

Assessing the Broader Economic Impact of Investment in Healthcare Interventions

How Input-Output Modelling Complements HTA

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In the past, health expenditures have been discussed politically only as a cost and not as an investment in sustainable development and growth



Governments aiming to keep costs down

Over 80 percent of current health spending from pooled sources

Public budgets on health are overstretched across the globe



Increasing health expenditures are necessary to achieve SDGs

SDG 3 “Ensure healthy lives and promote well-being for all at all ages”

Annual new investments of up to \$371 billion are required in lower- and middle-income countries to achieve SDG 3 (WHO estimate)

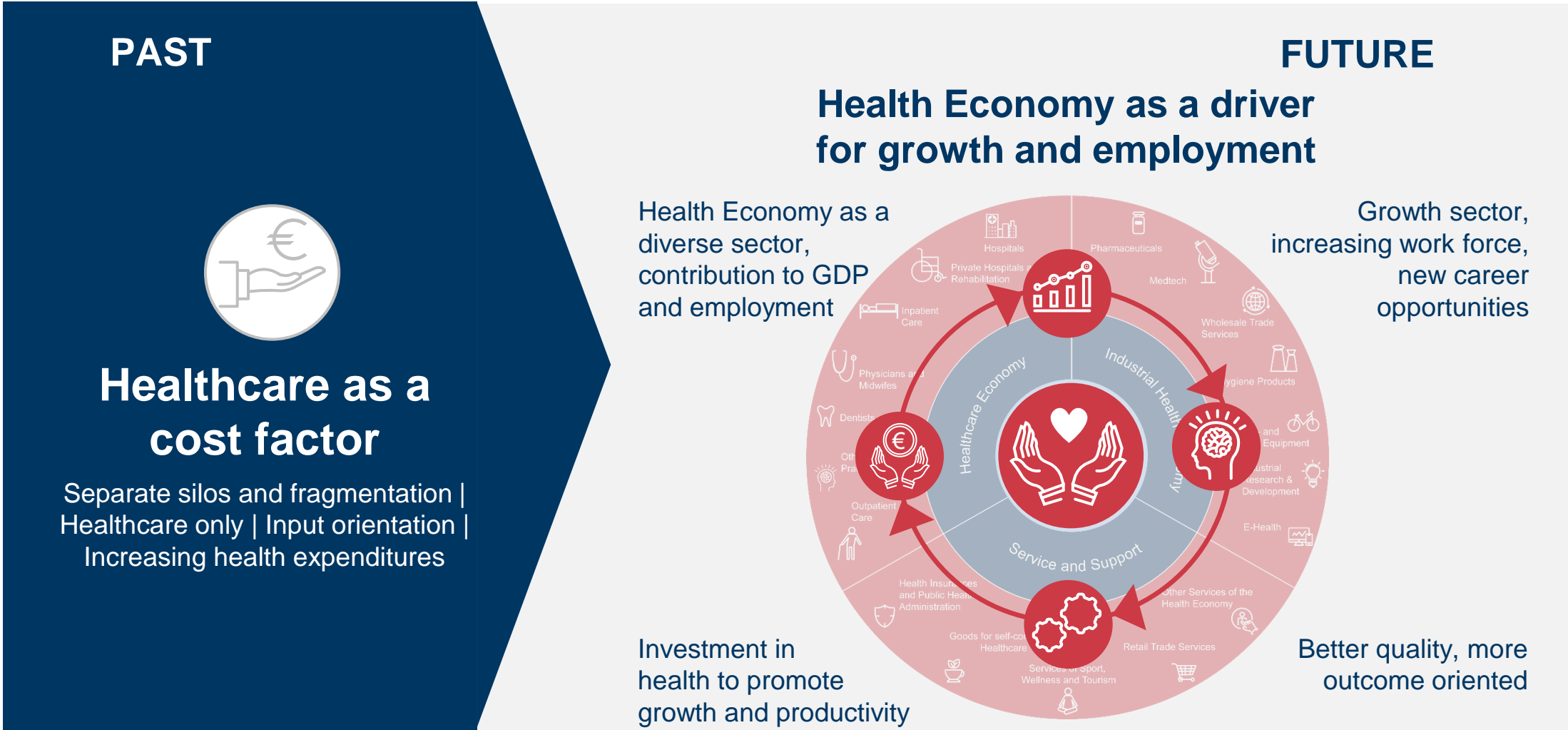


Health expenditures are expected to increase to USD 11.0 trillion by 2030

Health spending set to outpace GDP growth

Convincing the right stakeholders to invest in health and smart, value-adding solutions is decisive for sustainable growth

