

At A Glance

Health Policy and Economics

Health Policy

Health policymakers around the world face common difficulties balancing the competing pressures that are being placed on their health systems. Aging populations, changing epidemiology, and advances in medical treatment increase the funding pressures being placed on systems, while patients themselves are becoming more demanding, with higher expectations. At the same time, fiscal pressures limit the extent to which health systems can respond with increased funding. Policymakers have to balance these competing tensions in what is typically a politically visible and key policy area, taking account of other priorities such as ensuring equity in the funding of and access to health care.

Improved data, a wider evidence base, and increasing use of market mechanisms makes economics a crucial part of health policy development. NERA's Health Care and Life Sciences Practice has worked with a range of stakeholders in helping to inform, understand, develop, and respond to policy changes. Recently we have worked closely with governments, hospitals, health care insurers, pharmaceutical companies, trade associations, and pharmacists to support understanding of policy, economic analysis of issues, and strategic advice to support decisionmaking. We draw on our international experience, including learning from successful reform examples and drawing lessons from less successful attempts, and combine this with real experience of working closely with those involved in decision making. We regularly support our work with quantitative assessments, including modeling tools to understand the impact of policy development on health systems.

Key Areas of Expertise

Comparative Analysis of Health Systems

We often use comparative analysis of health systems to help inform local decisionmaking. In 2001, NERA completed a study of health care reform experience in over 25 countries examining innovative policies being applied in health systems, with the aim of identifying where policies have been successful and where lessons can be learned. This study has since been summarized for policymakers in a guide based around principles to support health care reform. The work has been requested by and presented to policymakers in many countries, and been translated into a number of languages.

Development of Health Care Reform Recommendations

For many years, NERA economists have worked closely with policymakers and other stakeholders to develop, comment on, or respond to health care reform recommendations. Our experience of this began in the early 1990s with the publication of our work *Financing Health Care* by Kluwer Academic Publishers.

Modeling—a Tool for Understanding Policy

We often apply quantitative analysis to support our health policy work. This has included the development of a modeling tool to understand the impact of policy changes

in the UK and future pressures. We have used similar tools to identify the impact of options for reforming the funding of health care and to provide advice to stakeholders on how changes in the health environment impact their own business opportunities.

Strategic Advice

Our experts are regularly asked to provide strategic advice to support decisionmaking. This has included issues for policymakers such as supporting the planning and procurement of hospital capacity, as well as advice for other stakeholders such as identifying and building on opportunities in the health sector and helping to develop product offerings.

Economic Evaluation

Policymakers increasingly draw on economics to identify the costs and benefits of alternative policies and health care interventions. Our experts have completed a number of cost-benefit analyses, ranging from the assessment of new policies through to assessing the cost effectiveness of pharmaceutical interventions.

Economic Regulation

Many stakeholders in health systems are subject to some form of economic regulation, such as price regulation of pharmaceuticals or the fixing of fees payable to health care providers. NERA's experts provide briefings and advice on the impact of economic regulation and the development of alternative and more effective forms of economic regulation.

Selected Clients

BUPA
Department of Health
Healthcare Commission
HM Treasury
Home Office
Lloydspharmacy
Merck Sharp & Dohme
National Institute for Health and Clinical Excellence (NICE)
Norwich Union Health Care
Pfizer
Standard Life

Publications

"The Human and Economic Value of Pharmaceutical Innovation and Opportunities for the NHS"

"The Contribution of the Pharmaceutical Industry in the London and Thames Valley Region to the Local and UK Economy"

"Alcohol in London: A Cost-Benefit Analysis"

"Global Principles for Better Health Care: A Guide for Policymakers"

"Assessment of the Use of Workforce Metrics in the Healthcare"

"Commission's Annual Health Check"

About NERA

NERA Economic Consulting (www.nera.com) is a global firm of experts dedicated to applying economic, finance, and quantitative principles to complex business and legal challenges. For half a century, NERA's economists have been creating strategies, studies, reports, expert testimony, and policy recommendations for government authorities and the world's leading law firms and corporations. With its main office in New York City, NERA serves clients from more than 25 offices across North America, Europe, and Asia Pacific.

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