Cost of illness (COIM)
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Cost–Of–Illness methods

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1 Introduction

The Cost of illness method is another approach commonly used to value the human health effects of certain policies.

2 Methodology

Quantifies the monetary equivalent of days of missed work (or school) and adds together medical expenses.

3 Process

With the cost–of–illness method, the analysts simply totals the medical expenses associated with mitigating symptoms, plus the loss of income due to missing work (or school days missed, in the case of health effects on children). This approach, which is widely used in policy analyses, misses the value of the disutility due to the illness, and should thus be regarded as a lower bound on the benefits associated with removing the causes of the illnesses.

4 Review

4.1 Evaluation results

Not described yet.

4.2 Experiences

Various authors have compared the benefit figures produced by the cost–of–illness approach with the figures produced by other, more comprehensive approaches, such as contingent valuation, and found that the latter are 2–4 times larger than the former.

Applied in cost–benefit analysis of proposed environmental policies, health care policy, and in medical decisionmaking.

4.3 Combinations

The tool provides input for: Cost–benefit Analysis, regulatory impact assessment and multicriteria analysis. The tool can be used with non–market valuation methods. Alternative tools are: Contingent Valuation, Averting expenditure methods.

4.4 Strengths and weaknesses

Strengths:
Cost of illness (COIM)

- Based on market data
- Easy to implement

Weaknesses:

- It misses the value of the dis-utility due to the illness

4.5 Further work

Not described yet.

4.6 References

Not described yet.