

Strategic Prioritization and Costing

A reflection for CSOs working on HIV, tuberculosis and malaria in the Latin America and Caribbean region.

Joan Tallada – Consultant

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Plataforma Regional
América Latina y el Caribe
Apoyo, Coordinación y Comunicación



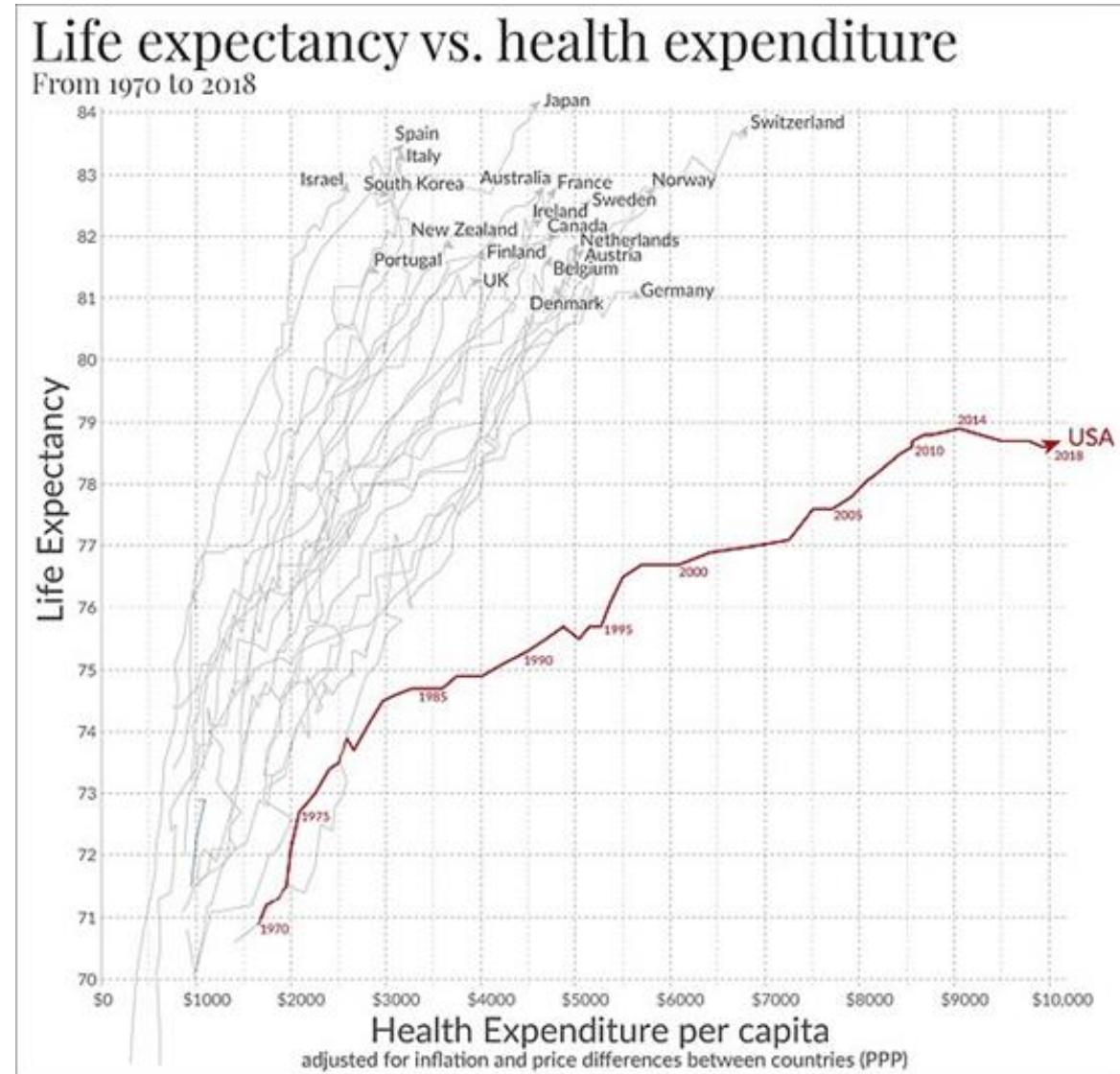
At the end of the presentation, we hope that participants will better understand...

