

## Introduction

Programs and interventions cost money, and in this era of ever-tightening budgets for public health programs, economic analysis is one of several tools you can use to answer key questions like:

- Is the money we spend on a program justified by the benefits that result from that program?
- Does one of our options provide better value than another option?
- Where can we put our money for the best effect?
- Does the program save money?

These analyses are in increasing demand from stakeholders, including state legislatures, funders, and hospital administrators. This tip sheet series will give you pointers on how to conduct an economic analysis, with links to resources that provide more in-depth information.

To conduct an economic analysis, you must first be able to describe the links between your program activities and the health outcomes you want to see in your population. Therefore, a strong logic model is the best starting point. Second, from the beginning of your program, you must have a plan to collect both cost data and outcome data so that you can monitor the real costs—and the real outcomes—of your program. Third, you must determine how to describe your program outcomes in terms of money saved: Do your program participants have fewer medical costs? Are they missing less work or using fewer government resources? Fourth, you must put your costs, outcomes, and savings together in an equation or template to measure your economic outcomes. Finally, you must share your findings with your stakeholders. This series provides three tip sheets:

### **Tip Sheet 1: Preparing for and Conducting Your Program Evaluation**

The first step is to determine whether your program has a health impact. This tip sheet describes the basics of program evaluation and what you need from your evaluation to create your economic analysis.

### **Tip Sheet 2: Preparing for Your Economic Analysis**

This tip sheet describes various types of economic analysis, data elements you need, and different ways of figuring out how much money your program may be saving.

### **Tip Sheet 3: Conducting and Promoting Your Economic Analysis**

This tip sheet includes links to economic analysis templates, discusses the nuances of conducting the analysis, and offers pointers for presenting the outcomes to your audience.



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