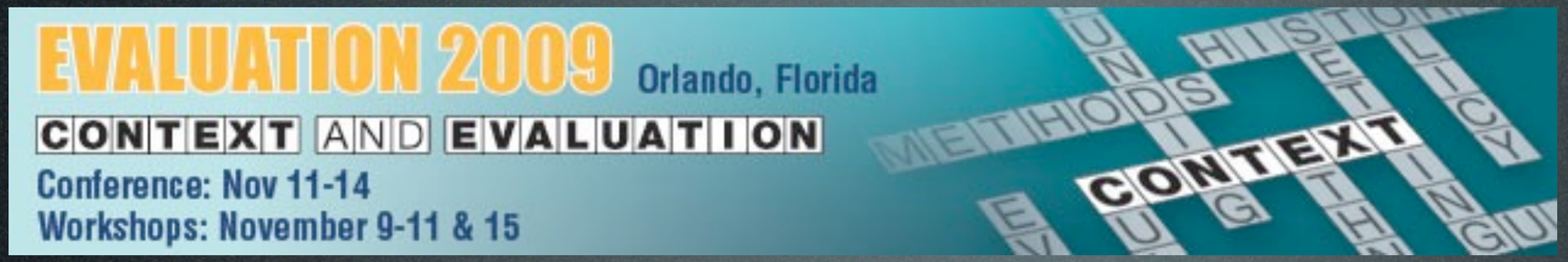
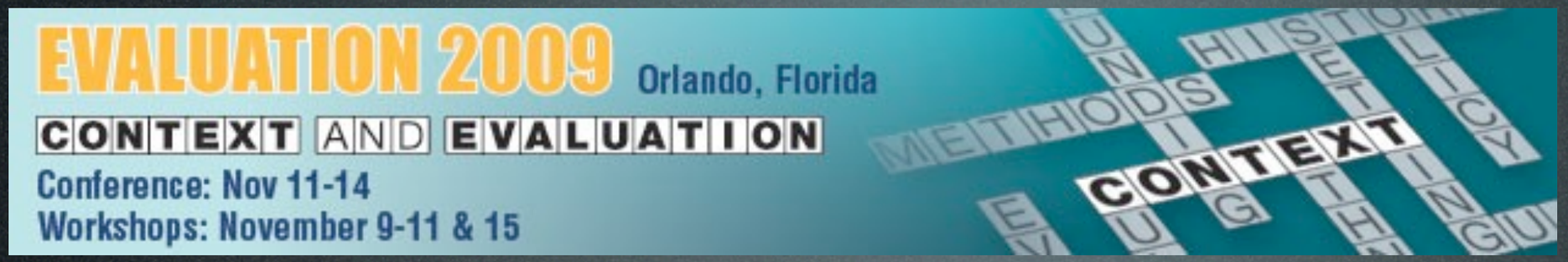
EVALUATION 2009 Orlando, Florida

CONTEXT AND EVALUATION

Conference: Nov 11-14
Workshops: November 9-11 & 15



Ethical Evaluation in contexts where Costs, Benefits, and Net Value Matter:



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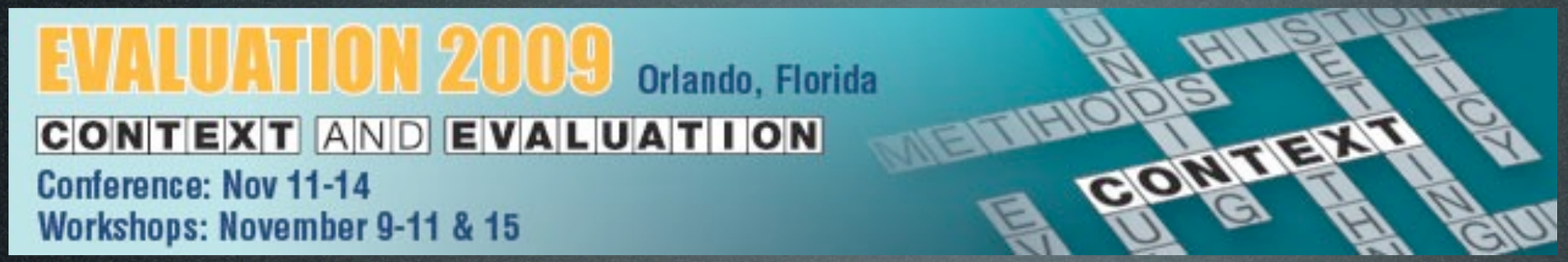
Evaluating Costs and Benefits Ethically



Ethical Evaluation in contexts where Costs, Benefits, and Net Value Matter:

Evaluating Costs and Benefits Ethically

Brian T. Yates, Ph.D.
American University
Washington, DC

Avoiding the Special Pitfalls

Avoiding the Special Pitfalls of Using Monetary Units

Avoiding the Special Pitfalls of Using Monetary Units to Measure Resources "In" and Outcomes "Out"

Mark Thompson:

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Analysis itself does not create a conscience;

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Analysis itself does not create a conscience;

... it only reflects the consciences of those who use it.