- how **CSOs can renew their role in contributing to national goals** in the response to HIV, TB and malaria;
- how **they can design equitable and sufficient budget lines** for community-led interventions;
- and, last but not least, how **they can develop strong arguments for negotiating fair funding agreements** with development partners and/or national authorities.













Let's start with an open question

- Do they believe that spending more money on health services will always translate into more health for people?



Let's focus on Latin America

- Why does Colombia have almost the same life expectancy as Uruguay while spending less than one third of its southern neighbor on health per person?

Country	Income per capita	Average life expectancy
 Uruguay	US\$1.661	78
 Chile	US\$1.376	80
 Panamá	US\$1.193	79
 Cuba	US\$1.032	79
 Argentina	US\$946	77
 Brasil	US\$853	76
 México	US\$540	75
 Colombia	US\$495	77
 Ecuador	US\$486	77
 Paraguay	US\$388	74

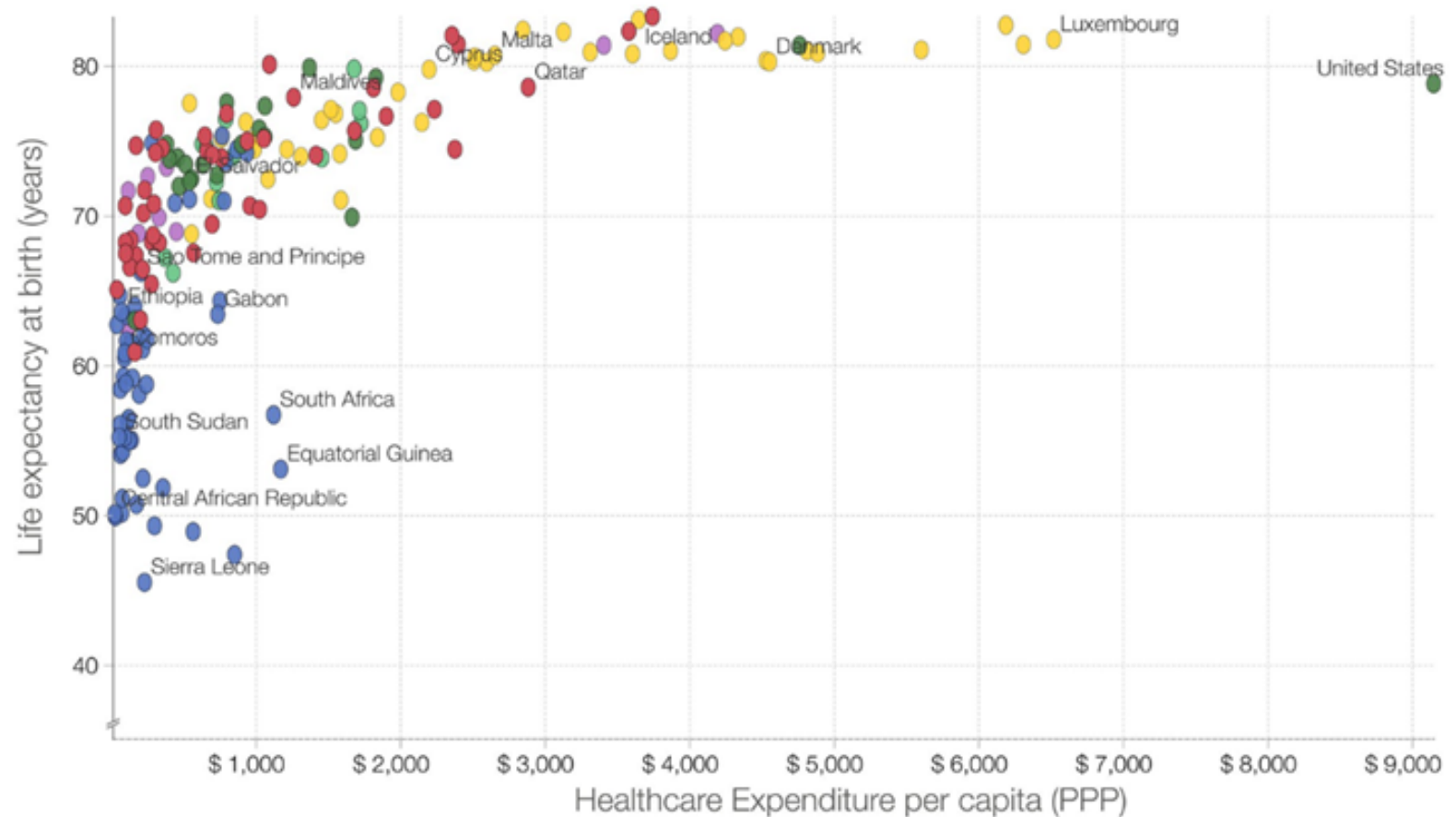


Investing more can lead to more health – up to a point...

