

A Comparison of Cost- Effectiveness of Contraceptive Methods

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What Is Meant by the Term “Cost-effective”?

Relative term, not an absolute

- Requires that there is a comparison and that the comparison is relevant

Both costs and outcomes are assessed

- **Lower costs \neq cost-effective**
- **More effective \neq cost-effective**

Cost-effectiveness of FP Methods

What is meant when we say that a particular method is cost-effective?

- The costs of providing the method are lower per couple-year of protection (CYP) than the costs of providing other methods

Which costs are typically included in this calculation?

- The method itself
- “Installation” costs



Calculating Service Delivery Cost per CYP for Service Delivery



**Unit Service Delivery Costs =
Unit Cost of initial visit +
Unit Cost of follow-up visits +
Unit Cost of discontinuation visit**

Unit Cost per CYP = $\frac{\text{Unit Service Delivery Costs}}{\text{CYP for that FP Method}}$

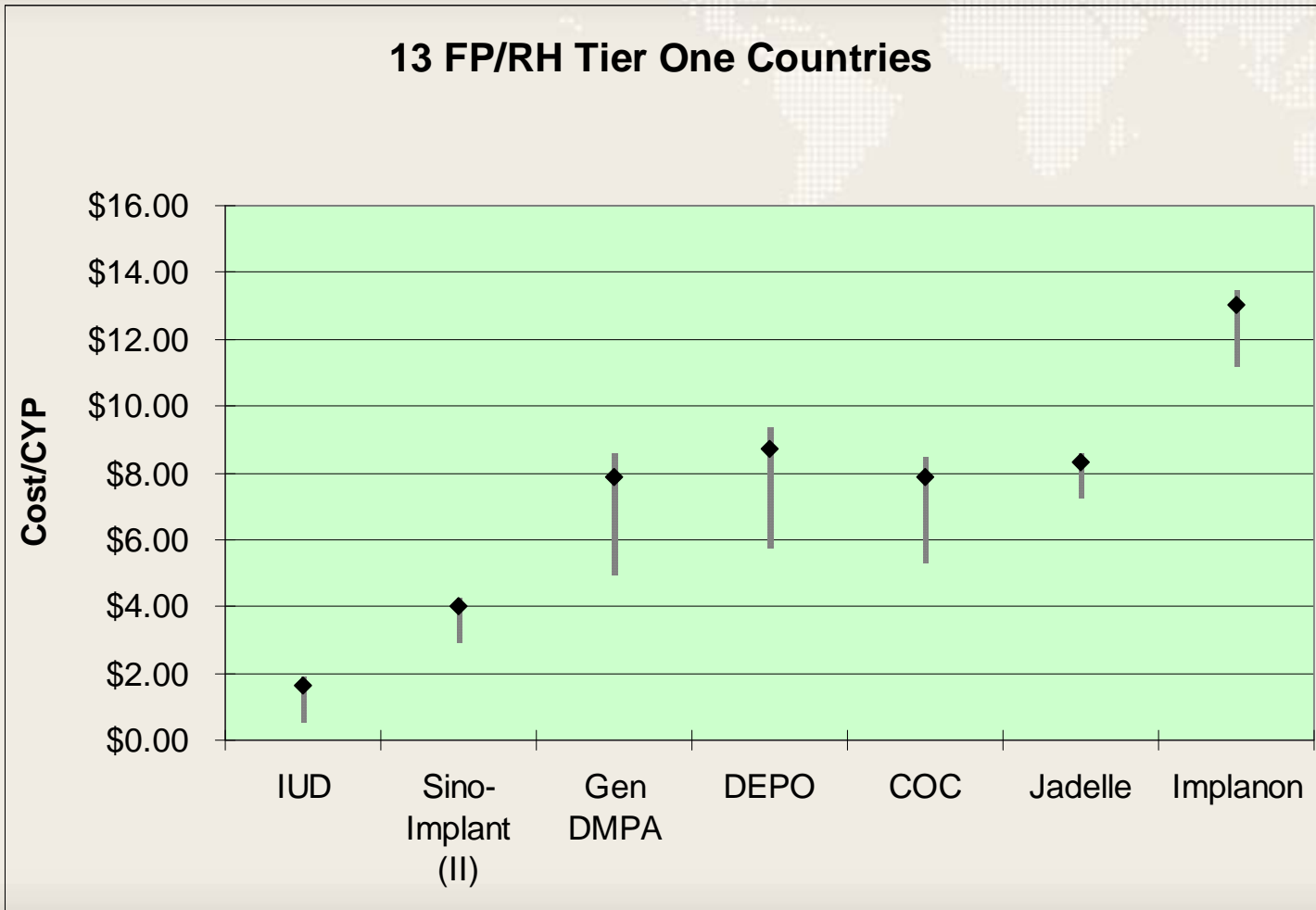
Data Used to Determine Service Delivery Costs per CYP of Selected FP Methods

Data sources:

- RH Interchange website for commodity costs
- UNFPA's RH costing model for costs of materials and supplies, labor time inputs, and annual staff salaries
- Standard conversion factors to convert methods into CYPs

Method	CYP Per Unit
Oral Contraceptives	15 cycles per CYP
DMPA	4 doses (ml) per CYP
Copper-T 380-A IUD	3.5 CYP per IUD inserted
Implanon Implant	2.0 CYP per Implant
Jadelle Implant	3.5 CYP per Implant
Sino Implant (II)	3.5 CYP per Implant

Service Delivery Costs per CYP of Selected FP Methods



But What's Missing?

What are the assumptions in this model that allow us to consider only service delivery costs?

Assumption: Providers are trained to provide all methods and no extra training (and no additional associated cost) is required for any method

Assumption: All methods are equally acceptable to clients and no special efforts are required to motivate use of any particular method

Adjusting Assumptions: Training and Demand Creation

Training Costs: Some methods require more training to provide than do others. A list from most difficult to easiest might look like the following:

- Tubal ligation
- Vasectomy
- IUD
- Implants
- Injectables
- Pills

Demand Creation

Costs: Some methods require special efforts to promote their use. These certainly include the following:

- Vasectomy
- IUD

The costs of training and demand creation should not be ignored

What additional costs should be included in comparisons of costs?

Pro-rated costs of training

- Costs of the training program
- Number of providers trained
- “Life” of the training (retention, job changes)
- Incremental number of procedures performed

Pro-rated costs of demand creation

- Costs of demand creation (development of programs and materials, implementation of programs)
- Time period during which use of method increases
- Incremental number of extra units of method provided during this time period

Revised Model for Calculating

Calculating Cost per CYP by including cost of increasing demand for the method **PLUS** training providers to deliver the method **PLUS** service delivery. Therefore...



Unit Cost per CYP =
Unit Costs of Demand Creation +
Unit Costs of Training Providers +
Unit Service Delivery Costs
÷ CYPs for that FP Method

Identifying “Threshold” Values

- Demand creation and training costs will vary based on context, activities involved and resources required
- Modeling will allow us to identify threshold values for the methods that require extra demand creation
- We will identify range of what unit demand creation and training costs might be based on literature and field experience

Threshold if Demand Creation Costs Added: IUD vs. Sino-Implant (II)



If demand creation costs for the IUD equal more than \$8 per additional user, then Sino Implant (II) becomes more cost-effective per CYP

Next Steps

- We need data on demand creation campaigns and their costs
- We need data on training programs and their costs

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Thank you!