

## **Efficiency and Effectiveness of HIV/AIDS Policies and Interventions**

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### **Why focus on efficiency and effectiveness?**

Efficiency is one of the key underpinnings of economic theory. Economists argue that the achievement of greater efficiency from scarce resources should be a major criterion for priority setting (Palmer and Torgerson 1999). In the health sector, efficiency measures whether healthcare resources are being used to get the best value for money. In the current context of scarce resources for development, achieving better value for money for HIV/AIDS services, programmes and policies is essential.

### **What do we mean by efficiency and effectiveness?**

Technical efficiency is defined as the ability to produce a given level of output with a minimum quantity of inputs. Allocative efficiency refers to the ability to choose optimum input levels for given factor prices. It takes account not only of the productive efficiency with which healthcare resources are used to produce health outcomes but also the efficiency with which these outcomes are distributed (Palmer and Torgerson 1999). Effectiveness generally refers to the ability of an intervention to achieve its desired outcome. Cost-effectiveness analysis (CEA) is a form of economic analysis that compares the relative costs and outcomes of two or more interventions or courses of action. In relation to HIV/AIDS, cost-effectiveness studies most often evaluate prevention measures on the basis of cost per infection averted, quality or disability adjusted life-years (QALYs, DALYS).

### **What are some of the key issues relating to the effectiveness and efficiency of the AIDS response?**

- There is much room for improvement in the efficiency of the global HIV response, both at an international, national and district/facility level. Today, we have many more tools at our disposal to increase efficiency than we did in the past. We must urgently make these tools available to implementers of HIV services and programmes.
- There is limited evidence available on the cost-effectiveness of key HIV/AIDS services. This is in part due to the difficulty of obtaining accurate epidemiological and cost data.
- There is a trade-off between producing more consistent cost data and doing more sophisticated analyses with the data that we currently have. Greater harmonization of existing and future cost data is necessary across agencies and countries.
- We know that there are large variations in costs between countries and within countries (at the district/facility level). ARVs continue to be major cost drivers, so efforts to collectively drive prices down must persist.
- There is limited evidence to support further scale-up and sustainability of integration of voluntary counselling and testing (VCT) and sexual and reproductive health in a wide variety of settings.
- Performance-based financing shows promise for both treatment and prevention of HIV, but more systematic evidence is necessary.

## **What do we still need to find out?**

More research is needed in the following areas:

- Cost-effectiveness analysis on new WHO guidelines relating to initiation of ARV treatment and on adherence to treatment.
- More systematic analyses (meta-analyses, meta-regressions) to examine facility-level ART costs as well as to explore the effectiveness of risk-factor interventions in reducing HIV/AIDS vulnerability.
- Look beyond the field of HIV/AIDS to learn more about technical efficiency.
- Further explore evidence on performance-based financing. One example would be to use conditional cash transfers to improve ART adherence.
- Exploration of how integration of HIV services impacts effectiveness, what are the best methods of implementation and whether gains can be made at scale.

## **What we are doing to explore the efficiency and effectiveness of the HIV/AIDS response?**

The UNAIDS/World Bank Economics Reference Group (ERG) brings together high-calibre economists and practitioners to provide expert advice and inform policy makers on the latest findings and research trends to inspire evidence-based interventions. Its last meeting took place in Geneva on 7 and 8 March 2011. The meeting discussed the efficiency and effectiveness of AIDS policies and interventions at length. It aims to produce a set of policy recommendations to guide the future programmatic and research direction of the sponsoring bodies.

### **References:**

Palmer, S., Torgerson, D., (24 April 1999). "Definitions of Efficiency." *British Medical Journal*. 318: 1136. <http://www.bmj.com/content/318/7191/1136.full>

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<http://www.heard.org.za/research/economics-reference-group/eighth-meeting>