- There is a threshold beyond which more spending tends to give less and less health benefit.

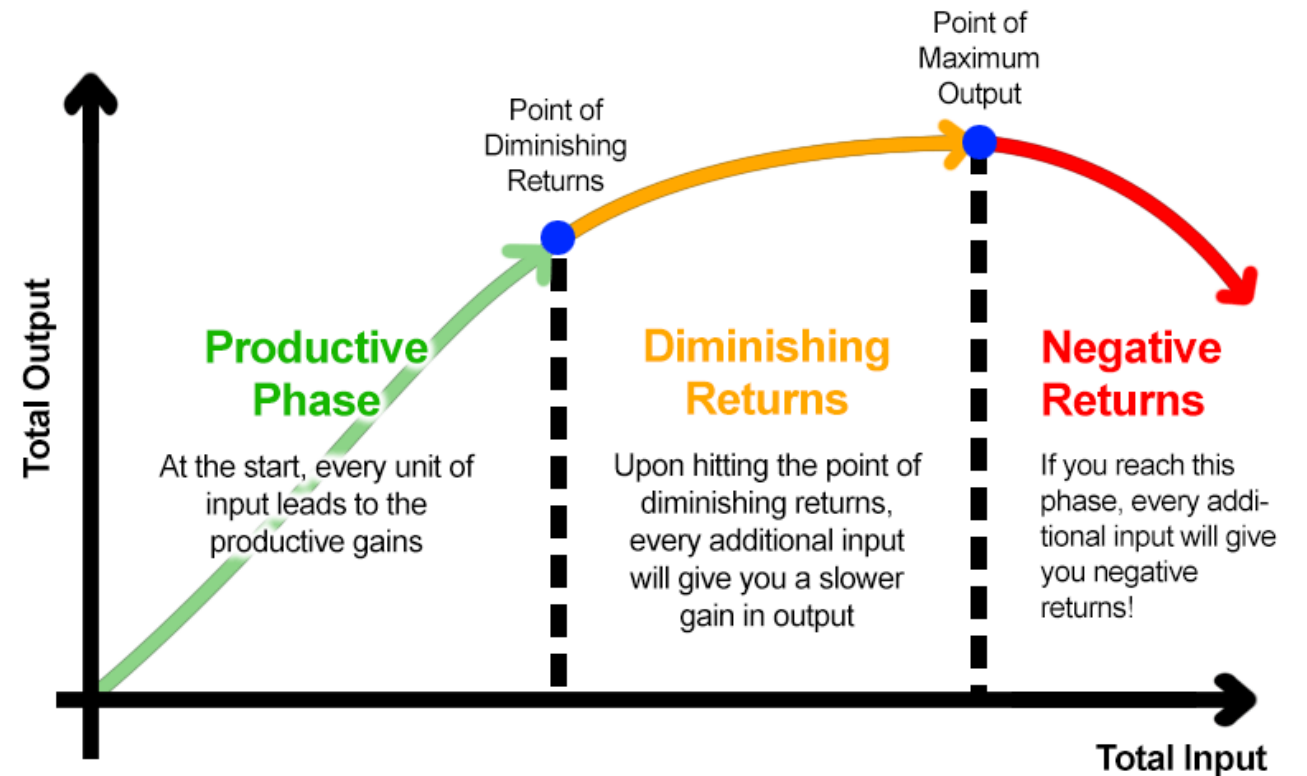
Life Expectancy vs. Healthcare Expenditure

Life expectancy at birth vs. Total healthcare expenditure per capita (PPP 2011)



The law of diminishing returns - in health care

- The law of diminishing returns shows that once we have reached a certain threshold, **additional investments will produce fewer and fewer health outcomes** unless we change where or how we use those resources to ensure more cost-effective interventions.