How to evaluate more ethically ...

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- Be more inclusive (of perspectives)

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- Be more inclusive (of perspectives)
- Be cognizant of biases, and adjust for them
  - biases in observers and judges
  - biases in the very data we collect

How to evaluate more ethically ...

- Be more inclusive (of perspectives)
- Be cognizant of biases, and adjust for them
  - biases in observers and judges
  - biases in the very data we collect
- Consider the results, too, of evaluation practices.

In cost-inclusive evaluation ...

In cost-inclusive evaluation ...

Ethical Problems of Evaluation are **Magnified**

What are we talking about?
Cost-Inclusive Evaluation

What are we talking about? Cost-Inclusive Evaluation

- evaluates costs,

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Cost-Inclusive Evaluation

- evaluates costs,
- evaluates activities,

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Cost-Inclusive Evaluation

- evaluates costs,
- evaluates activities,
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  and
- evaluates outcomes

  of those activities & processes

“Costs...”

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- Value, type, amount of resources
  - used to provide a service or produce a product

“Costs...”

- Value, type, amount of resources
  - used to provide a service or produce a product
- Examples:
  - time
  - space, equipment, materials
  - transportation

Activities of a program

Activities of a program

- Classes
- Therapy sessions
- Drug administration
- Billboard interventions
- Group activities

“Outcomes…”

“Outcomes...”

- Results of a program
  - what happened as a result of program activities that would not have happened otherwise

"Outcomes..."

- Results of a program
  - what happened as a result of program activities that would not have happened otherwise
- Can be nonmonetary or monetary, e.g.,
  - increased years of life
  - increased lifetime income

Types of cost-inclusive evaluation

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- Cost-benefit analysis (CBA)

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- Benefit/Cost ratio

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- Time to return on investment (TROI)

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- Cost-effectiveness analysis (CEA)

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- Cost-benefit analysis (CBA)
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  - Net benefit
  - Time to return on investment (TROI)
- Cost-effectiveness analysis (CEA)
  - Cost-utility analysis (CUA)

Consider the stakes in cost-inclusive evaluation

Consider the stakes in cost-inclusive evaluation

- When benefits must exceed costs for program funding or regulation approval...
  - benefits are often well-measured
  - (sometimes not...)
  - costs, to some, may be ignored

When the value of life is monetized, what can happen?

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  - $50,000
  - or $129,000

When the value of life is monetized, what can happen?

- When only programs with QALYs costing
  - $50,000
  - or $129,000
- or less may be funded...

EPA & the value of life:

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- "Consider, for example, a hypothetical regulation that costs $18 billion to enforce but will prevent 2,500 deaths."
- "At $7.8 million per person (the old figure), the lifesaving benefits outweigh the costs.
- But at $6.9 million per person, the rule costs more than the lives it saves, so it may not be adopted." (Associated Press, 2008, July 10)

