024 from
<https://medicalxpress.com/news/2011-02-cost-effectiveness-medical-technology.html>

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