WifOR is fostering a paradigm shift in health – from a cost factor to a driver for growth, innovation, wealth, and prosperity with better health

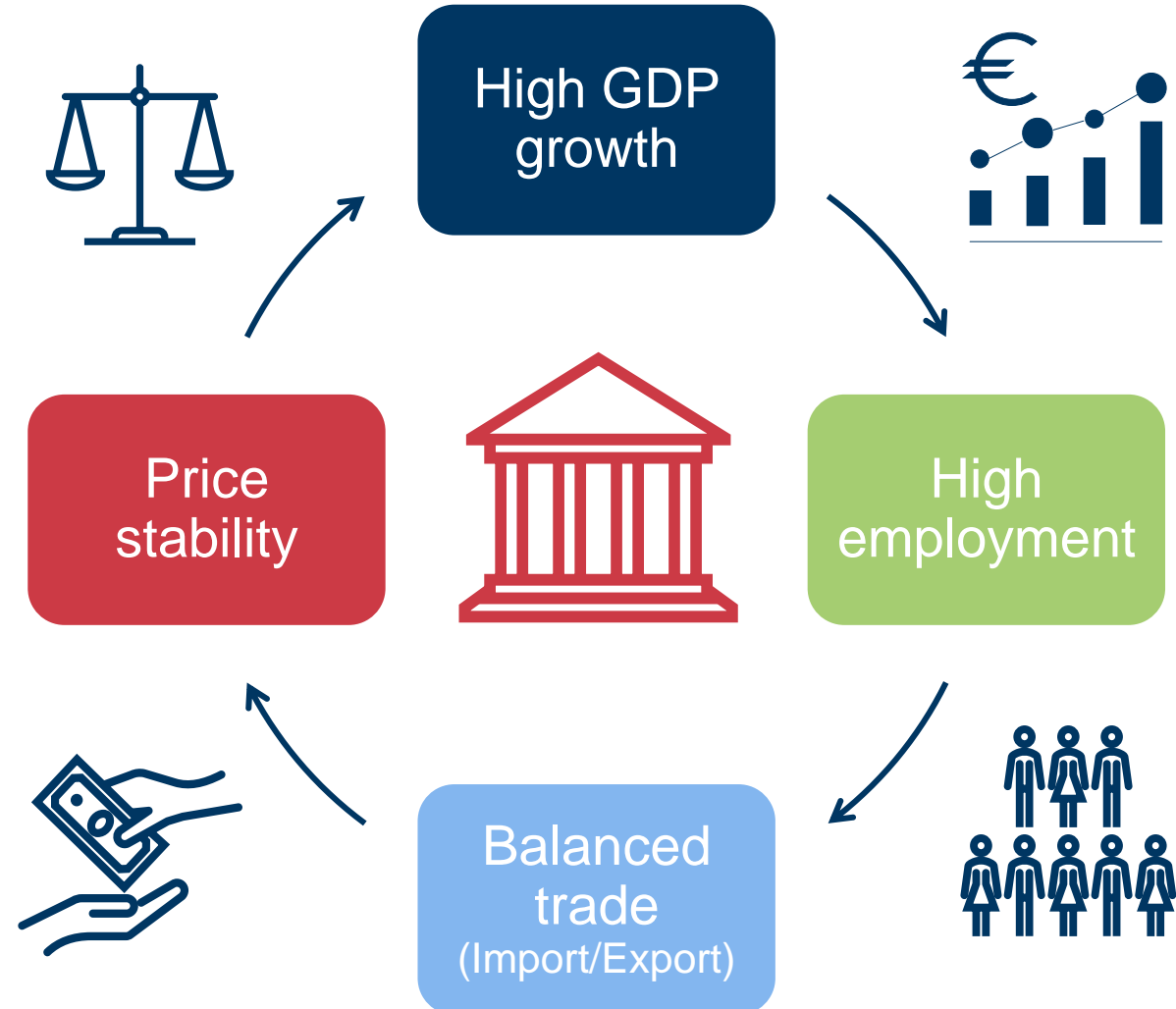


Source: WifOR own illustration, following Henke, Neumann, Schneider et al. (2010).