Inclusivity of Perspectives

Inclusivity of Perspectives in cost-inclusive evaluations

Different perspectives possible in cost-inclusive evaluation

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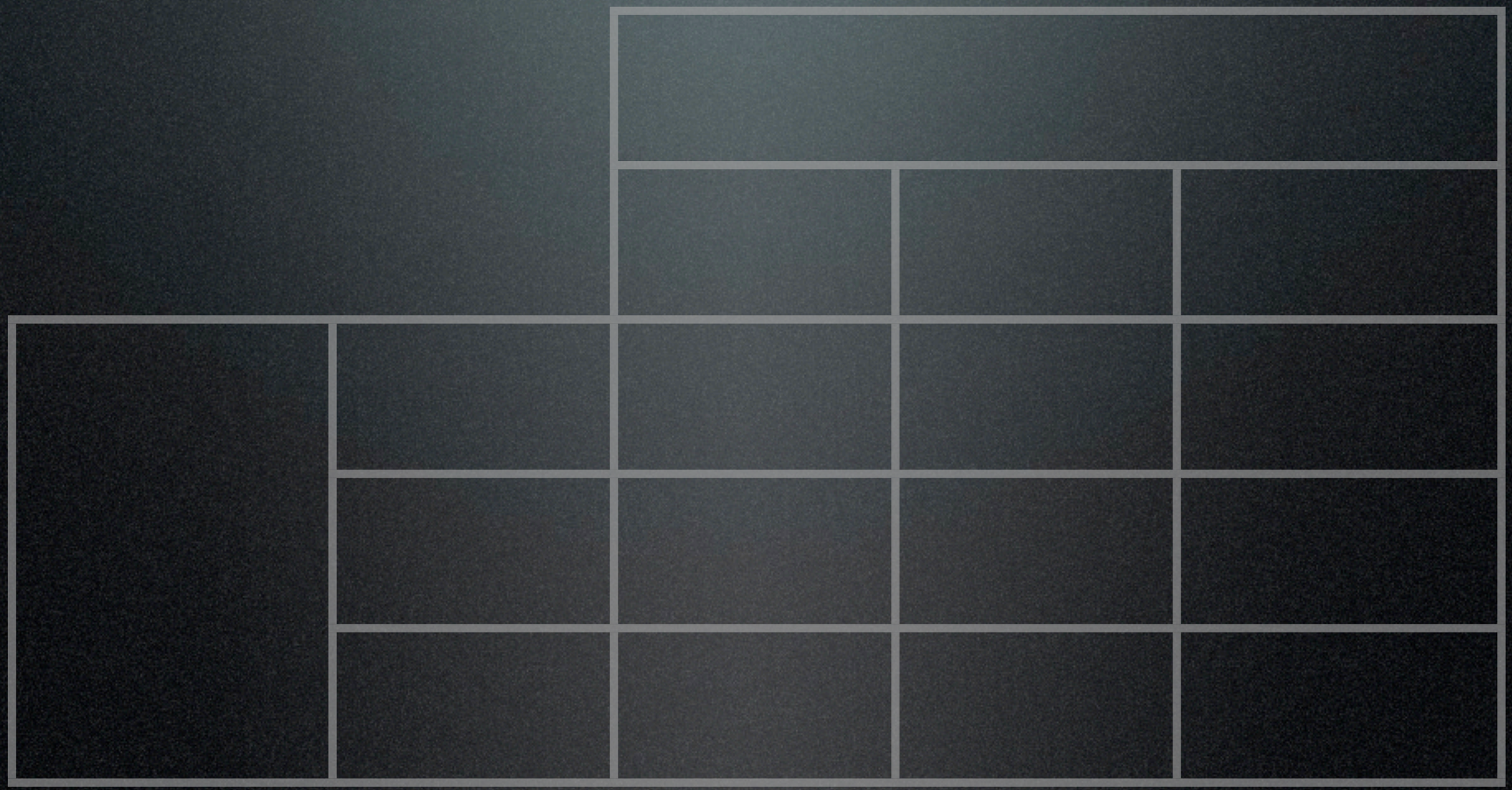
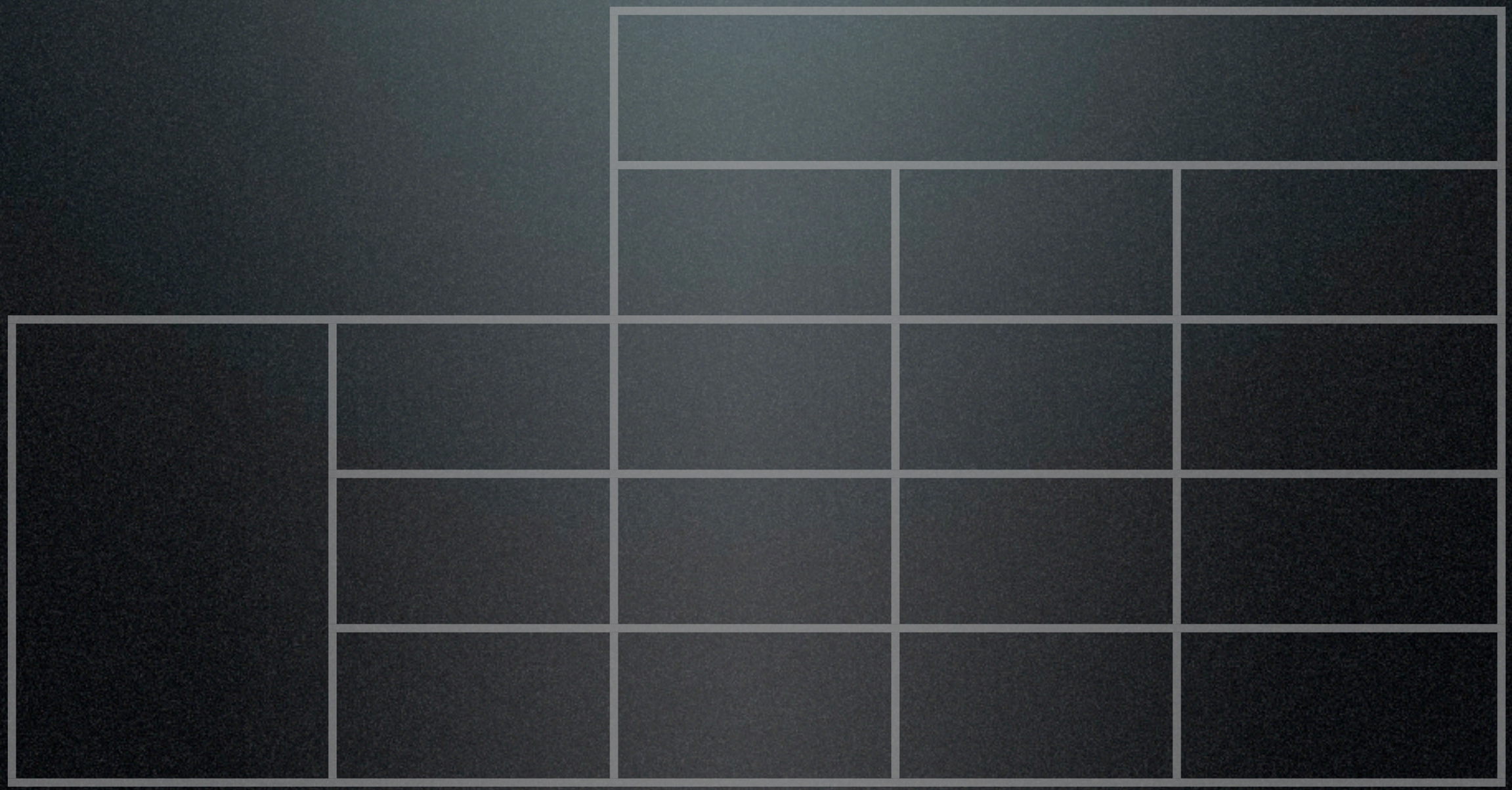


