

Is the Willingness to Pay for Years of Life in an Extreme Situation of the COVID Pandemic Closures Similar to the Willingness to Pay in Situations of Ordinary Basis?

Comparison By Population Groups

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Background

The question of Willingness-to-Pay (WTP) for a Life Year (LY) is first and foremost an ethical and moral question. A question that should be avoided as much as possible during the actual treatment of the patient and during the patient-therapist interpersonal encounter. However, it is an important question for macroeconomic decisions at the national level. The non-existence of this information prevents optimal decisions regarding the correct utilization of limited public resources.

The purpose of the study

To estimate the (WTP) of Israeli adults for one human LY, in two contexts: COVID pandemic closures and Ordinary basis, in order to bring people's preferences to the regulatory decisions.

Research Methods

A survey among 2,200 Israeli adults (Arabic or Hebrew speaking) was performed in March 2022. Respondents were allocated randomly to one of two on-line based questionnaires:

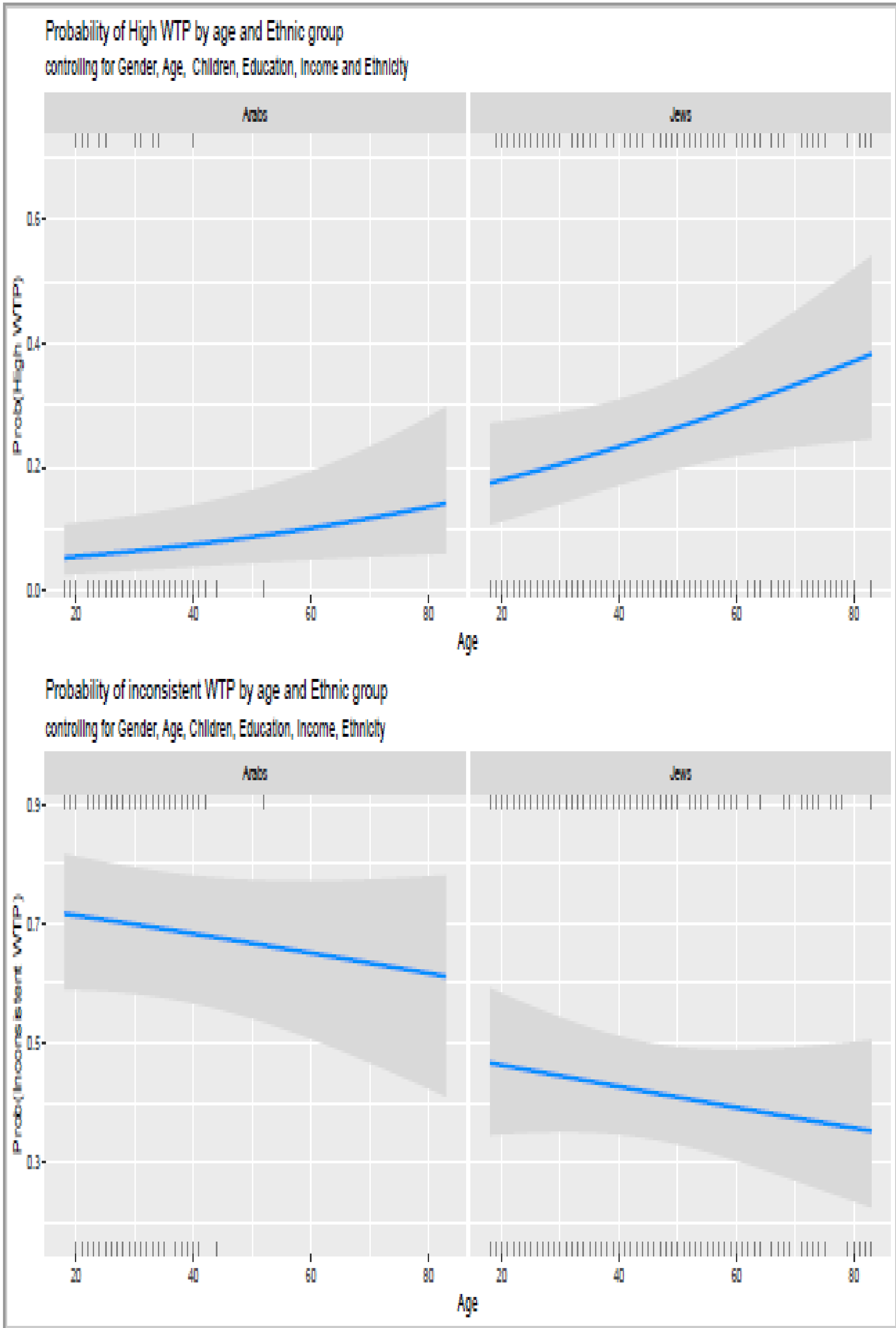
- A. Hypothetical scenarios of closures due to pandemic in which they were provided with 3 choice sets; each with 2 alternatives. Each alternative consisted of combinations of three attributes: lock-down severity (low/medium/high), number of LYs saved and increase in the tax income.
- B. Second questionnaire provided different health reforms scenarios with number of LYs saved attached to each, in which the interviewees stated preferences of their WTP.

The independent variables included: age, gender, ethnicity, education, risk perception and health state.