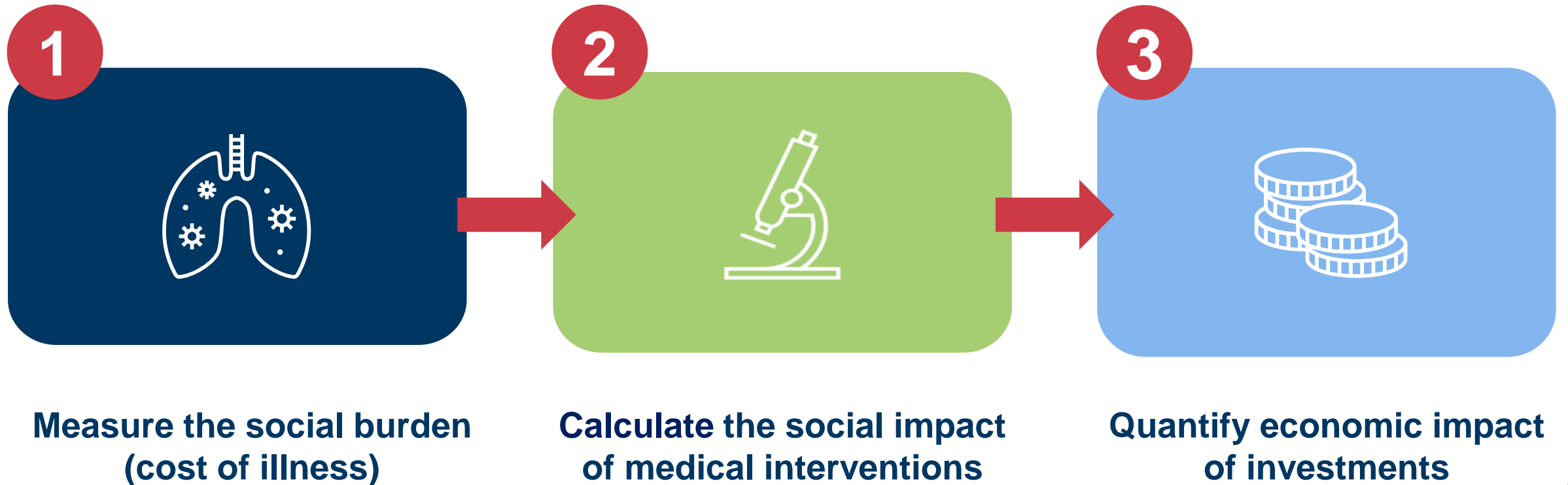


Rethinking value assessment of health interventions

How could new approaches to assess the return on health investments support policy decision-making within and beyond the healthcare sector?



Return on Investment (ROI) – Health metrics should be established and integrated into e.g., the EU Semester



New evaluation approaches should complement traditional HTA

Traditional HTA



- well-established evaluation approach to enhance efficiency but:
- incomplete assessment of broader economic gains
- focus on curative care limits applicability to preventive measures
- foregoes societal dimension of improved population health

New approaches should

- address macroeconomic value of health investments
- incorporate societal value of health interventions
- provide a framework to assess value of preventive healthcare

- Value assessment understandable for a broad range of stakeholders within and beyond healthcare systems
- support policymakers to optimize resource allocation for enhanced population health
- shifting from a cost-centric perspective to an understanding of health interventions as motor of social and economic growth

Broader economic benefits of investing in health, cancer control, and HPV vaccination for cervical cancer – simulated effects

				
	UK	India	Malaysia	Nigeria
Investment Million US\$	134	756	16	100
Million US\$ - 2022 Prices (Thousand employees)				
GVA contribution (Labor force contribution)	Effect inside the HE	107 (2)	605 (71)	13 (0)
	Effect adjacent sectors	62 (0)	314 (40)	5 (0)
	Effect induced income	78 (0)	230 (44)	5 (0)
Country- specific ROI	1.84	1.52	1.44	0.96

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1 Presentation of the speakers

- i. **Why do we need a broader value assessment from the perspective of the pharmaceutical industry?**
Amit Kulkarni, Otsuka, Princeton, NJ, United States
- ii. **What are the health industry's investment effects at the state level in the US?**
Billy Leung, MA, REMI, Amherst, MA, United States
- iii. **Use case: the broader value of Alzheimer disease treatment**
Karam Diaby, BSc, MSc, PhD, Otsuka, Princeton, NJ, United States

2 Guided discussion

3 Q&A with the audience

Question to Karam



Your work extends traditional health economic evaluations using Input-Output (IO) modelling. Could you briefly walk us through what this approach adds to a traditional budget impact analysis, especially in the Alzheimer's disease context?



Question to Billy



What are the barriers to implement IO modelling in traditional HTA and how can these be addressed?



Question to Amit



What would be the next crucial step to implement new evaluation approaches?



Questions to the panelists:



- 1. What are some positive examples of where we've seen a value-driven health ROI approach?**
- 2. Which benefits could a new approach to valuing preventative health interventions bring for other areas of civil society, for example education or climate action?**

Thank you

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