Different perspectives possible in cost-inclusive evaluation



Different perspectives possible in cost-inclusive evaluation

	Foci of Evaluation		

Different perspectives possible in cost-inclusive evaluation

	Foci of Evaluation		
	Costs		

Different perspectives possible in cost-inclusive evaluation

	Foci of Evaluation		
	Costs	Activities	

Different perspectives possible in cost-inclusive evaluation

	Foci of Evaluation		
	Costs	Activities	Outcomes

Different perspectives possible in cost-inclusive evaluation

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Participant **Perspective**			

Different perspectives possible in cost-inclusive evaluation

		Foci of Evaluation		
		Costs	Activities	Outcomes
Participant **Perspective**	evaluator			

Different perspectives possible in cost-inclusive evaluation

	Foci of Evaluation		
	Costs	Activities	Outcomes
Participant **Perspective**	evaluator		
	societal resources		

Different perspectives possible in cost-inclusive evaluation

	Foci of Evaluation		
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Participant **Perspective**	evaluator	societal resources	program delivery	

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evaluator	societal resources	program delivery	productive years

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	consumer	time & effort	therapy, homework	suicide prevention

Problems when excluding perspectives on costs

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- ignoring costs (i.e., resources contributed by) to an interest group
  - volunteers
  - consumers
  - family, community
  - other providers

Examples of ignoring perspectives on costs

Examples of ignoring perspectives on costs

- outpatient treatment
  - patient time in transit
  - patient transportation costs
  - patient opportunity costs

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- outpatient treatment
  - patient time in transit
  - patient transportation costs
  - patient opportunity costs
- inpatient treatment
  - removal of caregiver from home

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- outpatient treatment
  - patient time in transit
  - patient transportation costs
  - patient opportunity costs
- inpatient treatment
  - removal of caregiver from home
- deinstitutionalization

Examples of ignoring perspectives on costs II

Examples of ignoring perspectives on costs II

- deinstitutionalization
  - ignore costs to family, community

Examples of ignoring perspectives on costs II

- deinstitutionalization
  - ignore costs to family, community
- underestimate costs
  - of referrals cause additional costs to other services

Problems when excluding perspectives on outcomes

Problems when excluding perspectives on outcomes

- ignoring benefits (i.e., resources accruing) to an interest group
- volunteers
- consumers
- family, community
- other providers

Examples of ignoring perspectives on outcomes

- *under*estimate benefits of substance abuse treatment
  - usually: multiplier effects on families
- **over**estimate benefits of deinstitutionalization
  - cost-savings ignore high fixed costs in most institutions, e.g., facilities, tenured staff

Excluding perspectives on <u>outcomes</u>

- ignoring <u>outcomes</u> (i.e., results of service or product) <u>to</u> interest group
  - volunteers
  - consumers
  - family, community
  - other providers

Excluding perspectives on outcomes II

- misattributing outcomes (i.e., results of service or product)
- minimizing contributions of volunteers, consumers, family, community, and other providers
- exaggerating contribution of a particular provider

Cognizance of biases...