Results

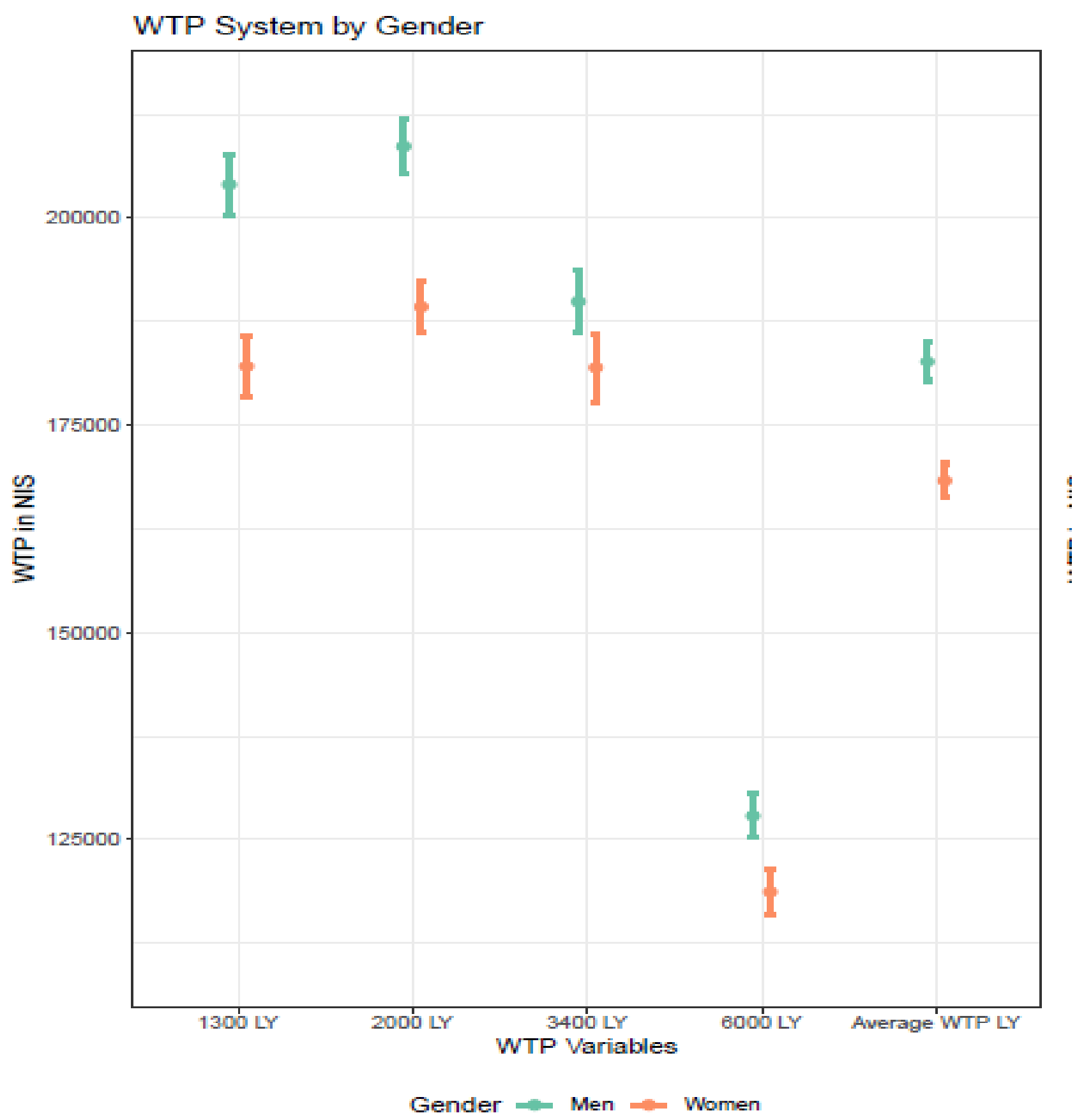
- 34% always choose the lowest alternative of WTP (Low)
- 26% always choose the highest (High).
- 40% choose inconsistently between the alternatives.
- The adjusted odds of being inconsistent or Low compared to High were significantly higher among those with low education, no kids, an Arab origin. (see figure 1)
- Women and Arabs tend to state lower prices.
- The Median WTP for saving one LY among those who answered the ordinary basis scenarios (47,900€) was lower than in the pandemic scenarios (58,900€).

Figure 1: High/Inconsistent WTP by Age & Ethnicity



Results (Cont')

Figure 2: High/Inconsistent WTP by Gender & Health program



- Regardless of the size of the different health reforms scenarios introduced, women were willing to pay less than men for a year of life.

Table 1: High/Inconsistent WTP by Age & Ethnicity

WTP for LY System	
Dependent variable:	
AVG_WTP_system	
WTP system	
Gender:Women	-13,111.770*** (-19,375.650, -6,847.887)
Chronically ill	9,509.926** (1,167.730, 17,852.120)
More than one Doc visit	-1,833.992 (-8,372.101, 4,704.116)
Nationaliy:Jews	-3,950.149 (-11,582.710, 3,682.415)
No children	-4,316.625 (-11,099.140, 2,465.886)
Constant	186,205.900*** (177,753.400, 194,658.400)
Observations	1,272
R2	0.021
Adjusted R2	0.017
Residual Std. Error	56,024.850 (df = 1266)
F Statistic	5.398*** (df = 5; 1266)
Note: ***p<0.01; **p<0.05; *p<0.1	

Multivariate analysis indicates that:

- Women were willing to pay less than men for a year of life
- Chronically ill are willing to pay more

Conclusions

In general, people tend to be more consistent and willing to pay higher prices in extreme situations, in addition, minority groups and those with a lower education state different preferences than the majority.

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