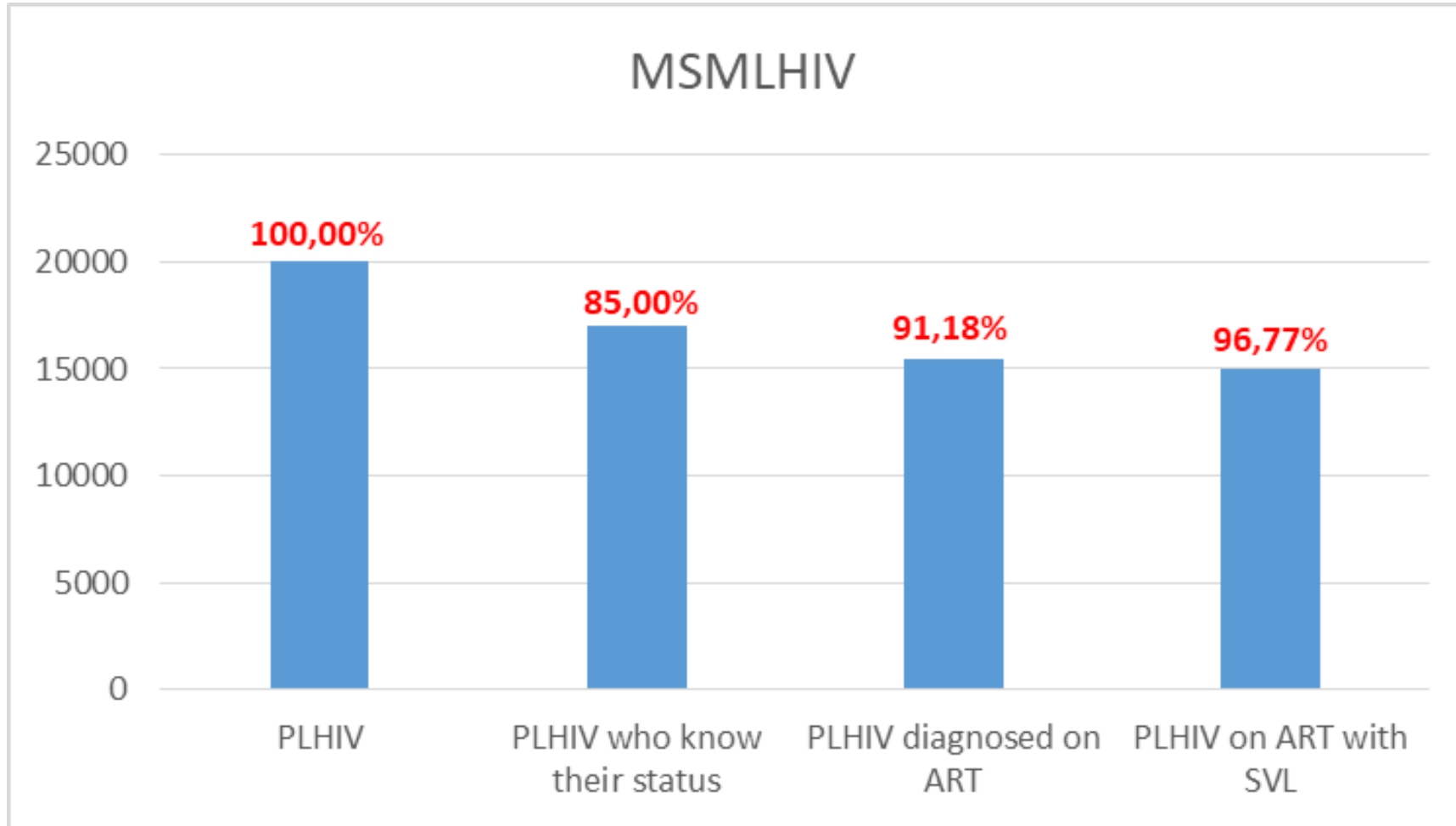


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Why is it important for CSOs working on H/T/M?