Cognizance of biases...

in ourselves, in our analysis frameworks, and in our data

Valuing outcomes in monetary units can foster discrimination

Monetary valuation strategies for outcomes:

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- when the outcome is to live or die, to save lives or not, to add years or not:

Monetary valuation strategies for outcomes:

- when the outcome is to live or die, to save lives or not, to add years or not:
- lifetime earnings

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- when the outcome is to live or die, to save lives or not, to add years or not:
  - lifetime earnings
  - lifetime consumption expenditures
  - willingness to pay (used by EPA)
  - awards for loss of life (e.g., $500,000 to family for soldier killed in Iraq)

Examples of bias brought by perspectives on monetized outcomes

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  - youth of client

Examples of bias brought by perspectives on monetized outcomes

- Lenton (2002) found that bias in monetary valuation of a client's life was decreased by:
  - similarity of ethnicity of judge and client
  - "blamelessness" of client
  - youth of client
- yielded higher estimates of the value of client life

Consider, for example ...

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Suicide prevention

Suicide prevention: total working years of life lost to suicide in US

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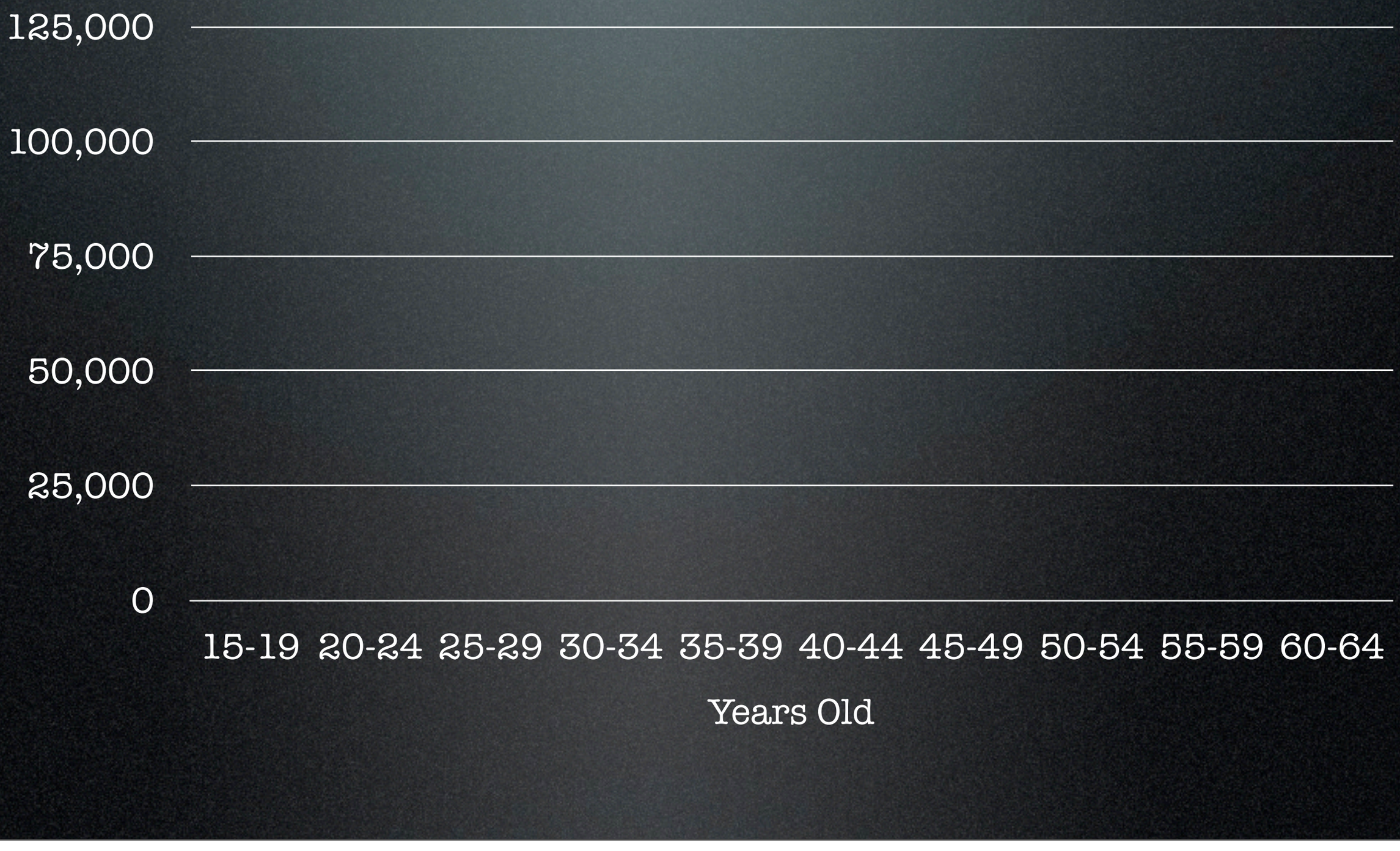

