

Abstract

The general aim of this study is to analyse the economic consequences of several preventive measures and to demonstrate the many complex factors involved in evaluating them. The intention is to examine some ideas and questions arising in economic studies and in discussions about prevention. There are many reasons why it is easy to draw incorrect conclusions or make misinterpretations when discussing benefits and costs. For example, what does it mean that the prevention is worthwhile when it does not save money; and how much should then be spent on prophylaxis?

The report contains case studies from two areas; the health care and the road traffic sector.

A review of 42 economic appraisals in the health care sector from Sweden, published during 1975 to 1989, shows that only 8 were analysing primary preventive measures. However, with a broader definition of prevention, also including screening and secondary prevention, at least 50 per cent of all economic appraisals from the health care sector were analysing prevention efforts. Prevention has attracted considerable attention because health care resources are limited. While the economic appraisals of prevention have much in common with the evaluation of other investments, they present some special and interesting difficulties; how to represent the value of life and health benefits; how to deal with different timing of costs and benefits.

Based on results from the cases analysed in the study one could expect that an increase of, or introduction of additional, preventive measures will save resources — but only in a few cases these measures will save enough resources to pay for the investments. This condition relates to a developed society like the Swedish where much effort already is made to reduce the risks of accidents, diseases and complications. Therefore additional preventive measures will mainly

be motivated by the individuals' willingness to pay for reducing the risks per se.

However, introduction of new technologies can rapidly change the results of the economic studies. Therefore economic evaluation is a dynamic process, where no assessment at any point of time should be regarded as final.