Monetary value of life years in full capability applying the well-being valuation approach in Hungary

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OBJECTIVES

The use of the capabilities approach in the health economic evaluation space has steadily been gaining momentum. When compared to the more frequently used health measure Quality Adjusted Life Year (QALY), it has been hailed for including a wider range of health and social factors and providing broader evaluative potential for measuring well-being. The main goal of the paper is to determine the monetary value of a year in full capability (YFC).

METHODS

Data from a cross sectional, representative online survey among Hungarian population (aged 18 and over) was used. The well-being valuation approach uses econometric regression analysis technics to estimate the relationship between utility and capability and income. The Satisfaction with Life Scale (SWLS) well-being measure was used as proxy of the utility. The independent variables that were chosen to be regressed to the wellbeing measure were income and ICECAP-C (ICECAP-A <65y and ICECAP-O >65y) while controlling for age, gender, education, employment, residence and social support. The coefficient estimates were then converted to monetary value of YFC (in Euro 2020).

RESULTS

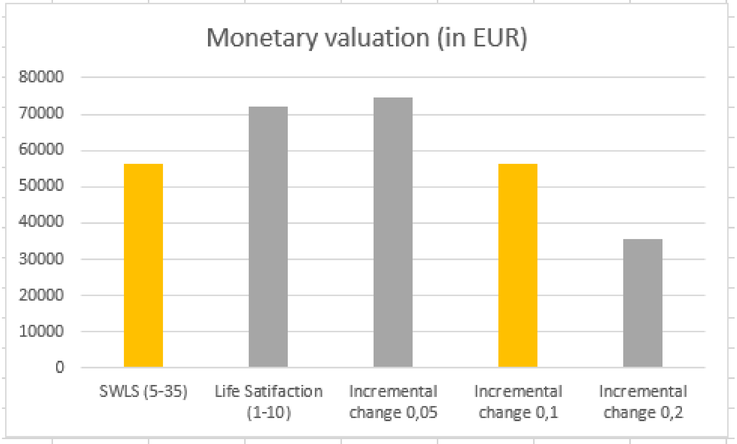
In total, 2001 respondents participated in the study. Of them, 53% were female and the average age was 48.15 (SD=16.62). The standardized regression coefficient for the ICECAP-C was positive (13.82) and significant (p<0.001). The shadow price calculated for a YFC was €56,413.

Table 1.
Linear regression on SWLS for health and capability

Dependent variable: **SWLS**, n= 1721, R^2= 0,43

	Coefficient	P-Value
Intercept	-8.87	0.01
Log Income	1.04	0.00
Age	-0.03	0.53
Age squared	-0.00	0.94
Male	-0.77	0.00
Secondary (education)	0.195	0.57
Tertiary (education)	1.70	0.00
With partner (Marital)	0.73	0.01
Employed (Employment)	0.00	1.00
Student (Employment)	-0.5	0.60
Disability (Employment)	0.33	0.64
Other (Employment)	-2.38	0.02
ICECAP-C	**13.82**	**0.00**
FSSQ	1.06	0.00

Figure 1.
Monetary value of a YFC



CONCLUSION

A significant difference between the monetary value of a QALY and the monetary value of a YFC was observed. The monetary value of a QALY, calculated in the same study, was €35,886. A Dutch study found the YFC to be €59,251, which was similar to the value calculated in this paper. .