DILEMMA IN HEALTH CARE – COST MINIZATION ANALYSIS

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Superiority

- It is the easiest pharmacoeconomic analysis to carry out because the outcomes are assumed to be the same.
- Just compare prices

Weakness

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- Just compare prices

CMA

Cost-minimization analysis is not appropriate for comparing drugs from different therapeutic classes if different outcomes exist.

SPECIFICATION

- Unit of measurement of cost: Monetary
- Outcome unit of measurement: Assumed to be equivalent in comparable groups

Example

Comparing 2 types of generic drugs that are rated as equivalent by the FDA or similar agencies. These two generic drugs are manufactured and sold by 2 different companies

Type of costs	Costs for Outpatients Mean (n = 40) (Standard Deviation)	Costs for Inpatients Mean (n = 36) (Standard Deviation)	Statistical Difference
Labor costs	$575 (366)	$902 (482)	Yes; $p = 0.002$
Delivery costs	$471 (247)	$453 (236)	No; $p = 0.754$
Pharmacy costs	$150 (102)	$175 (139)	No; $p = 0.384$
Hospital costs	$3,835 (2,172)	$5,049 (2,060)	Yes; $p = 0.015$

CMA that compares outpatient and inpatient costs

Issue

- In the debate about cost-minimization analysis, some experts argue that outcomes are not measured. Therefore, this analysis is a partial economic analysis.
- When costs and clinical outcomes were measured, it was found that clinical outcomes were equivalent, it is more appropriate to use cost-effectiveness analysis

- Publications on cost-minimization analysis are rare. This is because the new intervention is no better than the old intervention.
- Also many analyzes of this kind are carried out In-House or by insurance companies to determine the lowest cost.

THANKS