RESEARCH SUMMARY:

Using Economics to Spend Our Health Care Dollars Wisely

Dr. Jeffrey Hoch studies how to use the laws of economics to improve health care.

“Economics is essentially the study of scarcity, and we certainly have a lot of scarcity in health care,” says Dr. Jeffrey Hoch. “We can only spend each health care dollar once. Why not use economics to help do the most good we can?” A health economist at the Centre for Research on Inner City Health, Dr. Hoch clarifies the benefit that comes with the extra expense of new health care treatments or techniques.

In demand as a speaker, Dr. Hoch has taught health economics and evaluation internationally and worked with the Ontario government. In 2003, Dr. Hoch and colleagues won the International Society for Pharmacoeconomics and Outcomes Research Excellence Award for Methodology Excellence for creating a means of determining if new treatments are cost-effective for patients, whatever the disease. Currently he is working with Cancer Care Ontario to use economics to help make decisions about the best use of new therapies. “We may not have enough nurses, doctors, dollars or whatever to be able to give a new treatment to everyone,” he says, “but wouldn’t it be nice to provide this care to patients who will benefit the most?”

As part of the Inner City Economics Research (ICER) workgroup, Dr. Hoch collaborates on applied methods for studying the health of socially and economically disadvantaged people. “How does one make the business case for helping the homeless in the way they need help? How does one show the economic value of comprehensively treating mental illness and substance abuse?”

“It is not glamorous work, but it is very important. Often times the final decision comes down to ‘is the extra benefit worth the extra cost?’ Well, how would you know if you had not measured the extra benefit and the extra cost?” Dr. Hoch notes that the ICER workgroup can show what society is getting by providing services for disadvantaged people; however, only society can decide if it is worth it. It all starts with caring.