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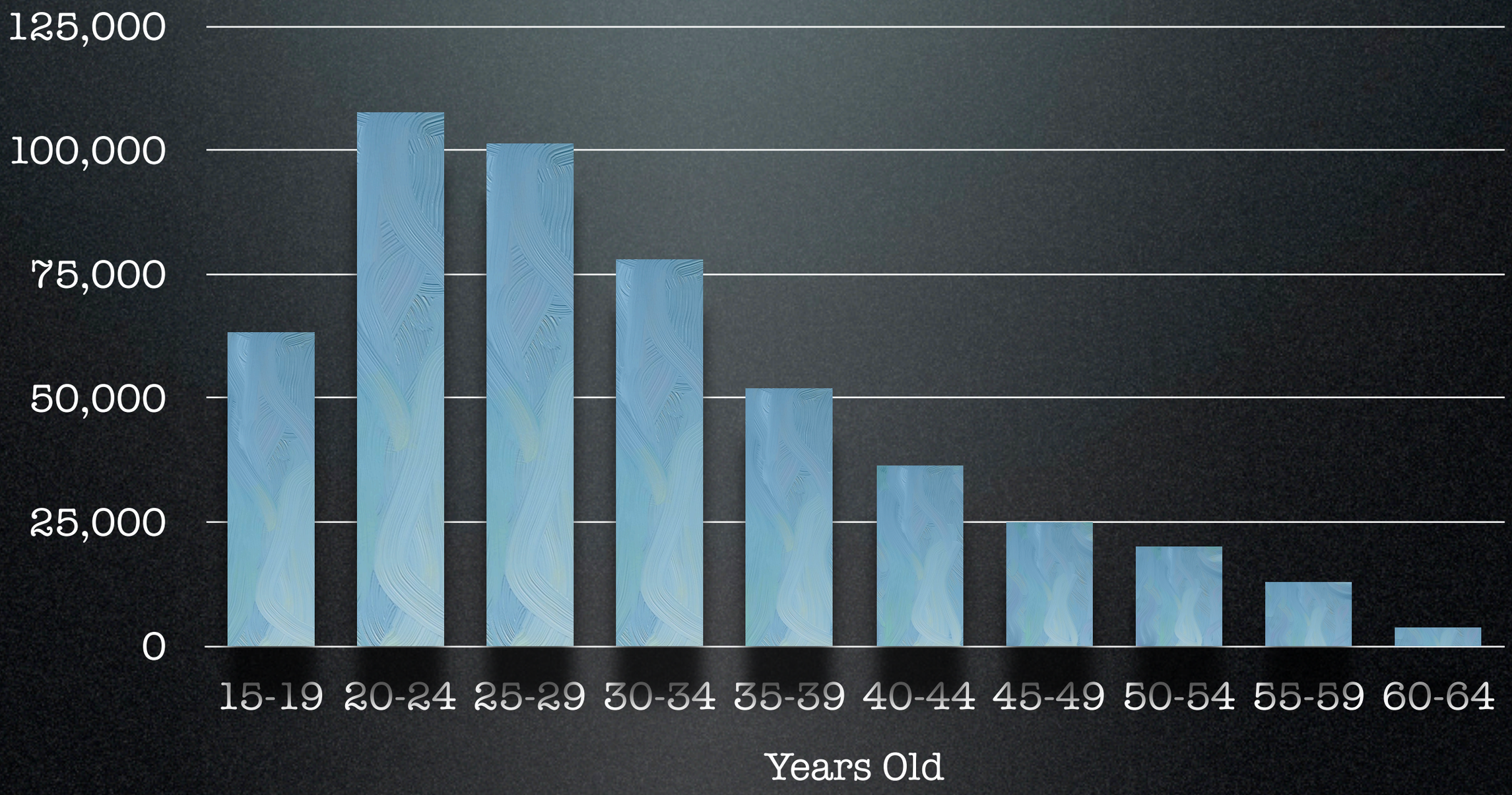