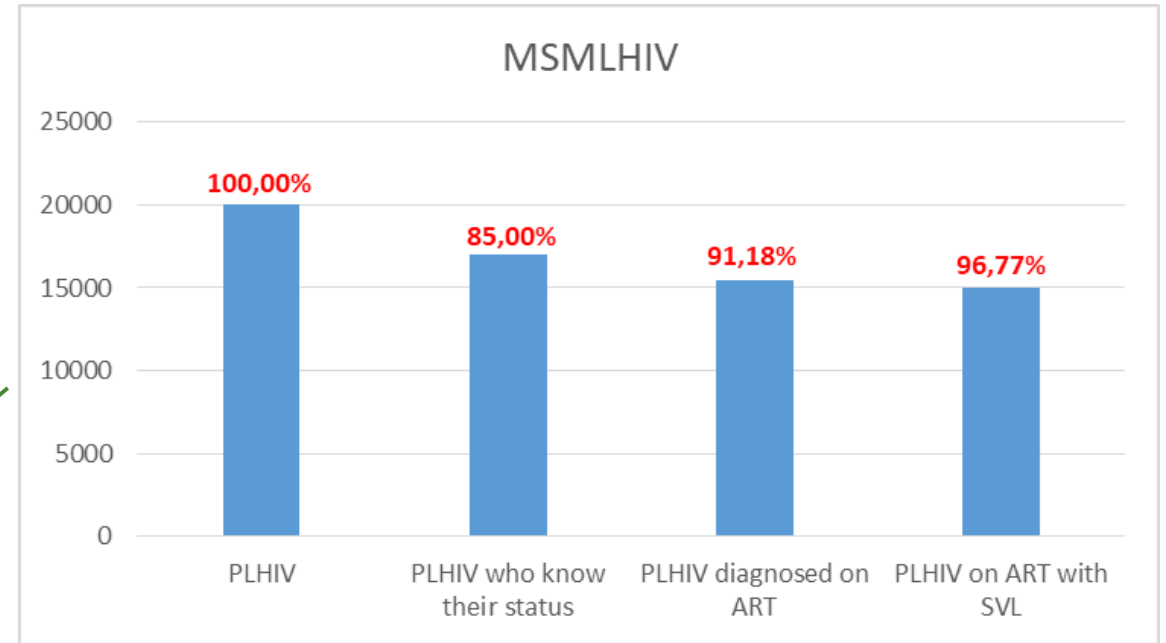


- Treatment Cascade among MSMLHIV in Country X.
- What is the most relevant gap?
- Where should investments be focused?



Allocative Efficiency

- *Allocative Efficiency* means distributing our resources in a way that we obtain the results that are better aligned with our goals and objectives.



- The priority is to invest more in case identification.
- It is relevant to reducing transmission and improving the health of PLHIV.
- It is also more cost-effective: every dollar invested in identification will return more than that invested in linkage and retention.



Identification of new HIV cases: business as usual?

- In Country X, **the current dual model** is based on the active offer of testing through peers and passive offer through public services.
 - The **diagnostic yield is decreasing**: fewer and fewer positives per 100 MSM tested.
 - We could revise the model to **gain technical efficiency** and try to reach more MSM with the same resources.
 - In doing so, we could expand coverage but **the diagnostic yield would be reduced even further**
- **Technical Efficiency** means obtaining the maximum result with the resources available or, the other way around, using the minimum resources possible to obtain the desired result.



Why does reaching more MSM with the same model not give me the result I am looking for?

What can I do?

- The MSM population is **very diverse**
- The MSMLHIV that I have managed to identify were **those accessible with the model** I have implemented so far.
- The MSMLHIV that I have yet to identify are likely to have other characteristics and **are difficult to access with the current model.**
- Other models may be more useful in reaching the MSM that I am not yet reaching. That is, **they may be more cost-effective.**
- For example:
 - Search through networks of MSM contacts with risky practices.
 - Offering self-testing
 - Partner notification of newly diagnosed MSMHVVHIV



The unit cost of new interventions may be higher or lower, depending on the outcome indicator

