

Tuesday, October 14, 2014, 9 AM to 4 PM

Level: Beginner

Evaluating the costs of programs is the missing link between doing a superficial evaluation and doing an evaluation that gets changes made and funding delivered. Evaluating the monetary outcomes of programs can help, too. Once you have measured costs and perhaps benefits, adding cost-effectiveness, cost-benefit, and a cost-utility analysis to your evaluation is just a few more steps.

There is a bit more to it than that—but this is where this skill-building workshop can really help! You will finish this workshop knowing what "cost studies" all too often are, and what cost-inclusive evaluation can and should be. You will see how evaluations that include resources used the program, plus resources generated by the program, can help programs flourish. In addition, you will understand the basic tools for conducting and using several forms of cost-inclusive evaluation in your program and in your decisions.

You will learn:

- What a "cost study" is and can be. More specifically, how to recognize, interpret, and use findings from basic analyses of cost, cost-effectiveness, cost-benefit, and cost-utility
- To design and conduct basic evaluations that include costs of programs as well as the monetary and other universal outcomes resulting from programs, including how to communicate findings from cost-inclusive evaluation in simple graphic as well as numeric modes
- To recognize and avoid or recover from pitfalls common in cost-inclusive evaluations, including political and ethical problems
- To anticipate, understand reasons for, and work with resistance to cost-inclusive evaluation

## Brian's Basics

*Definitions & Examples*    *So we're speaking more similar languages.*

Program:	An effort to help people do better than they otherwise would. All programs have costs and outcomes. <i>Examples:</i> HeadStart, therapy, AA, smoking prevention, drug abuse prevention.
Costs:	The value of what it takes to make the program happen. Time of skilled providers, space for meetings, communications services like phones and computers, liability insurance, administration (including accounting and human resources). The amount of money actually spent to assemble providers, space, and other resources is usually called the cost of the program. This may not include valuable resources such as volunteers' time, space rented at below-market values, and donated food, transportation, and equipment.
Outcomes:	What the program is trying to accomplish for their clients, for the community, and for the program's funders. Outcomes can be measured in monetary units, and can be monetary, but need not be. <i>Examples:</i> reduce bullying and assaults, get jobs, improve income, reduce unnecessary Emergency Room visits, cut down on unnecessary use of hospital and doctor services, reduce crime, arrests, and days in jail.
Effectiveness:	Outcomes that aren't money and that aren't converted into money or measured with monetary units. <i>Examples:</i> reduce bullying and assaults, reduce Emergency Room visits.
Benefits:	Outcomes that are money. Examples: improved income, savings in health care expenses due to reduced Emergency Room visits, savings in income support payments no longer needed due to employment, savings in criminal justice costs due to less crime, fewer arrests, and less jail time.

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Assessment:	<p>Measuring something that's of possible importance. Examples: People can be assessed for their health, their mental health, their intoxication, their mechanical skills, and what they know. Programs can be assessed for how well they accomplish their goals – for example, how many clients achieve the desired outcomes.</p> <p>For programs, assessment asks what the program does compared to no program, and compared to other programs already in place. It's possible that a well-intentioned program doesn't help people do better than they already are doing, either because of another program already in place or because the people are getting better on their own.</p> <p>Some programs even hurt people, even though the program was designed to help and seems like it should help. Without assessment of a program, you just don't know. Example: HeadStart evaluations.</p>
Cost-Effectiveness:	<p>A type of program assessment that asks, "What does this program accomplish relative to its cost?" Examples: cost per drug-free day, cost per child prevented from smoking, cost per year of life saved, cost per quality-adjusted life year.</p>
Cost-Benefit:	<p>A type of program assessment that asks, "Is the cost of this program justified in terms of the value of its outcomes?" Examples: ratio of dollars spent for therapy versus dollars saved in reduced unnecessary use of health services, net benefit (after subtracting costs) of diversion program for homeless adults (in terms of reduced use of Emergency Room and jail).</p>
Cost-Utility:	<p>Program assessment that asks, "What is the cost of producing an improvement in an outcome that is defined similarly for all programs being compared or to which the program may be compared – an outcome that is not monetary or monetized but a common accepted measure of program results. Examples: \$ per Quality-Adjusted Life Year (QALY) gained.</p>