Suicide prevention: *lifetime income* lost to suicide in US

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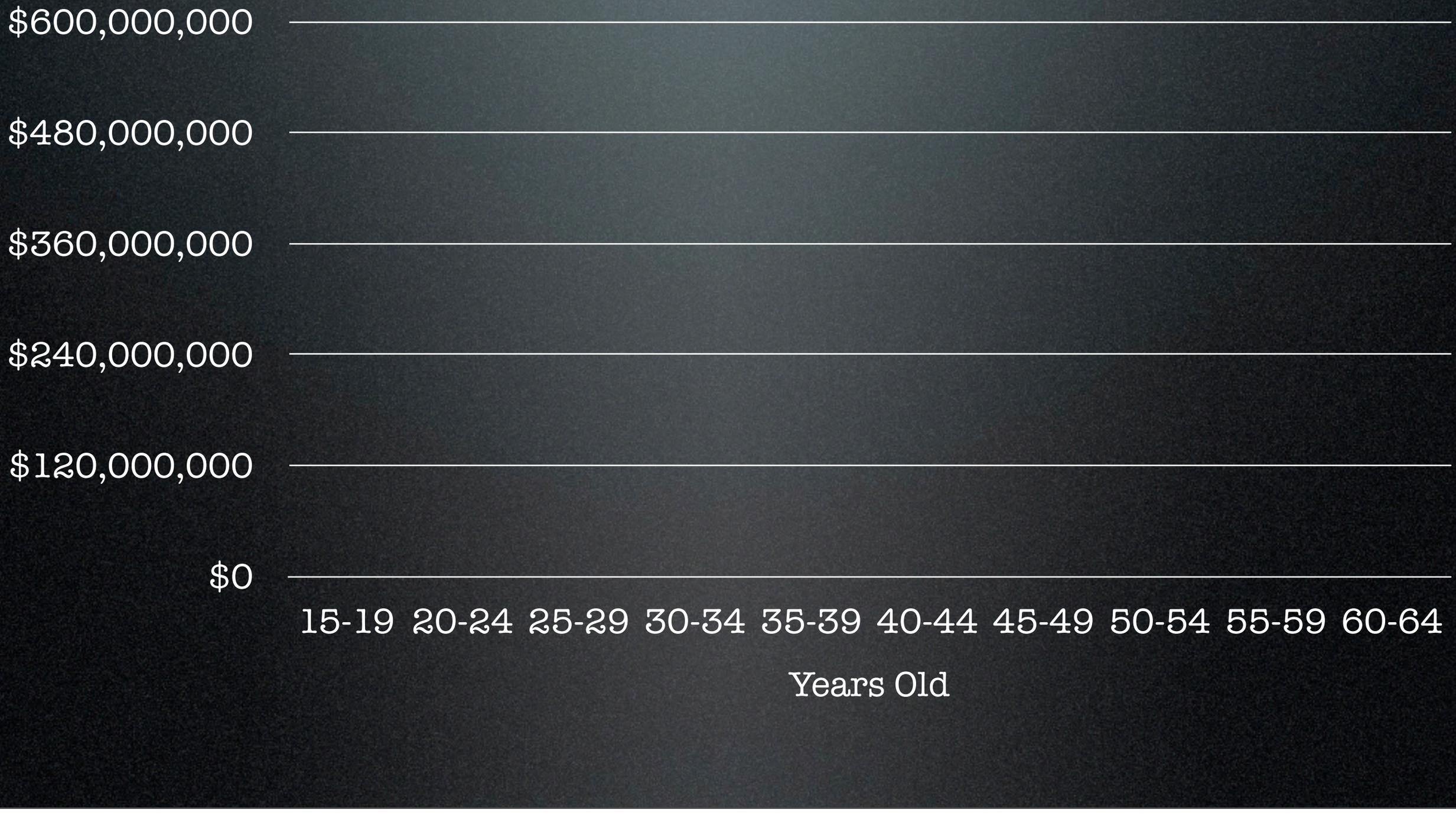