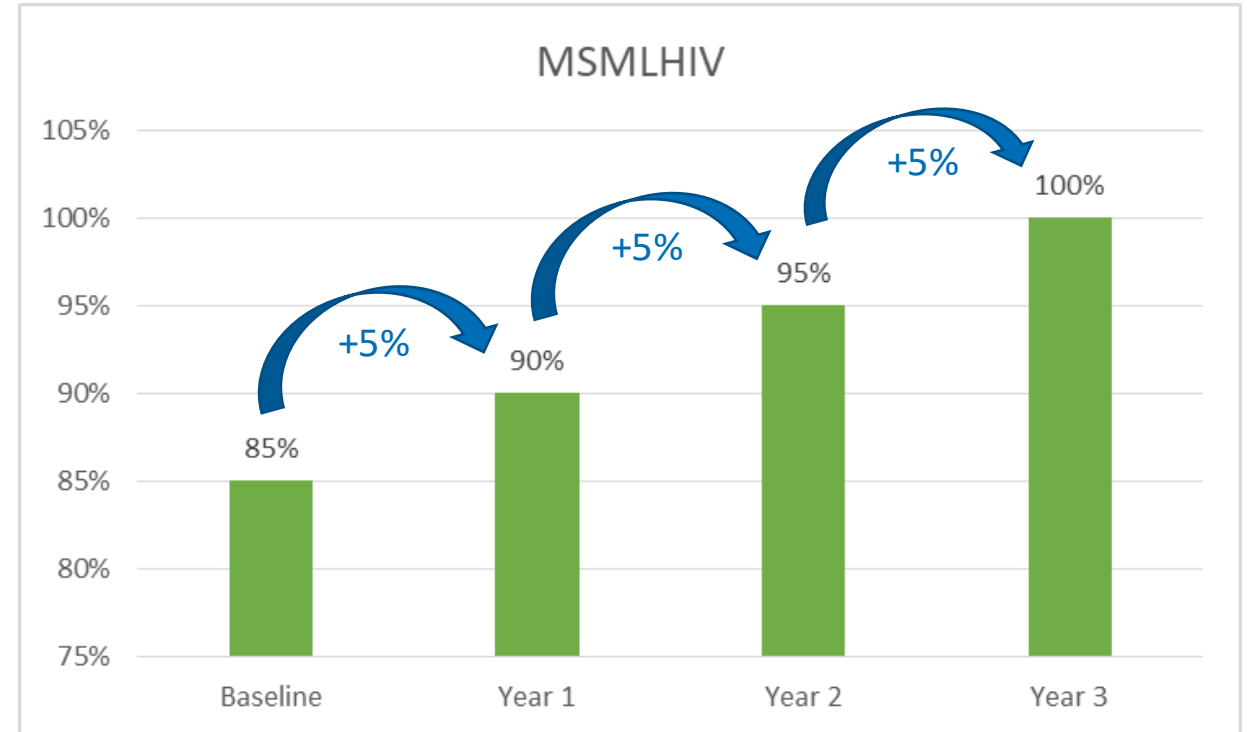
	Budget	Testing Coverage	Testing Unit Cost	Cases reached	Positivity Yield	Unit Cost per Case
Current Model	400000	50000	8	500	1%	800
Innovative Models	200000	10000	20	500	5%	400

	Budget	Testing Coverage	Testing Unit Cost	Cases reached	Positivity Yield	Unit Cost per Case
Current Model	400000	50000	8	500	1%	800
Innovative Models	200000	10000	20	700	7%	286



Innovative models will also run out of steam in the future

- As we are successful, we will increasingly attempt to reach **more difficult-to-reach people** than before, which will require more resources.
- **The cost** of reaching each additional unit of outcome (new HIV case identified) **will be incremental.**



Each additional percentage point attempted to be gained will have a higher cost than the preceding percentage point already achieved.

