## Mental Health Measurement and Value for Economic Evaluation

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## Introduction

The extensive social consequences of mental health, as well as the multidisciplinary character of mental health therapies, confound costing methodologies in the economic evaluation of mental health interventions. The purpose of this paper is to provide a practical guide on costing methodologies for a wide range of care inputs and illness outcomes relevant to mental health treatment. The resources required to deliver mental health interventions vary greatly and are determined by treatment venues, treatment providers, and format. When analyzing the costs of a specific mental health illness or evaluating strategies to address it, it is critical to establish the most relevant perspective. We highlight five important cost categories that are influenced by mental health and examine current challenges in resource use measurement and valuation, such as data sources and resource use instruments. Economics and mental health are inextricably linked. Apart from mounting proof of the enormous economic illness, and growing acknowledgment of the influence that economic circumstances can have on mental health, governments and other budget holders are increasingly relying on economic data to inform their decisions. In this section, we discuss how economic evaluation might provide evidence for the formulation of mental health policy strategies, as well as highlight specific treatment or care-level outcomes that are relevant to service providers and funding authorities. We present an update and reflection on economic evidence linked to mental health from a lifespan perspective, assessing costs and outcomes to shed light on several current concerns. Health economic evaluation has been established as an approach to assist policymakers, payers, and others in making efficient allocation decisions among competing healthcare interventions or programs. Rather than mandating and prescribing specific conclusions, it seeks to provide an economic evidence base on which to base conversations. Along with other important issues like effectiveness, the severity of sickness, patient preferences, and equity, these talks should take into account 'opportunity costs': the health gains lost by not spending the same resources on other programs. In the framework of reimbursement choices, health economic evaluation has become vital and has seen tremendous progress in recent

# **Economic evaluation**

Several countries now commonly demand proof that an intervention provides good value for money in terms of insurance coverage. Economic evaluation evidence has become a crucial predictor of real financing decisions. Health economic evaluation is a 'container concept,' encompassing a wide range of methodologies. First, there are partial evaluations, which provide information on the financial implications of illnesses and interventions but not on their efficiency.

Cost-of-illness studies, for example, assess the entire expenditures attributable to a condition, or how much an average patient costs the healthcare system or society. Cost comparisons assess interventions based solely on their financial impact, with no regard for the health consequences of the alternatives being compared. These partial evaluations can be useful in determining ways to save expenses, but they do not measure the valueadded for the money invested. As a result, they provide little guidance on how to allocate resources efficiently. The field of mental health economics has grown rapidly during the last 30 years, but significant knowledge gaps remain. Clearer evidence exists across the lifespan in the areas of perinatal depression identification-plus-treatment, risk-reduction of mental health problems in childhood and adolescence, scaling up treatment, particularly psychotherapy, for depression, community-based early intervention, and employment support for psychosis, and cognitive stimulation and multicomponent carer interventions for dementia. We extract the key problems that are encountered when attempting to translate evidence from research into policy or practice recommendations, and then into actual implementation in terms of better treatment and care. A small number of recurring and interconnected issues running across the literature on mental health disorders in childhood and adolescence are particularly relevant to a review of economic evaluation. First, there is an accumulation of epidemiological data on the hidden prevalence of such issues, with concomitant arguments about the existence of significant unmet demands for expert clinical treatment or other treatments. It is also frequently bemoaned that the several entities involved in the care and treatment of children and adolescents are not functioning in concert and that the resulting fragmentation of decision-making frequently leads to poor and costly outcomes. A natural corollary, informed by the realization that no health-care system in the world today is likely to be able to commit the billions of dollars required to meet all unmet needs, is that services for children and adolescents with mental disorders must be carefully targeted to ensure that they have the greatest impact on child and family health and quality of life. However, there is debate about the role of managed care in the delivery of services for children and adolescents, particularly whether it takes the form of increasing interference in the interaction between physician and patient in nations such as the United States of America. , where market forces have traditionally had some independence, or the development of "quasi-market" forces in nations such as the United Kingdom, which were historically dominated by tax-funded public health care systems. These interrelated elements would be instantly recognized by any economist as the familiar overture to expressions of the need for economic appraisal. Economic analyses can aid in making tough decisions about how to allocate scarce medical services and other resources among conflicting needs or purposes. Indeed, recognizing the need for cost-effectiveness and other types of economic evaluation is a new subject that is rising in many countries. Over the last few decades, the field of mental health economics has grown dramatically. The discipline has progressed considerably from an earlier "period of innocence." with apparently little understanding of resource scarcity by the research community, to a time of "unbridled critique," which denied economics as having any valid role to play in appraising therapy and care. There may have been an age of "undiscriminating exploitation," typified by methodological imprecision, low data quality, and hasty generalizations, but progress has recently been achieved (at least in some nations) toward a more constructive development of questions and more rigorous replies. There are also broader economic needs, prompted not simply by commercial or cost-cutting imperatives, but also by the need to inform a wide range of strategic, therapeutic, preventive, purchasing, and person-centered decisions. Better data, such as birth cohorts, more ambitious epidemiological surveys, clinical trials with embedded economic components, and provider or purchaser administrative records, are now available to input into economic evaluations and related investigations. There are also more effective evaluating approaches. Since 1987, the best-selling book on health economic evaluation has gone through four editions, more than doubling in size and documenting the significant advances in this field of study. In addition to improving empirical approaches, health economic assessors are becoming more willing to investigate inequities.

Another significant advancement has been the incorporation of different outcomes, such as for dyads and family members, as well as hedonic well-being, as well as a more critical examination of the validity of Quality-Adjusted Life-Year (QALY) metrics. Most crucially, the findings of economic evaluations have had a bigger influence in recent years, and there is now emerging potential for using economic data to promote mental health policy or practice reform in many nations. These developments necessitate a review and reflection on mental health econ-

-omics. Despite positive progress, major evidence gaps remain regarding the economic rationale for many areas of mental healthtreatment and care, with evidence also being unevenly distributed globally and translated sluggishly across health care, social care, and other implicated systems. In this paper, we present an overview of existing understanding in mental health economics, discuss evidence gaps and recent research trends, identify areas for further research, and provide policy and practice recommendations.

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