PHP76 A LITERATURE REVIEW AND MICRO COSTING APPROACH TO DETERMINE THE COST OF ONE HOUR OF OPERATING TIME IN CANADA

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OBJECTIVES: The aim of this study was to review the literature on the true cost of operating room time in Canada despite the fact that surgical care is paid for by a single payer facing increasing cost constraints. The objective of the review was to analyze how OR costs are currently conceived of in Canadian hospitals. Additionally, a micro costing approach was used to estimate the true cost (2014) actual cost using a bottom-up approach. METHODS: A literature search was conducted to determine how Canadian hospitals perceived the true value of one hour of operating time. Studies satisfying the defined criteria were compared on the basis of methodology and inclusion and exclusion of specific resources in their perception of their institution's OR expenditure. All costs were adjusted to 2014 Canadian dollars. Additionally, we conducted an independent bottom-up micro-costing analysis of Canadian operating room time. Completion of the literature review prior to micro-costing ensured a robust and comprehensive approach was used. Costs were obtained using peer-reviewed literature and from a large Canadian hospital network. RESULTS: Specific search and inclusion criteria resulted in the inclusion of 5 studies in our analysis. The cost of OR time ranged greatly from $621.60 to $2288.94 per hour. All studies obtained the cost of OR time using a top-down case-costing approach informed with data from their respective finance departments. Each study was conducted at a different Canadian hospital and OR costs were estimated in different ways. Additionally, many of the studies lacked sufficient methodological details providing a challenge when comparing approaches. The bottom-up micro-case-costing approach incorporated more than 40 individual costs and resulted in an OR hourly cost of $1200. CONCLUSIONS: In Canada, there is little consensus between institutions of how to capture the costs of OR time. A bottom-up micro-costing approach allowed for a different perspective and a more detailed analysis.

PHP77 CURRENT ESTIMATES OF THE PUBLIC PHARMACEUTICAL EXPENDITURE IN MONGOLIA

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OBJECTIVES: Pharmaceuticals are important public resources and scarce medicines are often not adequate, nor accessible for much of the population. Only limited quantitative data are available for analysis of the pharmaceutical expenditure in Mongolia. METHODS: Retrospective data collection on pharmaceutical expenditure from three surveys conducted and available on public health of six years starting from 2009 until 2014. RESULTS: The gross domestic product (GDP) was 11.52 billion USD in 2013 in Mongolia and the proportion of total health expenditure (THE) was $66.5 billion Mongolian National Tugrug (MNT) or 301.4 million USD. For 2014, the total pharmaceutical expenditure (TFE) was $81.3 billion MNT or 11.6% of the THE. The public pharmaceutical expenditure (PFE) per capita was 28727.9 MNT or 15-3 USD in 2013. Mongolia is a developing country and the public expenditure on pharmaceuticals per capita was in the mid-range of developing country expenditure. The funding source of pharmaceuticals in Mongolia was analysed and the external source played a minimal role for TFE (4.8%) whereas government sourced fund (tax) was 45.4%. Cornual and national data are available from new government funded health funds in Mongolia. Previous findings reported that out-of-pocket payments for health care service has increased from 14.5% of the THE in 1995 to 41.4% in 2010. However, the proportions of regards to out-of-pocket payment for pharmaceuticals were not available. CONCLUSIONS: This study provide some country specific data that is funded by public source at the national level in regards with total pharmaceutical expenditure and per capita. In addition, data on private funding for pharmaceuticals are required in order to conduct the specific policy analyses including different cost items, equity of access, allocative efficiency, therapeutic and operation efficiency. However, the results of this review can be used as a baseline for monitoring future trends in pharmaceutical expenditure over time in Mongolia.

PHP78 CROSS SECTION ANALYSIS OF MARGINAL NHS EXPENDITURE BY ENGLAND HEALTH AREA

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OBJECTIVES: The cost-effectiveness threshold applied in the process of recommendation of new health technologies is a central topic of discussion in the UK. A key aspect of the discussions is the marginal effect that a change on the health expenditure has on mortality per health category, since this is an indicator of the opportunity cost of adopting a new technology. The common assumption is that all health areas behave in roughly the same way as each other when faced with a cut in available funds. This suggests that the opportunity cost, and consequently the threshold in mortality per health category, is the same across health areas. The primary aim of this study is to test the assumption that health areas are similar to one another in the decisions they make. METHODS: We applied the Cluster Analysis Methodology. We propose a division in which the health areas that are similar on both the basis of costs and thresholds in terms of the expenditures (adjusted by costs differences and needs) are assigned to different health categories. Four clusters partitions are estimated, each one based on a different year. By doing this, we are able to compare the composition of the different groups over time. RESULTS: The data indicates that some health areas spent dif-