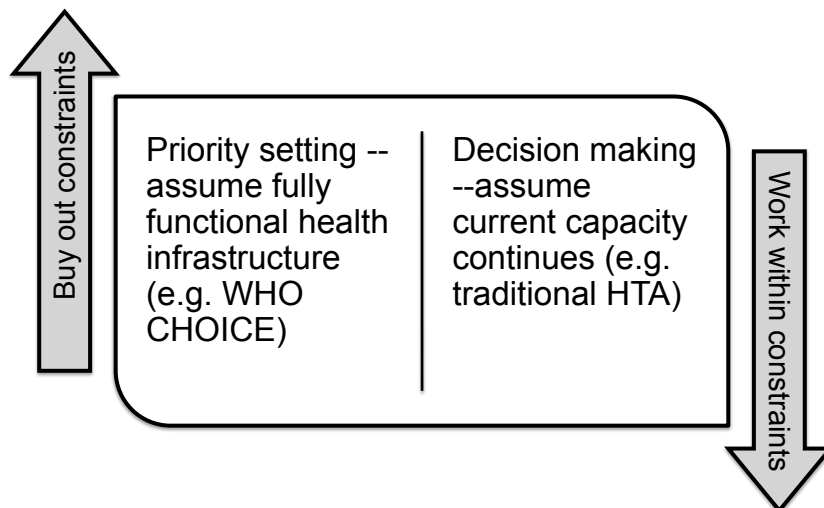


Infrastructure costing and VFM considerations

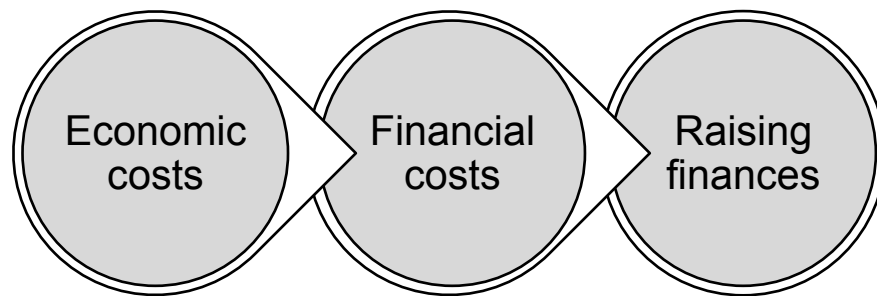
Melanie Bertram, PhD
Economic Analysis and Evaluation
Health Systems Governance and Financing



Infrastructure considerations in economic evaluation



Infrastructure considerations in planning



3 |

Department of Health Systems Governance and Financing
#economicsforUHC



World Health
Organization

Where does the data come from?

- Minimal global sources
- International construction surveys have underrepresentation of African region
- No standards of equipment to be included in costing
- Running costs generally separated
- Average capital to ongoing expense ratios assumed to hold from other settings

4 |

Department of Health Systems Governance and Financing
#economicsforUHC



World Health
Organization

VFM for Investment vs procurement

- Should I invest in the decision
 - VfM – CEA or CBA
 - Prioritization
 - Investment cases
- How should I procure the option
 - VfM – includes both quality and cost considerations
 - Different perspective – whose?

5 |

Department of Health Systems Governance and Financing
#economicsforUHC



World Health Organization

HOW to procure...the PPP question

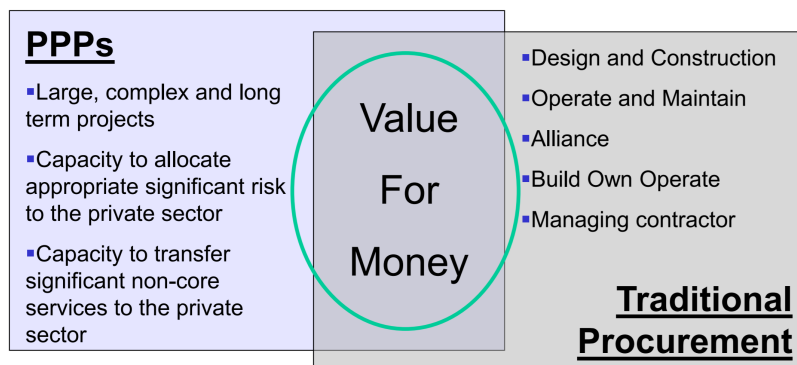


Diagram from OECD

6 |

Department of Health Systems Governance and Financing
#economicsforUHC



World Health Organization

Case study: Brampton Civic Hospital, Canada

Neo Institutional Economic Framework

Qualitative

Equity, Access, Improved Performance

Sociality and Political Rhetoric

Governance

Quantitative

Transaction Costs

Agency Theory

Property Rights

7 |

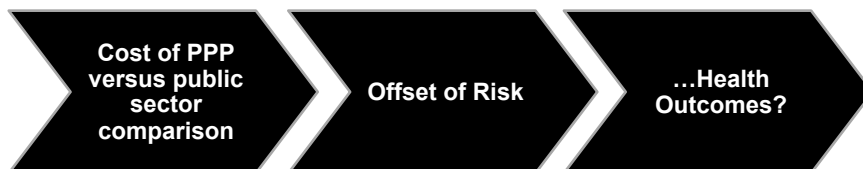
Department of Health Systems Governance and Financing
#economicsforUHC



World Health Organization

VfM from a PPP perspective

- The “best value for money” consideration in a PPP needs to use a cost-benefit framework
 - i.e. net positive gain to society



8 |

Department of Health Systems Governance and Financing
#economicsforUHC



World Health Organization

How could we consider health outcomes as part of the VFM/PPP framework?

....and should we?

....should investment decisions involve procurement considerations?

....can we develop a framework to incorporate the “how” into the “what”?

....should access and improved performance contain quantitative components in VfM analyses?