**Whys of cost-inclusive evaluation (write → pass to right → read → react)**

<b>why it's asked for more and more</b>	<b>why cost-inclusive evaluation is necessary</b>
<b>why we do it all the time anyway, if not so thoroughly</b>	<b>why some programs, and individuals, resist cost-inclusive evaluation</b>

**Resource Use**

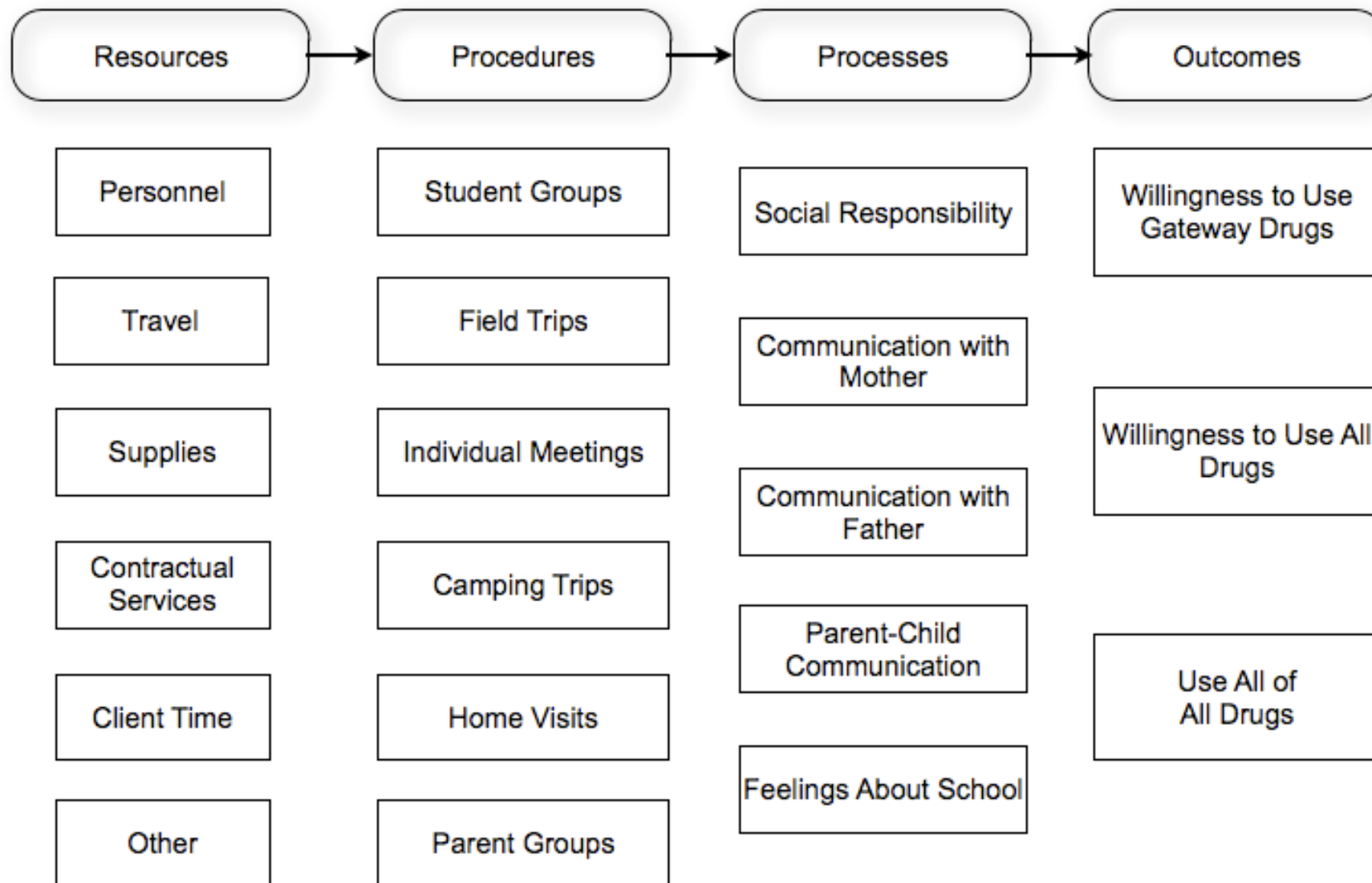
Resources ↓	← Activities →				Total of Resources
	Individual Counseling	Group Counseling	...	Evaluation	
Personnel			...		
Space			...		
...			...		
Total Cost of Direct Services			...		
Administration			...		
Total of Resources					