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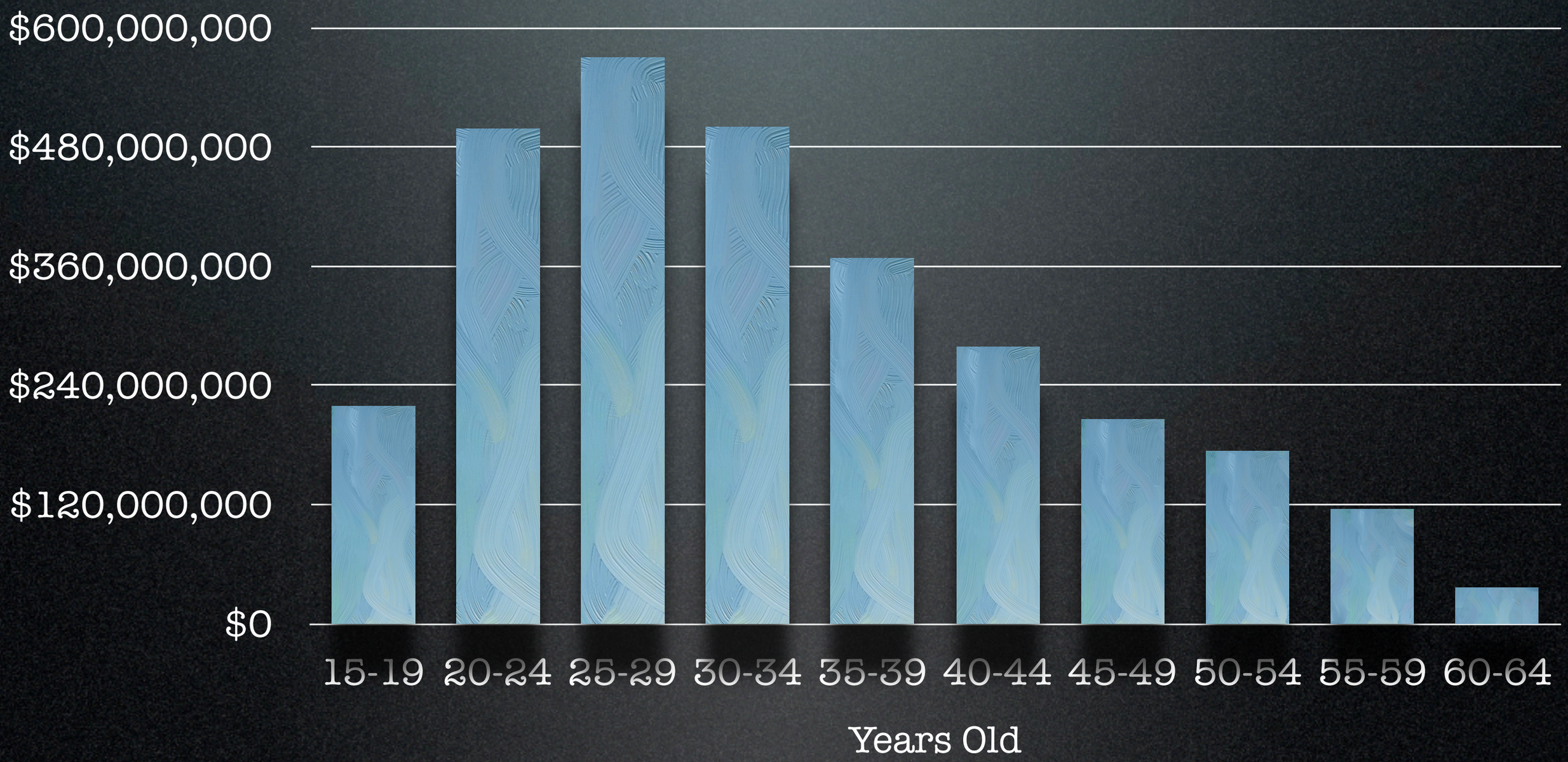

Life valuation strategies that *could* reduce discrimination

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- Remove inequities in income or life value
  - standard valuation
  - include work performed inside the home
  - statistical adjustment

Life valuation strategies that *could* reduce discrimination

- Remove inequities in income or life value
  - standard valuation
  - include work performed inside the home
  - statistical adjustment
- Abandon monetary value of outcomes
  - Quality Adjusted Life Years (QALYs)
  - only cost-effectiveness analysis

Alternative *productivity* valuation strategies

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- Remove inequities in daily income
  - standard valuation of a day of work
  - statistical adjustment for demographic differences in different groups

Alternative *productivity* valuation strategies

- Remove inequities in daily income
  - standard valuation of a day of work
    - statistical adjustment for demographic differences in different groups
- Stick with “native” units (e.g., days of work gained) & avoid monetization.

What (would) (will) you do?

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