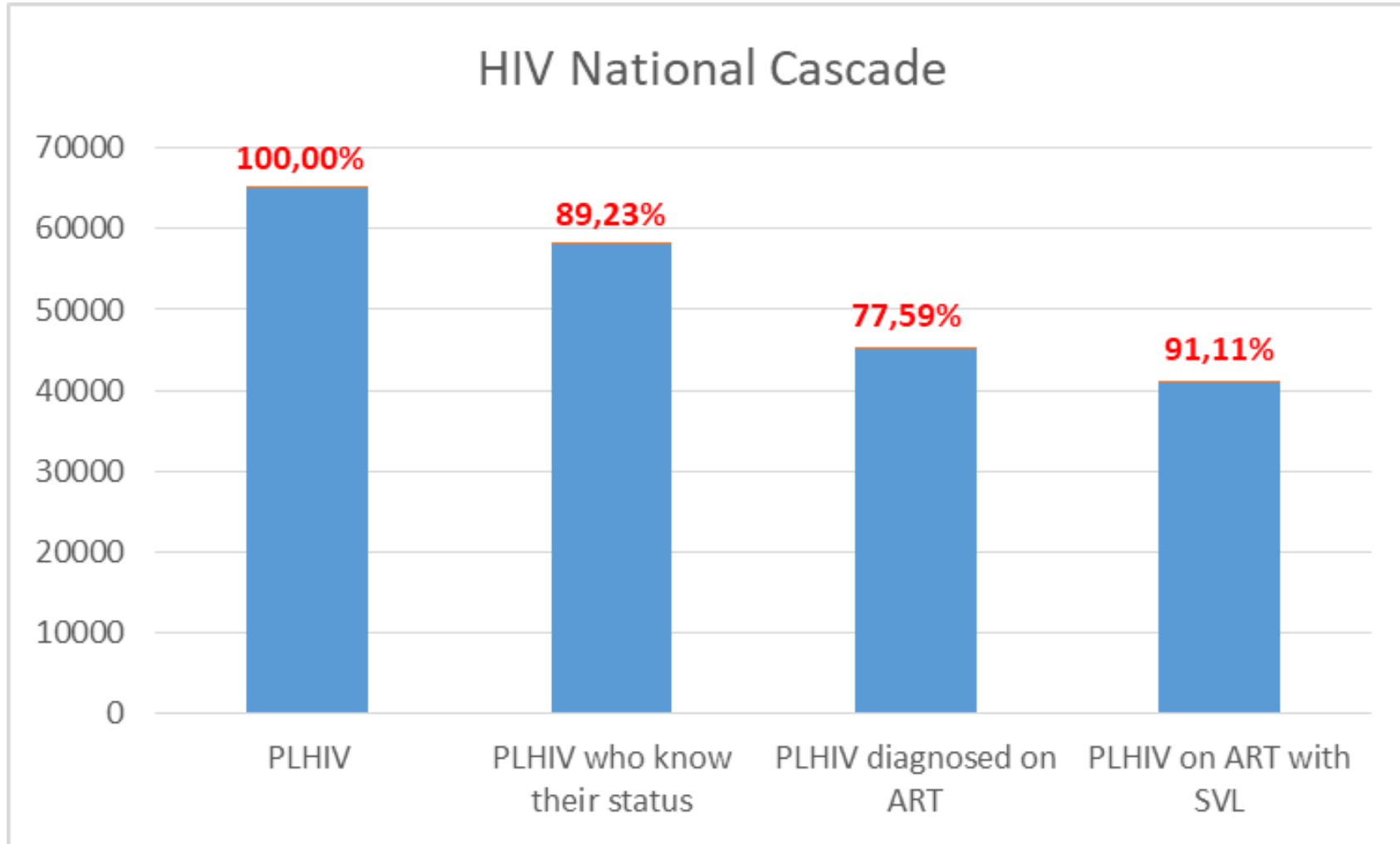


Analysis also applies to TB and malaria

- In TB, **the search for respiratory symptoms and identification of cases** with the traditional model will be increasingly difficult (and expensive) once a certain percentage of people have been reached.
- In malaria, **the distribution of mosquito nets** will initially have a modest cost per household reached, but it will increase as the goal is to reach homes that are more difficult to access geographically or culturally.
- In either case, an innovative model might be more cost-effective, but **at some point it will also reach its ceiling.**
- Above a certain threshold, **costs will always tend to be incremental.**



Let's do a collective exercise



- What is the most relevant gap?
- If there is support, why don't we see all the benefit we expect?
- What can be done?



In summary

- **Populations that are difficult to reach** are always difficult in relation to the modality that is used to try to reach them.
- When a modality shows **signs of fatigue**, despite all the efforts to improve it, it is time to think of new modalities that complement or replace it.
- The new modalities **will have a higher or lower unit cost** than the current ones **depending on the result indicator used**.
- From a saturation point, and once the most cost-effective innovations have been exhausted, **the people that remain to be reached require the investment of more and more resources** for each of them.
- In these scenarios, **the unit cost of achieving HIV, TB and malaria results will tend to be incremental**.
- This approach can help you prioritize your interventions and **negotiate fair and sufficient budgets** for sustainable service delivery.