## Unit Costs

Resources ↓	← Activities →				Total of Resources
	Individual Counseling	Group Counseling	...	Evaluation	
Personnel			...		
Space			...		
...			...		
Total Cost of Direct Services			...		
Administration			...		
Total of Resources					

## Resource Use x Unit Cost = Resource Cost

Resources ↓	← Activities →				Total of Resources
	Individual Counseling	Group Counseling	...	Evaluation	
Personnel			...		
Space			...		
...			...		
Total Cost of Direct Services			...		
Administration			...		
Total of Resources					





**The Resources → Activities → Process → Outcome Analysis (RAPOA) Model...**

Resources	Activities	Processes	Outcomes
What you buy or use for consumers	What you do with consumers	What happens in consumers	What consumers do, do more, do less, and stop doing, afterwards

Program being analyzed: \_\_\_\_\_

***Resource → Activity → Process → Outcome Analysis***

Resources	→	Activities	→	Processes	→	Outcomes

**Program being analyzed:** \_\_\_\_\_

***Resource → Activity → Process → Outcome Analysis variables lists***

Resources	→	Activities	→	Processes	→	Outcomes
<u>PARTICIPANTS: SERVICE PROVIDERS'</u> <ul style="list-style-type: none"> <li>• Time</li> <li>• Transportation time and transportation expenses</li> <li>• Paperwork time</li> <li>• Childcare</li> <li>• Phone</li> </ul> <u>OTHER CLINICAL AND ADMINISTRATIVE RESOURCES</u> <ul style="list-style-type: none"> <li>• Time</li> <li>• Time preparing materials</li> <li>• Duplication of materials</li> <li>• Space</li> <li>• Food</li> <li>• Advertising</li> <li>• Childcare</li> <li>• Transportation</li> <li>• Postage</li> <li>• Consultants, Advisors</li> </ul>		<ul style="list-style-type: none"> <li>• Group therapy</li> <li>• Individual therapy</li> </ul>		<ul style="list-style-type: none"> <li>• Self-efficacy increases</li> <li>• Depression decreases</li> <li>• Anxiety decreases</li> </ul>		<u>PROXIMAL (SHORT-TERM) OUTCOMES</u> <ul style="list-style-type: none"> <li>• Reduced undesirable behaviors</li> <li>• Increased desirable behaviors</li> </ul> <u>DISTAL (LONG-TERM) OUTCOMES</u> <ul style="list-style-type: none"> <li>• Reduced use of health services</li> <li>• Reduced use of social services</li> <li>• Reduced use of criminal justice services</li> </ul>

Version: \_\_\_\_\_

Resource → Activity  
Assessment Matrix

RESOURCES			ACTIVITIES													
Type of Resource (per month)		Source of data on resource expenditure														
PARTICIPANTS'	Time															
	Transportation															
	Childcare															
PROVIDERS'	Time															
	Transportation															
	Paperwork time															
	Childcare															

Resource → Activity Assessment Matrix ( <i>continued</i> )		ACTIVITIES											
RESOURCES ( <i>continued</i> ) OTHER CLINICAL AND ADMINISTRATIVE RE- SOURCES													
<i>Type of Resource (per month)</i>	<i>Source of data on re- source expenditure</i>												
Time													
Duplication of materials													
Space													
Food													
Advertising													
Childcare													
Transportation													
Postage													
Presenters, Consultants, Advisors													

[illegible]

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**Ethics of cost-inclusive evaluation (write → pass to right → read → react)**

ethical problem #1:	solution(s) for ethical problem #1:
ethical problem #2:	solution(s) for ethical problem #2:



## References for Cost-Inclusive Evaluation

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## Websites for Cost-Inclusive Evaluation

NIDA (National Institute on Drug Abuse) manual for cost-inclusive evaluation, with worksheets. (Manual is downloadable.)

<http://archives.drugabuse.gov/IMPCOST/IMPCOSTIndex.html>

Tufts University CEA Registry, at their Center for the Evaluation of Value & Risk in Health: <https://research.tufts-nemc.org/cear/default.aspx>

My Program Evaluation Research Lab (PERL) site: <http://brianyates.net/PERL/>

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