

Priority Setting and Rationing of Health Resources

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Conceptual Distinctions

1. Priority Setting
2. Resource Allocation
3. Rationing

Allocating Health Care Resources

- Resource allocation is used to assign the available resources within the health care sector
- The choice of which service to prioritize
 - What level of resources a service should receive?
 - Which services should go unfunded?
- Which items should be sacrificed if total funding is reduced?

Needs-based formulae

- Population size
- Demographic composition
- Burden of ill-health
- Socio-economic status
- Private sector use / insurance coverage
- Population density or other factors that affect cost of providing health care

Case example: Who Should Get the Liver?

- A tragedy has struck. A 30 year old woman has died in a car accident. Then a wonderful thing happens, her husband has decided to donate her organs for transplantation..
- The problem is, there are 3 transplant patients waiting for her liver



Case example adopted from Emmanuel Ezekiel's Lecture at University of Pennsylvania

Case example: Who Should Get the Liver?

Patient #1 is Joey



- 2 years old
- Mother is a school teacher, father is a civil servant
- Starting to speak in 2-3 word sentences

Case example: Who Should Get the Liver?

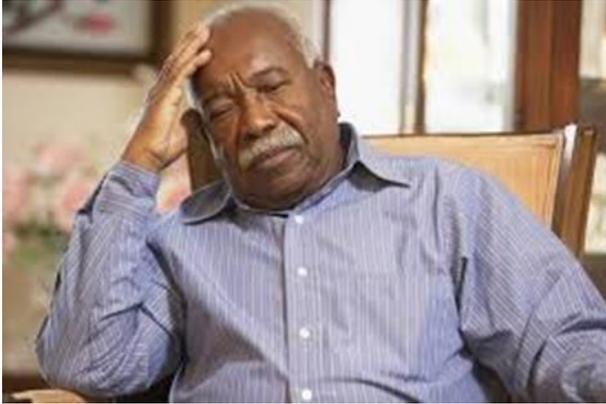
Patient #2 is Melissa



- 22 years old
- Just graduated from college with a bachelor's degree
- Wants to get a postgraduate degree and go into public health or mental health counseling

Case example: Who Should Get the Liver?

Patient #3 is Charles



- 70 years old
- Recently retired after working for nearly 50 years
- Has 6 grandchildren

Case example: Who Should Get the Liver?

- A. Joey
- B. Melissa
- C. Charles

- Why?

The question?

- How do we allocate the limited resources we have under conditions of scarcity?

Theories for Resource Allocation

- **Four (4) Values come into play**
 - Promote Equality – Kantian value
 - Help the worse off - Rawlsian value
 - Maximize benefits – Utilitarian value
 - Promote and reward social usefulness

The Four (4) Values

- Promote Equality
 - Equality of opportunity and not equality of resources
- Help the worse off
 - Extra benefits for the worse off
 - Who is worse off?
- Maximize Benefits
 - Different vies of what constitutes a benefit
- Promote and Reward Social Usefulness
 - Different view of what is socially useful

Specific Issues for the Values

Promoting Equality

- **Lottery**

- Everyone treated the same – equal moral status of people
- Hard to corrupt
- Protects decision makers from complaints – Random
- Quick and minimum information needed

Problems

- Blind to other considerations that may be relevant to resource allocation

Promoting Equality

- **First Come, First Served**

- Natural lottery
- Protects doctor-patient relationship
- Prevents discontinuity of care
- Minimizes information needs

Problems

- Favours the well-off and well connected

Helping the Worse-off

The test of our progress is not whether we add more to the abundance of those who have much,.. it is whether we provide enough for those who have little.

Franklin D. Roosevelt

Helping the Worse-off

- **Sickest First**

- Aids those who are worse-off right now – rule of rescue
- Appeals to the prognosis if not treated
- Motivated by empathy

Problems

- Ignores what happens after sickness; worst among sicker patients
- Doesn't consider the worse-off over a life time

Helping the Worse-off

- **Youngest First**

- Fair chance of living a long life; emphasized in pandemics (youngest get priority)
- Resources directed to those that have had the least of the most valuable thing in our life
- Everyone is interested in living a full long life

Problems

- Age discrimination
- Favors infants over adolescents (counter intuitive)
- Ignores prognosis (will young people do better if they receive the resources?)

Maximizing Benefits

- **Save the most lives**

- Used in vaccines, disasters etc. (Save as many people as possible)
- Rationale is that each life is valuable, saving more lives is better
- No comparison among people's lives

Problems

- Not all lives are equal,. There may be particular reasons to save particular people more than others e.g. people who have lived shorter lives
- Some people have lived fewer years and some lives can be extended longer

Maximizing Benefits

- **Prognosis**

- Save people who are likely to live a long time after they get the intervention
- Allocating resources to ensure people live for as long as possible
- Cost Effectiveness Analysis (life years saved)
- Its efficient; getting the biggest benefit for the available resources

Problems

- We do not only want to consider the quantity of life, but also the quality of life
- Giving more years to those that are older seems unfair

Promoting Social Usefulness

- Prioritize specific persons who promote other values, or rewards them for having promoted those values in the past
- Dependent on what we consider useful and other values we have discussed

Problems

- Who qualifies as socially useful?
- Politicians, Athletes, Celebrities and entertainers, doctors etc.?

Promoting Social Usefulness

- **Reciprocity**

- Backward looking (rewards people for past good actions)
- Preferences given to, for instance, war veterans, retirees etc.
- Provides an incentive to promote other values

Problem

- Time consuming and intrusive looking into past deeds
- Difficulty to assess seriousness of sacrifice for others

Promoting Social Usefulness

- **Instrumental Value**

- Forward looking (will someone help promote values in the future? Will someone save other people in the future?)
- Vaccinating healthcare workers first in public health emergencies (i.e. help the pilot first)
- It's a way of helping everyone else by helping the key person who can deliver the medical treatment

Problems

- Disagreements about who is socially useful
- Require intrusive inquiries into a person's life to assess usefulness

4 Values and 8 Principles

1. Promote Equality

- Lottery
- First come, first served

2. Help the Worse Off

- Sickest first
- Youngest first

3. Maximize Benefits

- Number of lives saved
- Prognosis (or QALY/DALY)

4. Promote and Reward Social Usefulness

- Reciprocity
- Instrumental value